

MAP NO. ASSESSMENT REPORT

I.S.N. 134695
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092048

RELEASED

PROSPECTUS X

MINING DISTRICT:

WATSON LAKE

CONFIDENTIAL

TYPE OF WORK:

GEOLOGICAL EVALUATION

105 B 4

OPEN FILE

REPORT FILED UNDER: A.M.P. Exploration and Mining Co. Ltd.

DATE PERFORMED: July 5-8, 1983

DATE FILED: November 30, 1985

LOCATION: LAT.: 60°02'N

AREA: Swift River

LONG.: 131°35'W

VALUE \$:

CLAIM NAME & NO.: BARB 1-16 Y72101-117; BARB 17-24 YA21405-412; BARB 1-6FR, 20, 30
Y68725-32; LOG 20, 22 YA11229, 31; LOG 24, 26 YA11233, 35; LOG 45, 53
YA11378, 86; LOG 55 YA11388; LOG 90-92 YA11423-25; LOG 133 YA11466;
LOG 100-103FR YA55782-85

WORK DONE BY: R.W. Phendler

WORK DONE FOR: A.M.P. Exploration and Mining Co. Ltd.

DATE TO GOOD STANDING | REMARKS: #29 LOGJAM

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AMP EXPLORATION and
MINING CO. LTD.

LOGJAM PROPERTY
PROSPECTUS

092048

THE SECURITIES OFFERED FOR SALE THROUGH THIS PROSPECTUS MAY ONLY BE LAWFULLY OFFERED FOR SALE IN THOSE JURISDICTIONS IN WHICH THIS PROSPECTUS HAS BEEN ACCEPTED FOR FILING AND THEREIN ONLY BY PERSONS PERMITTED TO SELL SUCH SECURITIES.

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

NEW ISSUE

PROSPECTUS

**A.M.P. EXPLORATIONS & MINING CO. LTD.
660,000 Shares**

	Price to Public	Agent's Commission	Net Proceeds to Issuer (1)
Per Share	\$ 0.50	\$ 0.075	\$ 0.425
Total	\$330,000	\$ 49,500.	\$280,500.

(1) Before deduction of legal, audit and printing expenses payable by the Issuer estimated not to exceed \$10,000.00.

THE SECURITIES OF THE ISSUER MUST BE CONSIDERED SPECULATIVE SECURITIES. SEE THE CAPTION "SPECULATIVE ASPECTS" ON PAGE 4 OF THE ISSUER'S PROSPECTUS. AT PRESENT, THERE IS NO MARKET FOR THE SECURITIES OF THE ISSUER.

SEE THE CAPTION "OTHER MATERIAL FACTS" ON PAGES 23 TO 26 OF THE ISSUER'S PROSPECTUS FOR DETAILS OF SHARES HELD BY THE AGENT'S REGISTERED REPRESENTATIVE AS WELL AS OTHER IMPORTANT INFORMATION. **THE ISSUER'S MINERAL PROPERTIES ARE WITHOUT A KNOWN COMMERCIAL BODY OF ORE.**

THIS PROSPECTUS ALSO QUALIFIES FOR SALE TO THE PUBLIC AT THE MARKET PRICE OF THE SHARES AT THE TIME OF SALE ANY SHARES OF THE ISSUER WHICH THE AGENT MAY ACQUIRE PURSUANT TO THE AGENT'S WARRANTS. REFERENCE SHOULD BE MADE TO "SHARE OFFERING AND PLAN OF DISTRIBUTION" ON PAGES 1 TO 3 OF THIS PROSPECTUS.

IF ALL THE SECURITIES OFFERED BY THIS PROSPECTUS ARE SOLD TO THE PUBLIC, THIS ISSUE WILL REPRESENT 36% OF THE COMMON SHARES THEN OUTSTANDING AS COMPARED TO 30.3% THAT WILL THEN BE OWNED BY PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS. SEE THE CAPTION "PRINCIPAL HOLDERS OF SECURITIES" ON PAGES 20 TO 21.

ONE OR MORE OF THE DIRECTORS OF THE ISSUER HAS AN INTEREST, DIRECT OR INDIRECT, IN OTHER NATURAL RESOURCES COMPANIES. REFERENCE SHOULD BE MADE TO ITEM "DIRECTORS AND OFFICERS OF THE ISSUER" ON PAGES 10 AND 11 OF THIS PROSPECTUS FOR A COMMENT AS TO THE RESOLUTION OF POSSIBLE CONFLICTS OF INTEREST.

WE, AS AGENTS, CONDITIONALLY OFFER THESE SECURITIES SUBJECT TO PRIOR SALE, IF, AS AND WHEN ISSUED BY THE ISSUER AND ACCEPTED BY US IN ACCORDANCE WITH THE CONDITIONS CONTAINED IN THE AGENCY AGREEMENT REFERRED TO UNDER THE HEADING "SHARE OFFERING AND PLAN OF DISTRIBUTION" ON PAGES 1 TO 3 OF THIS PROSPECTUS.

AGENT

BRINK, HUDSON & LEFEVER LTD.
4th Floor, 700 West Pender Street
Vancouver, British Columbia

REGISTRAR AND TRANSFER AGENT
THE CANADA TRUST COMPANY
1055 Dunsmuir Street
Vancouver, British Columbia

DATED: November 30th, 1985

EFFECTIVE DATE: January 3rd, 1986

A.M.P. EXPLORATIONS & MINING CO. LTD.

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NAME AND INCORPORATION OF ISSUER

A.M.P. EXPLORATIONS & MINING CO. LTD. (the "Issuer") was incorporated on May 14, 1969 under the Company Act of the Province of British Columbia as Grey Copper Hill Mines Ltd. by registration of its Memorandum and Articles. The Issuer subsequently changed its name to A.M.P. Explorations & Mining Co. Ltd. on June 11, 1973.

The address of the head office of the Issuer is 11 Prospector Road, Whitehorse, Yukon.

The address of the registered and records office of the Issuer is 700 - 609 Granville Street, Vancouver, British Columbia, V7Y 1C3.

SHARE OFFERING AND PLAN OF DISTRIBUTION

The Offering

The Issuer, by its Agent, hereby offers (the "Offering") to the public, 660,000 common shares (the "Shares"). The Offering will be made within a period of 180 days after the date of issuance (the "Effective Date") of a receipt for this Prospectus by the Superintendent of Brokers for the Province of British Columbia ("Superintendent"). The Offering price of the Shares shall be \$0.50 per share.

Appointment of Agents

The Issuer, by an Agreement dated for reference the 25th day of November, 1985 (the "Agency Agreement") between the Issuer and Brink, Hudson, Lefever Ltd. (the "Agent"), 700 West Pender Street, Vancouver, B.C., has agreed to offer the Shares to the public as follows:

AgentParticipation

Brink, Hudson, Lefever Ltd. 660,000

In addition, the Shares offered under this Prospectus may be sold in the Yukon Territory by trading Directors of the Issuer or registered securities dealers.

The Agent has agreed to purchase from the Offering any shares not sold at the conclusion of the Offering. In consideration therefor, the Agent has been granted non-transferable share purchase warrants ("Agent's Warrants") entitling it to purchase up to 165,000 shares of the Issuer at any time up to the close of business 180 days from listing of the Issuer's shares on the Vancouver Stock Exchange (the "Exchange") or 12 months from the date of this Prospectus, whichever is earlier, at a price of \$0.55 per share.

The Agent's Warrants will contain anti-dilution provisions and provision for appropriate adjustment of the class, number and price of shares issuable pursuant to any exercise thereof upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares of the Issuer, or the payment of stock dividends.

The Agent will receive a commission of \$0.075 per share.

The Agent reserves the right to offer selling group participation, in the normal course of the brokerage business to selling groups of other licensed broker-dealers, brokers and investment dealers, who may or may not be offered part of the commissions or Agent's Warrants derived from this Offering.

The Issuer has granted the Agent a right of first refusal to provide future equity financing to the Issuer for a period of twelve (12) months from the Effective Date.

The obligations of the Agent under the Agency Agreement may be terminated prior to the completion of the Offering at the Agent's discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events.

Those persons holding more than a 5% interest in Brink, Hudson & Lefever Ltd. are Alan G. Thompson, Brian D. Graves, Francis A. Lefever, John L. Mathers, G. Douglas MacDonald and Fred G. T. Wong.

There are no payments in cash, securities, or other consideration being made or to be made to a Promoter, finder or any other person or company in connection with the Offering.

The Directors, Officers and other Insiders of the Issuer may purchase Shares from this Offering.

Additional Offering

The Prospectus also qualifies for sale to the public at the market price prevailing at the time of the sale any Shares purchased by the Agent hereunder and any of the common shares which may be acquired on the exercise of the Agent's Warrants at any time up to 180 days from the listing of the Issuer's shares on the Exchange, but not more than 1 year from the date of this Prospectus.

The Issuer will not receive any proceeds from the sale of any such shares by the Agent, all of which proceeds will in such event, accrue to the Agent.

DESCRIPTION OF SHARE CAPITAL

The authorized capital of the Issuer consists of 25,000,000 Common Shares without nominal or par value of which 1,173, 714 shares are issued and outstanding as of the Effective Date hereof. All shares of the Issuer, 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 or conversion rights and no provision for redemption, purchase for cancellation, surrender or sinking or purchase funds. Provisions as to the modifications, amendments or variation of such rights or such provisions are contained in the Company Act of the Province of British Columbia.

SPECULATIVE ASPECTS

The shares offered by this Prospectus must be considered speculative due to the nature of the Issuer's business. There is no assurance that the expenditures to be made by the Issuer will result in any discoveries of minerals in commercial quantities.

Mineral exploration and development is inherently speculative and carries with it many risks that even the most careful evaluation and management cannot overcome. There is no assurance that any production will be obtained. If production is obtained the prices received are subject to market fluctuations and therefore continued production may not remain economically feasible.

Mining operations generally involve a high degree of risk. Hazards such as unusual or unexcepted formations and other conditions are involved. The Issuer may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. Such liabilities may have a materially adverse effect on the Issuer's financial position.

SHARE CAPITAL STRUCTURE

<u>Designation of Security</u>	<u>Amount Authorized</u>	<u>Amount Outstanding as of June 30th, 1984 (date of balance sheet in Prospectus)</u>	<u>Amount Outstanding as of November 30th, 1985</u>	<u>Amount Outstanding If All 660,000 Shares are Sold</u>
Common	25,000,00	1,173,714	1,173,714	1,833,714*

* This figure does not take into account an additional 28,531 shares to be issued to Rebel Developments Ltd. as more particularly described under the heading "Particulars of Shares Issued for Other than Cash".

LOAN STRUCTURE

In consideration for a loan to the Issuer of \$120,000.00 by Armand J. Arsenault, Donald Cox and Robert L. Cook who are all Directors of the Issuer, the Issuer has granted to them the following:

- (i) Promissory Notes (the "Notes") due January 3rd, 1987 and paying interest at the rate of 15% per annum until the due date from the date the funds were advanced being the 29th day of September, 1983, in the amounts of:

Armand J. Arsenault	\$ 70,000.00
Donald Cox	40,000.00
Robert L. Cook	<u>10,000.00</u>
	\$120,000.00

- (ii) a security interest in certain of the Issuer's mining equipment to the extent of each person's loan. For a description of the major equipment securing these loans, refer to the heading "Description of Business and Property of the Issuer".

The loans had originally become due on January 3, 1985, but were extended until January 3, 1987 pursuant to an agreement dated March 21, 1985.

The loan monies advanced by Messrs. Arsenault, Cox and Cook were used to discharge a loan in an equivalent amount from the Bank of Montreal.

The Issuer has also received a loan in the amount of \$5,000 from the Bank of Montreal bearing interest at the Bank of Montreal prime rate plus 3%. The loan is repayable on demand.

PRIOR ISSUANCE OF SHARES

A. Cash Sales

The Issuer has sold no shares during the 12 month period prior to the date of this Prospectus.

During the period from the date of incorporation of the Issuer, May 14, 1969, to the date of this Prospectus, the Issuer sold the following shares for cash:

<u>Number of Shares</u>	<u>Price Per Share</u>	<u>Commissions Paid</u>	<u>Net Cash Received</u>
3	\$0.10	nil	\$ 0.30
<u>300,000</u>	\$0.15	nil	<u>\$45,000.00</u>
300,003			\$45,000.30

B. Particulars of Shares Issued for Other than Cash

The Issuer has issued a total of 123,714 shares as consideration for the acquisition of a Longyear #34 drill and the settlement of certain liabilities which were assumed by the Issuer by virtue of a Settlement Agreement reached with regard to the Barb/Logjam property.

The Issuer acquired the Longyear #34 drill and certain support equipment from Rebel Developments Ltd. ("Rebel"). In consideration therefor, the Issuer allotted a total of 34,286 shares in its capital stock to Rebel having a deemed value of \$1.75 per share. The shares were issued as follows: 31,469 shares to Rebel, and 2,817 shares to two companies controlled by Armand J. Arsenault. Mr. Armand J. Arsenault is also a 20% shareholder in Rebel. Armand J. Arsenault, Armand A. Arsenault, and Donald Cox are also shareholders in certain other companies which have received shares of the Issuer in settlement of accounts owing by the Issuer. For a more complete description, please refer to the heading "Other Material Facts".

Pursuant to the terms of the Settlement Agreement with Rebel, Rebel was entitled to retake possession of the drill and support equipment in the event the Issuer's shares were not listed on the Vancouver Stock Exchange on or before April 7, 1985. Pursuant to the terms of an agreement dated August 12th, 1985, Rebel has agreed to extend this date until April 7th, 1987 in consideration for the issuance of an additional 28,531 shares in the capital stock of the Issuer at a deemed value of \$0.50 per share. These shares have neither been allotted nor issued pending regulatory approval of this transaction.

By an Agreement made the 5th day of November, 1982, the Issuer and Pure Silver Mines Ltd. (herein "Pure Silver") reached a Settlement Agreement whereby in consideration for Pure Silver transferring all its equipment located on the claims, valued at the time according to the book values of Pure Silver in an amount of \$357,193.78, the Issuer agreed to assume certain of the liabilities of Pure Silver which totalled \$194,428.29 including a 10% contingency amount of \$17,675.31. In addition, the Issuer acquired 4 fractional claims staked by Pure Silver and a General Release for the Issuer from any suits or claims by Pure Silver. The Issuer also granted to Pure Silver, a 10% net profits interest in the claims as more fully described under the caption "Description of Business and Property of the Issuer".

All of the liabilities of Pure Silver which were assumed by the Issuer have been settled. Certain of the liabilities totalling \$25,671. were settled by transferring certain goods to Northern Mechanical Repairs Ltd. The balance of the liabilities, after deducting the contingency amount, totalled \$151,082., which balance was settled through the issuance of 89,428 shares of the Issuer at a deemed value of \$1.00 each, the issuance of certain promissory notes which have been redeemed, and the return of certain goods.

The Issuer has issued a total of 749,997 escrowed shares at a deemed price of \$0.01 per share for a total deemed consideration of \$7,499.97. These shares were issued as consideration for the acquisition of the Barb/Logjam Claims as described fully under the heading "Description of Business and Property of the Issuer". These shares are held in escrow by The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, B.C., subject to the direction and determination of the Office of the Superintendent of Brokers and the Vancouver Stock Exchange.

ESCROWED SHARES

As of the date of this Prospectus, 749,997 shares are held in escrow by The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, B.C., subject to the direction or determination of the Office of the Superintendent of Brokers. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever, or released, nor may the Issuer, its transfer agent or escrow holder make a transfer or record any trading of the shares without the consent of the Vancouver Stock Exchange (if the Issuer obtains a listing) or the Superintendent of Brokers if unlisted. In the event the Issuer loses or abandons all or part of the property, the Issuer will declare any such event to the Vancouver Stock Exchange (if the Issuer obtains a listing) or the Office of the Superintendent of Brokers if unlisted, by way of directors' resolution and the holders of such shares, the trustee

thereof and the Issuer have agreed that such number of the said shares as the Vancouver Stock Exchange or the Office of the Superintendent of Brokers, as the case may be, determines shall have become subject to cancellation, shall be surrendered to the Issuer by way of gift for cancellation. The complete text of the Escrow Agreement is available for inspection at the office of the Canada Trust Company.

<u>Designation of Class</u>	<u>Number of Shares Held in Escrow</u>	<u>Percentage of Class</u>
common	749,997	63.9%

The names and addresses of the holders of the escrowed shares, and the number of escrowed shares held by each, are as follows:

<u>Name and Address</u>	<u>Number of Shares Held</u>
Armand J. Arsenault 11 Prospector Road Whitehorse, Yukon	244,497
Jacqueline Bates 5 Patterson Avenue, Dartmouth, Nova Scotia	34,571
Jeanette Forrest 1552 Vernon Street, Halifax, Nova Scotia	34,571
Barbara H. Jeske 865 Tottenham, Birmingham, Michigan	34,571
Elaine MacGillivray 21 Birkley Street, Glace Bay, Nova Scotia	17,285
Barbara McGrath P.O. Box 414 1 Oak Street, Dartmouth, Nova Scotia	34,571

Harold McKinnon 3 Hillier Street Glace Bay, Nova Scotia	34,574
John Claude McKinnon 944 Kennybarosis Drive, St. John, New Brunswick	17,286
Eleanor M. Smith 305 - 26 Brookdale Cres. Dartmouth, Nova Scotia	34,571
Pure Silver Mines Ltd. Principal: B. Oullette 2470 - 1066 West Hastings Street, Vancouver, B.C.	10,000
Harry Versluce 1211 Birch Street, Whitehorse, Yukon	229,500
Alexander Fisher 6150 Collingwood Place, Vancouver, B.C.	24,000

DIRECTORS AND OFFICERS

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

<u>Name and Address</u>	<u>Position</u>	<u>Principal Occupation</u>
ARMAND JOSEPH ARSENAULT 11 Prospector Road Whitehorse, Yukon	President & Director	President of Tower Acceptance Corp. Ltd.; former Vice-President P & A Holdings; self-employed Prospector and Investor; Director of U-Cart Concrete System & Tool Rental Ltd.
ROBERT LEIGHTON COOK, C.A. Rural Route #1 Suffolk Road, C#1 Ganges, B.C. V0S 1E0	Secretary & Director	Chartered Accountant formerly employed as Senior Vice-President of Cyprus Anvil Mining Corp.; V-P Finance, Secretary-Treasurer

ARMAND ARNOLD
ARSENAULT
Box 5240
120 Prospector Road.
Whitehorse, Yukon

Director

and Director of Galactic Resources Ltd.; Director and Secretary-Treasurer of Cornucopia Resources Ltd.

Former Director of P. & A. Holdings Ltd., a private investment company; Secretary of Tower Acceptance Corp. Ltd. a private mortgage lending company headquartered in Whitehorse; Director of U-Cart Concrete System & Tool Rental Ltd., a private concrete sales and tool rental company;

DONALD GREGORY COX
59 Hyland Crescent,
Whitehorse, Yukon

Director

President of Northern Metallic Sales; Welding Technician

One of the Directors and Officers of the Issuer, Mr. Robert L. Cook, is a Director and Officer of other companies engaged in mining exploration and development. In order to avoid the possible conflict of interest which may arise between Mr. Cook's duties to the Issuer and his duties to the other companies on whose boards he serves, Mr. Cook and the Issuer have agreed to the following:

(a) participation in mining prospects offered to Mr. Cook will be allocated between the various companies on the basis of prudent business judgement and the relative financial abilities and needs of the companies to participate and no commissions or other consideration will be paid to Mr. Cook; and

(b) mining prospects formulated by or through the other companies in which Mr. Cook is involved will not be offered to the Issuer except on the same or better terms than the basis on which they are offered to third party participants.

REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

From the period of incorporation on May 14, 1969 to December 31, 1981, a total of \$26,393.00 has been paid to the Directors and Senior Officers of the Issuer as management fees. No remuneration has been paid to management since 1981 and the Issuer's Directors have determined that no further fees will be paid in the immediate future to the Issuer's Directors or senior officers.

INTEREST OF MANAGEMENT OR OTHERS IN MATERIAL TRANSACTIONS

The Directors and Senior Officers of the Issuer have no material interest in any transactions in which the Issuer has participated or intends to participate at this time, save and except as disclosed in this Prospectus or the accompanying financial statements, and, in particular, those matters disclosed under the headings "Particulars of Shares Issued for Other than Cash" and "Other Material Facts".

DESCRIPTION OF BUSINESS AND PROPERTY OF THE ISSUER**Business**

The Issuer is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Issuer owns or has interests in the properties described under the heading "The Property" and intends to seek and acquire additional properties worthy of exploration and development.

The Property**Barb/Logjam Mineral Claims,
Yukon Territory**

The Issuer holds a 100% interest, subject to a 10% Net Profits Interest as described below, in the Barb/Logjam Mineral Claims (the "Claims"). The Claims comprise 46 mineral claims located in the Yukon Territory. The property is primarily a silver prospect with gold, zinc and lead potential.

The Issuer acquired the Claims in 1973 in consideration for the issuance of 749,997 escrow shares of the Issuer. These shares were originally issued to the following:

<u>Name</u>	<u>No. of Shares</u>
Armand J. Arsenault	249,998
Peter Versluce	249,999
Wilfred McKinnon	250,000

For a list of the current holders of the escrowed shares, refer to the heading "Escrowed Shares".

The 10% Net Profits Interest (the "10% Interest") to which the Claims are subject arose as a result of a Settlement Agreement which is more fully described under the caption "Particulars of Shares Issued for Other than Cash" and is payable to Pure Silver.

The 10% Interest will be calculated as follows:

ten (10) percent of the gross revenue received from the sale of ores, concentrates, metals or other mineral products produced from the Claims after deducting:

- (i) operating expenses;

- (ii) all preproduction expenses being all capital and other costs incurred with respect to the exploration and development of the Claims;
- (iii) all postproduction expenses being all costs expended or incurred of a nature and type similar to preproduction expenses including costs and expenses of a capital nature after the Claims come into commercial production;

providing that the calculation will be made according to generally accepted accounting principles as modified by the Settlement Agreement and documents incorporated therein by reference.

Location

The Claims are located about 12 km north of the Alaska Highway near the British Columbia/Yukon border about 200 km from Whitehorse. Except for the last few km near the claims, road access is by an all weather road off the Alaska Highway. The Claims are situated at elevations between 1,200 - 1900 meters above sea level.

History

Exploration on the property dates from 1943 and has been continued intermittently by various companies until the present. A description of previous holders of an interest in the Claims and the previous work which has been performed on the property is outlined in a report on the Claims written by R.W. Phendler, P. Eng. dated September 20, 1984 (the "Report") which is included with and forms a part of this Prospectus. In the Report, Mr. Phendler states:

" The first discovery of silver-bearing structures on the property was made in 1943 by Mr. W McKinnon and R. Puls, while working for Hudson Bay Mining and Smelting Co. Ltd. Staking of the claims (KP) followed in 1944 and in

1945 prospecting, mapping, trenching and diamond drilling totalling 1,256.7 meters in nine holes was carried out. Results were disappointing and the claims were allowed to lapse.

In June, 1958 McKinnon restaked the ground and it was optioned to Kootenay Base Metals Ltd. in 1961, who carried out some trenching.

In 1965 Macassa Gold Mines Ltd. optioned the ground and a subsidiary company, Logjam Silver Mines Ltd., carried out 206 meters of crosscutting and 795 meters of underground diamond drilling in six holes. The objective was not reached with this work and the option was dropped.

Nilset Explorations Ltd. and Pure Silver Mines Ltd. held an option on the ground in 1966 and 1967 and they carried out 273 meters of additional crosscutting and drifting on the original lower level (5150) and 220 meters in a higher second level (5600)".

The Issuer acquired the Claims on the 31st of August, 1973. Pursuant to an agreement dated the 11th day of February, 1974 the Issuer optioned the Claims to a British Columbia company, Darva Resources and Development Ltd. The Optionee under this agreement did not maintain its obligations under the Option Agreement and the Claims reverted to the Issuer.

By an agreement dated September 24th, 1979 the Issuer granted an option to Rebel which permitted Rebel to earn a seventy (70%) percent interest in and to the Claims. Rebel subsequently assigned one-half (1/2) of its interest in and to this option to 1679 Investments Ltd., a British Columbia corporation with a head office at 2470, 1066 West Hastings Street, Vancouver, British Columbia. 1679 Investments Ltd. reassigned the interest it acquired from Rebel to Pure Silver. Rebel subsequently also assigned the remaining one-half (1/2) of its interest in the option to Pure Silver. During the course of its exploration work on

the Claims, Pure Silver caused to be staked four additional fractional claims being part of the Barb claims. Pure Silver spent approximately \$500,000.00 on the Claims in 1980-82 bringing the total spent on the property since 1964 to approximately \$1.2 million. Most of these expenditures were made on preliminary items such as road building and camp construction. In addition these funds were sufficient to conduct the driving of approximately 714 metres of underground access cross-cuts. The Issuer has expended approximately \$61,000 on the Claims to the date of this Prospectus. Approximately \$35,000 of this amount was spent on a legal survey of the Claims, and the remainder was spent to obtain engineering reports and to upgrade existing roads on the property. As more fully described under the caption "Particulars of Shares Issued for Other than Cash", the Issuer and Pure Silver reached a settlement agreement effective the 5th day of November, 1982 whereby all Pure Silver's interest in the Claims except the above noted 10% Interest was extinguished.

Geology and Mineralization

In the Report Mr. Phendler states:

"Mineralization on the Logjam property (the Claims") consists of at least ten north-easterly-striking mineralized fracture zones, rather than clear cut massive quartz veins, as has been suggested in the past. These zones contain varying amounts of galena, sphalerite, pyrite, pyrrhotite and arsenopyrite in a gangue of grey-white to white quartz and iron carbonates. It is the fracture zones and associated gouge and brecciation rather than the amount of quartz that is the most noticeable on the veins.

All veins dip very steeply and are traceable intermittently on surface over the ridge within the diorite. The veins range up to 1.5 meters in thickness and probably average somewhat less than one meter wide. Numerous silver-bearing fracture zones measuring a few centimeters in width have been located in the mine workings which could

develop into commercially - viable mineral zones -depending upon host rocks encountered. The veins are understandably stronger in the more competent diorite but should not be written off completely within the sediments."

Reserves are estimated to be 77,320 tons, which average 11.44 oz. silver and 0.088 oz. gold per ton.

Equipment:

Major equipment located on the Claims consists of a Longyear #34 drill with accessories, a Boyles Bros. diamond drill model BBU2, a D6C caterpillar tractor, a 1980 GMC one ton truck, two Eimco 12-B mucking machines, an Eimco air locomotive, a 15 KVA diesel power generator, a pressure pump and six utility pumps. Structures on the property consist of two Atco sleeper trailers, a fully-equipped kitchen trailer, a fully-equipped office trailer, a washroom unit, and storage sheds.

Conclusions and Recommendations:

In the Report Mr. Phendler indicates that the highest priority should be placed in underground development with the purpose of substantially increasing reserves. Such work should be primarily confined to the 5150 level where two veins have been drifted on and where at least three more have been intersected within a few 100' of present workings. It is stated in the Report that "The possibility of developing numerous hundreds of thousands of tons of reserves is good. Potential of the property is thought to be in the million ton range." The recommended program consists of:

Phase I

Underground drilling should be carried out on the 5150 level to prove continuity of the No. 6 vein above and below the level and check for the presence of the No. 1, 2, 3, 5 and 7 veins.

Phase II

Underground development (drifting, crosscutting) should be carried out on the No. 4 vein and the No. 6 vein. Phase II is not contingent on favourable results being obtained from Phase I.

Phase I

1) Diamond Drilling - 500 meters @ \$90.00 per meter	\$ 45,000
2) Compressor Rental - 3 months @ \$3,000/month	9,000
3) Mobilization and Demobilization	6,000
4) Engineering, Geology, Assays, Supervision	<u>10,000</u>
TOTAL PHASE I:	\$ 70,000.

Phase II

1) Underground Development - 400 Feet @ \$200/foot	\$ 80,000
2) Engineering, Geology, Assays	<u>11,000</u>
TOTAL:	\$ 91,000.
10% contingency:	<u>\$ 9,100.</u>
TOTAL PHASE II:	\$100,100.

USE OF PROCEEDS

The Issuer intends to apply the net proceeds from this offering of \$280,500. as follows, in order of priority:

1.	To pay legal, audit, geological and engineering fees, and printing expenses of this Prospectus, estimated to be	\$ 10,000.00
2.	To discharge accounts payable and accrued liabilities to the date hereof of approximately	\$ 65,986.00*
3.	To carry out Phase I of the recommendations of R.W. Phendler, P. Eng., in his Report dated September 20, 1984, consisting in summary of underground drifting, diamond drilling, metallurgical testing, and geological mapping and assaying	\$ 70,000.00

4.	To carry out Phase II of the recommendations of R.W. Phendler, P. Eng., in his Report dated September 20, 1984, consisting in summary of underground drifting and crosscutting	\$ 100,100.00
5.	For general corporate purposes	\$ 34,414.00
		<hr/>
	TOTAL	\$ 280,500.00

* This amount does not include:

- (a) directors' loans in the amount of \$120,000.00 plus accrued interest to the date hereof in the amount of \$37,500.00, which loans come due on January 3rd, 1987. Interest accruing on these loans is in the amount of \$1,500.00 per month;
- (b) a demand loan in favour of the Bank of Montreal in the amount of \$5,000.00 and bearing interest at the Bank of Montreal prime rate plus 3%;

both of which are more fully described under the heading "Loan Structure".

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 Issuer 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 members of the Issuer must first be obtained and notice of the intention must be filed with the regulatory securities bodies having jurisdiction over the sale of the securities offered by this Prospectus.

In the event of any material change in the affairs of the Issuer during the primary distribution of the shares offered by this Prospectus, an amendment to this Prospectus will be filed. Following completion of the primary

distribution of the shares offered by this Prospectus, shareholders will be notified of changes in the affairs of the Issuer in accordance with the requirements of the appropriate regulatory authorities.

OPTIONS TO PURCHASE SECURITIES

As of the date of this Prospectus, the Issuer has granted share purchase options totalling 157,999 common shares at a price of \$0.50 per share, exercisable for a period of five years until April 30, 1990. The options are non-transferrable and may only be exercised during the tenure of office and for a 30 day period thereafter. The options granted are as follows:

<u>Director</u>	<u>No. of Shares</u>
Robert L. Cook	26,333
Donald Cox	26,333
Armand A. Arsenault	26,333
<u>Employee</u>	<u>No. of Shares</u>
Armand J. Arsenault	79,000

Armand J. Arsenault will be responsible for the day to day management of the Issuer's affairs including the investigation of properties and negotiation of contracts and the payment of the Issuer's expenses.

In addition, Armand J. Arsenault will be supervising much of the work on the Issuer's Barb/Logjam Mineral claims.

PRINCIPAL HOLDERS OF SECURITIES

(a) As of the date of this Prospectus, the following table sets forth the number of shares owned of record or beneficially, directly or indirectly, by each person who owns more than 10% of the Issuer's shares:

<u>Name and Address</u>	<u>Type of Ownership</u>	<u>Designation of Class</u>	<u>No. of Shares</u>	<u>Percentage of Shares Outstanding</u>
Armand J. Arsenault 11 Prospector Road Whitehorse, Yukon	Of record & beneficial	common	447,897	38.2%
	Indirect & beneficial	common	14,323*	1.2%
Harry Verslucce 1211 Birch Street, Whitehorse, Yukon	Of record & beneficial	common	229,500	19.6%

* These shares are registered in the name of two companies controlled by Armand J. Arsenault, namely, Tower Acceptance Corp. Ltd. and U-Cart Concrete System and Tool Rental Ltd.

(b) The number and percentage of shares of the Issuer beneficially owned, directly or indirectly, by all Directors and Senior Officers of the Issuer as a group is as follows:

<u>Designation of Class</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage of Class</u>
Common	555,553	47.3%

DIVIDEND RECORD

The Issuer has not, since its incorporation on May 14, 1969 paid any dividends on its shares. The Issuer has no present intention to pay 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.

PROMOTERS

By virtue of the definition as set out in Section 1(1) of the Securities Act (British Columbia), the Directors of the Issuer are the Promoters of the Issuer. The Promoters of the Issuer have been issued common shares in the capital of the Issuer for the following consideration:

<u>Promoter</u>	<u>Number of Common Shares</u>	<u>Total Consideration</u>
Armand J. Arsenault 11 Prospector Road Whitehorse, Yukon	3 at \$0.10 202,838 at \$0.15 244,497 559 at \$1.00 14,323 at \$1.75 *	\$ 0.30 \$ 30,425.70 property debt settlement debt settlement and drill acquisition
Armand A. Arsenault P.O. Box 5240 Whitehorse, Yukon	50,000 at \$0.15	\$ 7,500.00
Donald Cox 59 Hyland Crescent Whitehorse, Yukon	33,333 at \$0.15	\$ 4,999.95
Robert L. Cook Rural Route # 1 Suffolk Road, C#1 Ganges, B.C. VOS 1EO	10,000 at \$0.15	\$ 1,500.00

* These shares are registered in the name of two companies controlled by Armand J. Arsenault, namely, Tower Acceptance Corp. Ltd. and U-Cart Concrete System and Tool Rental Ltd.

PENDING LEGAL PROCEEDINGS

The Issuer is not a party to any legal proceedings, nor are any such proceedings contemplated.

SOLICITORS

The solicitors for the Issuer are Messrs. Sobolewski Anfield, Barristers and Solicitors, of Suite 700, 609 Granville Street, Vancouver, British Columbia.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors for the Issuer are MacKay & Partners, Chartered Accountants, 10th Floor, 1190 Hornby Street, Vancouver, British Columbia.

The Registrar and Transfer Agent for the Issuer is The Canada Trust Company, 1055 Dunsmuir Street, Vancouver, British Columbia.

MATERIAL CONTRACTS

There are no material contracts entered into by the Issuer other than as disclosed in this Prospectus.

Material contracts may be inspected at the offices of Sobolewski Anfield, Barristers and Solicitors, Suite 700 - 609 Granville Street, Vancouver, British Columbia, during normal business hours, during the period of primary distribution of the securities being offered under this Prospectus.

OTHER MATERIAL FACTS(a) **Settlement Agreement with Creditors and Drill Acquisition**

A. J. Arsenault, A. A. Arsenault and another director of the Issuer, Donald Cox ("Cox"), are shareholders in the following companies which have received shares of the Issuer in settlement of accounts owing by the Issuer.

<u>Creditor Company</u>	<u>Shareholder (% interest in Creditor Company)</u>	<u>No. of Shares of the Issuer</u>	<u>Transaction</u>
Northern Metallic Sales Ltd.	Cox (25%)	4,459	Settlement
U-Cart Concrete System & Tool Rental Ltd.	A.A.Arsenault (1%) A.J.Arsenault (98%)	11,506	Settlement

Rebel Developments	A.J.Arsenault (20%)	31,469*	Drill Acquisition
Tower Acceptance Corp. Ltd.	A.A.Arsenault (Nil) A.J.Arsenault (99%)	1,899	Drill Acquisition
U-Cart Concrete System & Tool Rental Ltd.	A.A.Arsenault (1%) A.J.Arsenault (98%)	918	Drill Acquisition

* This figure does not take into account a further 28,531 shares to be issued to Rebel Developments pending regulatory approval, as more particularly described under the heading "Particulars of Shares Issued for Other than Cash".

(b) Shareholders' Security Agreements

Please see the heading "Share Capital and Loan Structure" located on pages 5 and 6 of this Prospectus.

(c) Survey

In order to ascertain the exact location of the most significant of the Issuer's claims, the Issuer had conducted during the period September 8 to 18, 1982, a legal survey of the Barb 1 to 8 and 100 and 101 fractional mineral claims. This survey was performed by a Canada Land Surveyor and has been registered with the Department of Energy, Mines and Resources in Ottawa. A copy of this survey is included with and forms part of this Prospectus. Those claims which were surveyed will qualify the Issuer, upon its making application, for a twenty-one year lease in and to the surveyed claims.

(d) Shares Held By The Agent

A registered representative of the Agent has acquired, by an option to purchase from shares presently registered in the name of Armand J. Arsenault, a Director of the Issuer, a beneficial interest in a total of 10,000 shares of the Issuer at an option price of \$0.15 per share exercisable for a period of 9 months following the date the Issuer's shares commence trading on the Vancouver Stock Exchange.

(e) Inter-Shareholder Options to Purchase Shares

Pursuant to an agreement dated the 26th day of March, 1985, Armand J. Arsenault, the President and a Director of the Issuer, granted an option ("Option") to purchase a total of 30,000 shares registered in his name to two other directors of the Issuer, namely Donald Cox and Robert L. Cook. Pursuant to the terms of the Option Mr. Cook was granted the option to purchase up to 10,000 shares at a price of \$0.15 per share and Mr. Cox was granted the option to purchase up to 20,000 shares at a price of \$0.15 per share. Messrs. Cox and Cook both exercised their options on July 31st, 1985.

(f) Miscellaneous

The Phendler Report lists certain equipment located on the Claims. Subsequent to the preparation of the Phendler Report, certain of this equipment as well as some equipment not listed in the Phendler Report was stolen, which thefts have been reported to the R.C.M.P. The stolen equipment is as follows:

- (a) eight wheel drive Argo surface vehicle;
- (b) two jacklegs;
- (c) one Black and Decker rotary saw;
- (d) one 4 kw Homelite generator;
- (e) one welding unit;
- (f) one disc sander;
- (g) five rolls copper tubing;
- (h) one Homelite chain saw;
- (i) two socket sets;
- (j) one Homelite Pump;

- (k) one Black and Decker 9" angle grinder;
- (l) assorted small tools.

This stolen equipment was partial security for monies loaned to the Issuer by Messrs. Arsenault, Cox and Cook, who have all signed waivers stating that they are aware of the thefts, that they do not consider the thefts to have impaired their security, and that they still consider their security agreements with the Issuer to be in good standing.

There are no other material facts.

PURCHASER'S STATUTORY RIGHT OF WITHDRAWAL AND RESCISSION

Sections 60 and 61 of the British Columbia Securities Act and Sections 25 and 26 of the Securities Ordinance (Yukon Territory) provide in effect, that where a security is offered to the public in the course of primary distribution:

- (a) 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 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 months from the date of service of such notice;
- (b) 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 a 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 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 Acts for the complete text of the provisions under which the foregoing rights are conferred.

R. W. PHENDLER, P. Eng., GEOLOGICAL CONSULTANT,
EXPLORATION AND MINING
7360 DECOURCY CRES., RICHMOND, B.C. V7C 4E9 (604) 271-2588

R E P O R T

on the

LOGJAM SILVER PROPERTY,
WATSON LAKE MINING DIVISION
YUKON TERRITORY

for

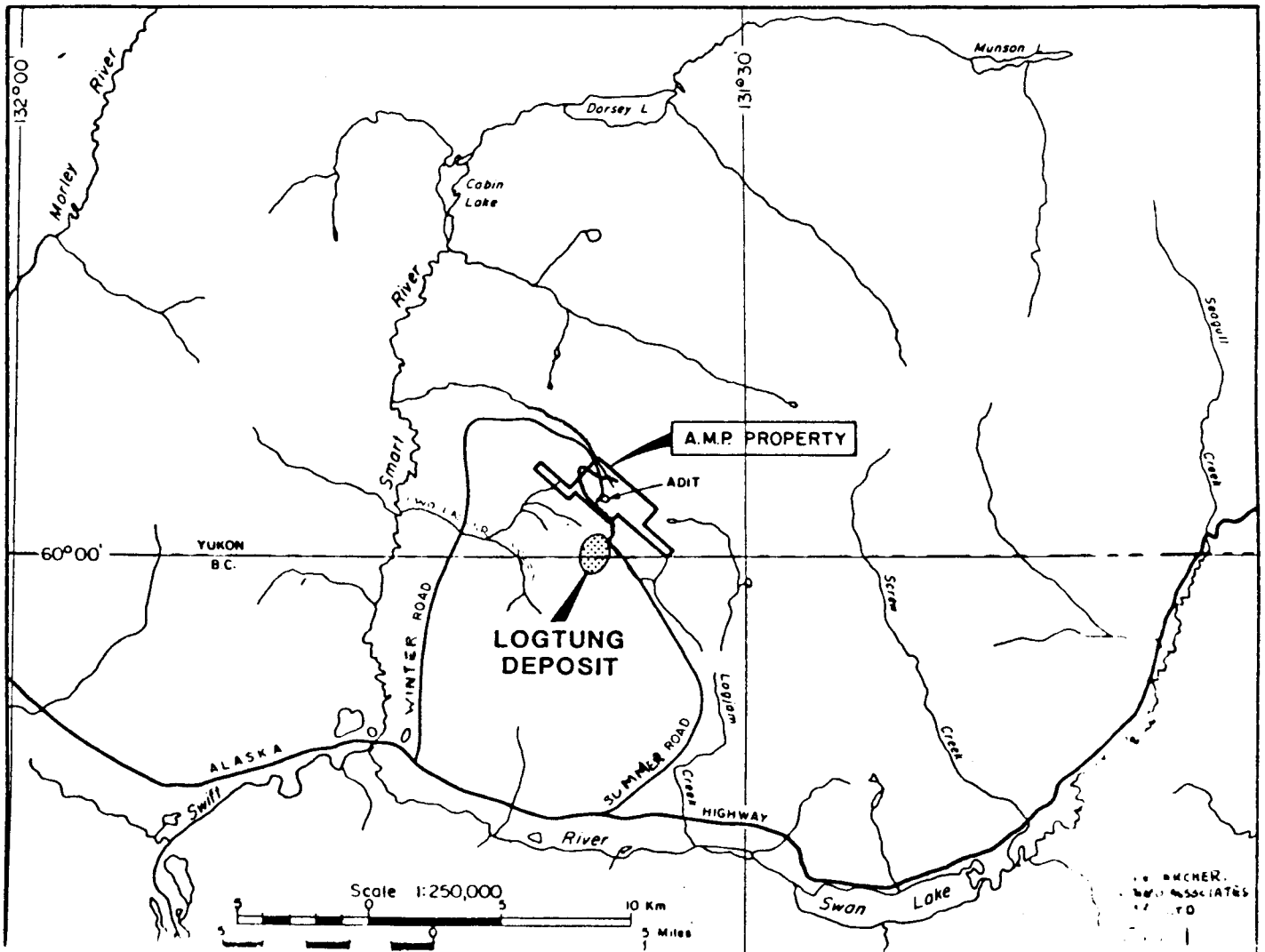
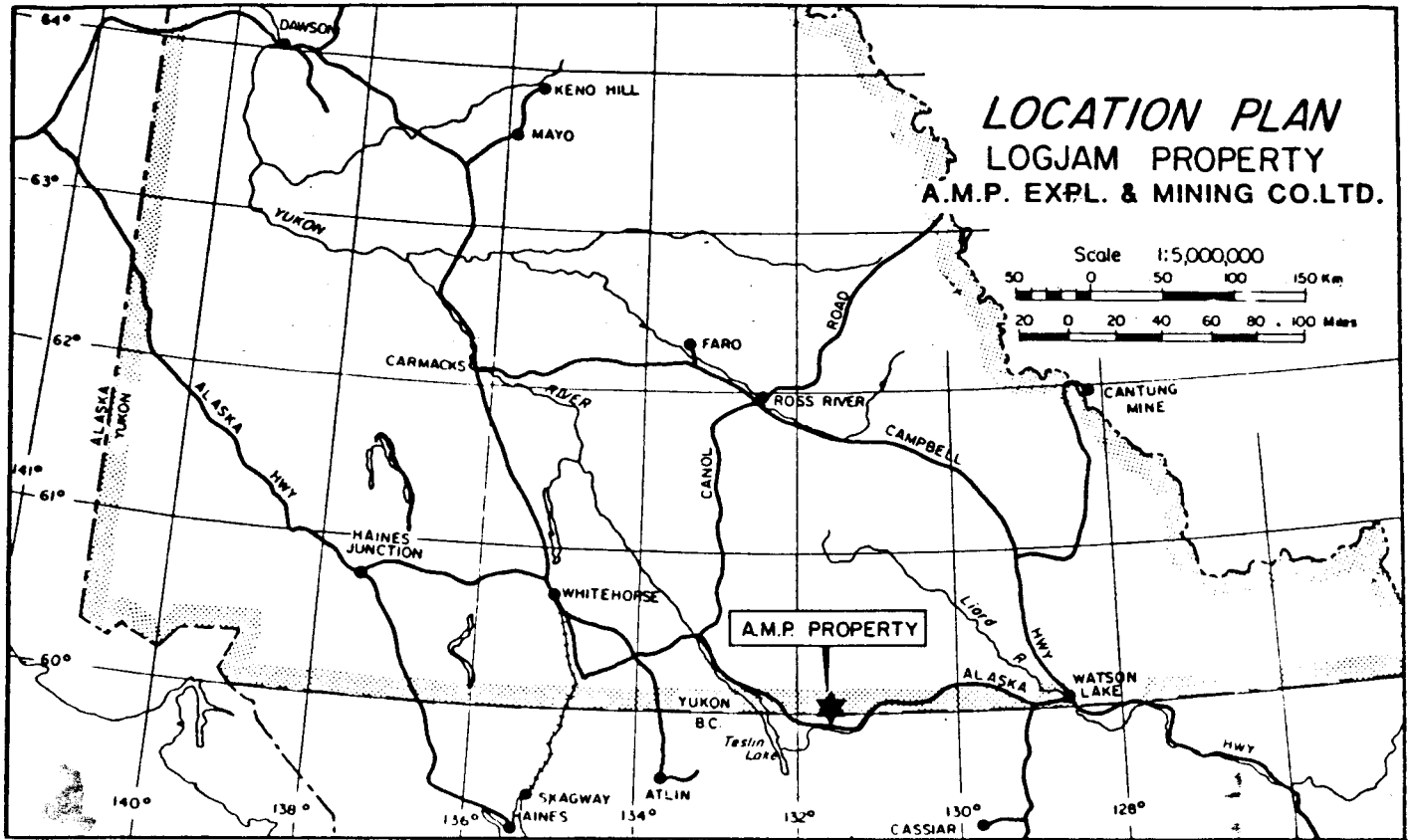
A.M.P. EXPLORATION AND MINING CO., LTD.

by

R.W. PHENDLER, P. ENG.

Vancouver, Canada

September 20, 1964



BY BUCHER.
AND ASSOCIATES
1970

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PART "A"

SUMMARY AND CONCLUSIONS

The Logjam silver property was been worked intermittently for a number of years and although only a few of the ten known veins have been developed underground, reserves are estimated to be 77,320 tons which average 11.44 oz Ag, 0.088 oz Au. Estimated grade (not calculated) is believed to be 2.0% Pb and 3.0% Zn.

The property is well located about 12 kilometers north of the Alaska Highway between Whitehorse and Watson Lake in south central Yukon Territory and is accessible by road.

The ten known silver-bearing vein structures strike north-easterly across a northwesterly trending elongate diorite intrusive that is about 450 meters in thickness.

Although inadequate surface mapping and sampling has been done to date, it is felt that the highest priority should be placed in underground development with the purpose of substantially increasing reserves. This work should primarily be confined to the 5150 level where two veins have been drifted on and where at least three more have been intersected within a few hundred feet of present workings.

Additional levels could easily be driven at lower depths below the 5150 level.

The possibility of developing numerous hundreds of thousands of tons of reserves is good. Potential of the property is thought to be in the million ton range.

RECOMMENDATIONS

Phase I

- 1) Underground diamond drilling should be carried out on the 5150 level to prove continuity of the No. 6 vein above and below the level and to check for the presence of the No. 1, 2, 3, 5 and 7 veins.

Phase II

- 1) Underground development (drifting, crosscutting) should be carried out on the NO. 4 vein and the No. 6 vein.

Phase III - dependent upon favourable results from Phases I and II.

Underground development, underground diamond drilling, metallurgical testing and a preliminary feasibility study should be carried out.

COST ESTIMATE

Phase I

1) Diamond drilling - 500 meters @ \$90/meter	\$45,000
2) Compressor rental - 3 months @ \$3,000/month	9,000
3) Mobilization and demobilization	6,000
4) Engineering, Geology, Assays, Supervision	<u>10,000</u>
Total, Phase I	\$70,000

Phase II

1) underground development - 400 feet @ \$200/foot	\$80,000
2) Engineering, Geology, Assays	<u>11,000</u>
Total -	\$91,000
10% Contingencies -	<u>9,100</u>
Total - Phase II -	\$100,100

Phase III - dependent upon favourable results from Phases I and II.

- 1) Additional underground development and diamond drilling,
metallurgical testing and preliminary feasibility study -

Total - \$1,000,000

The sum of \$ 70,000 should be made available at this time to carry out Phase I of the above program. Phase II should be carried out as soon as possible, when funds are available. It is not dependent on favourable results from Phase I.

Respectfully submitted,


R.W. Phendler, P. Eng.

PART "B"

INTRODUCTION

At the request of the Board of Directors of A.M.P. Exploration & Mining Co., Ltd., the writer examined the Logjam property between July 5 - 8th, 1983, accompanied and guided by Mr. A. Arsenault, President of the Company.

During the examination, underground workings were visited and eight chip samples were taken to verify earlier systematic sample assay plans provided the writer. Results were such that the earlier results can be relied upon. The recent samples were assayed at Acme Analytical Laboratories, Vancouver.

During the examination, mine equipment, surface equipment, camp buildings and access was checked and water use, land use, health permits and mining permit procedures were investigated. The writer is quite familiar with the property, having carried out reserve calculations based upon underground development. These reserves totalled 77,320 tons, are classified as Probable and methods of calculation, etc., were included in a report by the writer dated December, 1979.

LOCATION AND ACCESS

The Logjam property is located at an elevation of 1,270 - 1,900 meters, about 200 kilometers east southeast of Whitehorse in south central Yukon Territory. It is situated about 12 kilometers north of the Alaska Highway, which is within British Columbia in this area.

Road access from the Alaska Highway is north from kilometer

1216 on an all weather road for 18 kilometers past the camp of Amax Potash Ltd., which services the nearby tungsten - molybdenum deposit (Logtung) to the Logjam property. The last few kilometers are somewhat precipitous and require a four-wheel drive vehicle. An alternate road (winter use only) leaves the Alaska Highway at kilometer 1224 and follows up the east side of Smart River past Two Ladder Creek, thence easterly up an unnamed creek to the property. This road is presently in disrepair but should be rehabilitated and upgraded because of its much lower elevation (below 1200 meters) as compared to the present road which rises to 1,700 meters in an area of heavy snow in winter.

Ample water is available in the vicinity to provide for exploration and mining purposes and for camp use. No usable timber is available in the mine area but the valleys have considerable amounts.

A fully equipped 20 man trailer camp with modern kitchen exists on the property.

Topography is extremely rugged on the northwesterly - striking ridge across which the northeasterly striking Logjam veins are located.

PROPERTY AND OWNERSHIP

The Logjam property consists of 46 claims (1,500' x 1,500') and claim fractions as follows:

<u>Claim Name & Grant Number</u>	<u>Expiry Date</u>	<u>No.</u>
Barb 1-2; Y72102-103	Oct. 8, 1988	2
Barb 9-16; Y72110-117	" " 1986	8
Barb 3-8; Y72104-109	" " 1988	6

Barb 17-24; YA21405-412	Oct. 8, 1986	8
Log 20,22; YA11229, 231	"	2
Log 24,26; YA11233, 235	"	2
Log 45,53; YA11378, 386	"	2
Log 55; YA11388	"	1
Log 90-92; YA11423,425	"	2
Log 133; YA11466	"	1
100F-103F; YA55782-785	"	4
Barb 29,30;YA68731-732	"	2
Barl 1Fr-6Fr; YA68725-730	"	<u>6</u>
	Total -	46

The recorded owner of all claims is A.M.P. Exploration and Mining Co. Ltd.

HISTORY

The first discovery of silver-bearing structures on the property was made in 1943 by Mr. W. McKinnon and R. Puls, while working for Hudson Bay Mining and Smelting Co., Ltd. Staking of claims (KP) followed in 1944 and in 1945 prospecting, mapping trenching and diamond drilling totalling 1,256.7 meters in nine holes was carried out. Results were disappointing and the claims were allowed to lapse.

In June, 1958 McKinnon restaked the ground and it was optioned to Kootenay Base Metals Ltd. in 1961, who carried out some trenching.

In 1965 Macassa Gold Mines, Ltd. optioned the ground and a subsidiary company, Logjam Silver Mines, Ltd. carried out 206 meters of crosscutting and 795 meters of underground diamond drilling in six holes. The objective was not reached with this work and the option was dropped.

Nilset Explorations Ltd. and Pure Silver Mines, Ltd. held an option on the ground in 1966 and 1967 and they carried out 273 meters of additional crosscutting and drifting on the original lower level (5150) and 220 meters in a higher, second level (5600).

Pure Silver had staked additional claims and when these expired in 1973 the property was re-staked by McKinnon, A. Arsenault and P. Versluce and the claims were transferred to their Company - A.M.P. Explorations and Mining Co. Ltd.

Between 1974 and 1977 Darva Resources and Development Ltd. optioned the ground and carried out some minor road work.

In 1976 the Bath - Uranium Partnership discovered interesting tungsten-molybdenum mineralization one kilometer south of the Logjam property. Logtung Resources Ltd. was formed from this group and in 1977 the property was optioned to Amax Potash Ltd. A new road was built to the property and extensive exploration was carried out. The property is presently inactive awaiting results of a feasibility study.

In 1979 the Logjam property was optioned to Rebel Developments Ltd. and the Logtung road was extended four kilometers to the Logjam camp. At this point the property was optioned to a newly-formed Vancouver company (Pure Silver Mines, Ltd.) Pure Silver planned to carry out extensive underground work but got little farther than installing a camp, carrying out a preliminary metallurgical test, repairing roads and some surveying. After about 15 meters of drifting on the No. 4 vein on the 5,150 level, all work stopped and Pure Silver lost their rights to the option.

GEOLOGY AND MINERALIZATION

The area in which the Logjam property is located is underlain by a metamorphosed sedimentary sequence of Devonian - Mississippian Age intruded by a northwesterly -striking band of diorite of Jura - Cretaceous Age.

The sedimentary rocks are composed of cherts, argillites, hornfels, slate, phyllite, quartzite and minor limestone - all folded and faulted but with a general northwesterly strike and with dips to northeast between 20° and 50°.

Intruding these sediments is an elongate band of fine to medium grained diorite, which is one of a number of plugs, etc., known as the Plate Creek Stock of Jurassic - Cretaceous Age. The Logjam intrusive is relatively consistent in width, ranging between four and five hundred meters, forming the backbone of the 1,800 meter high ridge between the Logjam property on the northeast and the Logtung property on the southwest.

The sediments are altered to hornfels, skarns and marble at the contact with the diorite, but not extensively so.

Mineralization on the Logjam property consists of at least ten northeasterly - striking mineralized fracture zones, rather than clear cut massive quartz veins, as has been suggested in the past. These zones contain varying amounts of galena, sphalerite, pyrite, pyrrhotite and arsenopyrite in a gangue of grey - white to white quartz and iron carbonates. It is the fracture zones and associated gouge and brecciation rather than the amount of quartz that is most noticeable on the veins.

All veins dip very steeply and are traceable intermittently on surface over the ridge within the diorite. The veins range up to 1.5 meters in thickness and probably average somewhat less than one meter wide. Numerous silver-bearing fracture zones measuring a few centimeters in width have been located in the mine workings which could develop into commercially - viable mineral zones - depending upon host rocks encountered. The veins are understandably stronger in the more competent diorite but should not be written off completely within the sediments.

During the underground development stage, samples were taken systematically at 1.5 meter intervals. These are well documented and show significant lengths of mineral bearing structures that average around 11 oz Ag, 0.10 oz Au, 2% Pb and 3.0% Zn. These results have been interpreted by the writer into mineral reserves (see following section) but it was felt that chip samples should be taken during the recent examination to attempt to verify this earlier work.

Results suggest that all earlier samples can be relied upon as they are within range of samples recently taken from the property by the writer as follows:

<u>Sample No.</u>	<u>Width</u>	<u>oz Ag</u>	<u>oz Au</u>	<u>% Pb</u>	<u>Location</u>
67323	2.0'	1.03	.001	0.63	5150 Lvl, 6 Vn W. face - HW
67324	2.0'	1.89	.006	1.40	" " " " - vein
67325	2.0'	2.06	.050	1.09	" " " " - FW
67326	2.0'	21.60	.630	5.64	" " - 6 vein
67327	2.3'	11.36	.328	8.56	" " - 6 vein
67328	0.3'	0.96	.007	-	" " No. 5 vein
7329	2.0'	5.92	.032	3.36	" " No. 4 vein w. face
67330	0.2'	0.22	.001	-	" " , in XC to No. 4 vein

All samples are shown on figure 3.

Although the No. 4 vein on the 5,150 level is within sediments (considered to be unfavourable by earlier operators) the 52.5' length developed earlier averaged 7.46 oz Ag & 0.029 oz Au across 4.4 feet. The 47 feet of advance carried out in 1982 averaged 5.37 oz Ag, 0.03 oz Au and 1.67% Pb across an average width of 3.0'. About 200 feet (60 meters) is lacking before this vein enters the more favourable diorite host rock.

RESERVES & POSSIBILITIES

The writer is confident that the earlier sample results can be relied upon and have been used in these calculations.

The writer reaveraged the underground assays, working from the original assay plans, while the surface sampling averages were accepted from Cathro's report of September 5, 1979.

The following procedures were followed during calculations:

1) No erratic highs were cut in the averaging as none exist.

The highest assay used was 48.9 oz Ag per ton.

2) Low grade silver assays (under 3.0 oz per ton) were included in drift averaging if better grade samples adjoined. In most cases the low grade existed over only a few feet of drift length.

3) As all veins are steep (around 70 - 85°) a minimum mining width of 3.0' was used. However, in all cases a minimum overbreak of 0.5' on either side of veins was accepted, bringing, for example, an average sample width of 3.5' up to a diluted mining width of 4.5'.

4) Overbreak material (dilution) was considered to have zero grade.

- 5) For this calculation grades of silver and gold only were considered.
- 6) A factor of ten cubic feet per ton was used.
- 7) Blocks were considered to have a height of one half the strike length, as per accepted engineering practice.
- 8) No dollar values were applied because of the rapidly fluctuating prices at this time.
- 9) Surface blocks are based on relatively few samples while underground blocks are based on samples taken on 5' intervals.
- 10) All blocks are considered to be Probable (delimited on two sides - surface and underground or two levels) as per the British Columbia Securities Commission's guide for engineers and geologists.

Following is a summary of Reserves:

UNDERGROUND

<u>BLOCK</u>	<u>LOCATION</u>	<u>VEIN</u>	<u>TONS</u>	<u>oz Au/Ton</u>	<u>oz Ag/Ton</u>
1	above 5150 level	4	560	0.029	7.46
2	below 5150 level	4	560	0.029	7.46
3	above 5150 level	6	14600	0.086	9.04
4	below 5150 level	6	14600	0.086	9.04
5	above 5600 level	6	500	0.039	7.39
6	below 5600 level	6	500	0.039	7.39
7	above 5600 level	5	8000	0.070	7.45
8	below 5600 level	5	<u>8000</u>	<u>0.070</u>	<u>7.45</u>
TOTAL -			47320	0.078	8.43

SURFACE

These blocks are based on relatively few samples, 8 on block 9 and 6 on block 10.

<u>BLOCK</u>	<u>LOCATION</u>	<u>VEIN</u>	<u>TONS</u>	<u>oz Au/Ton</u>	<u>oz Ag/Ton</u>
9	above 5600 level	5	11140	0.139	17.70
10	above 5600 level	6	<u>18860</u>	<u>0.083</u>	<u>15.30</u>
TOTAL -			30000	0.104	16.19

TOTAL RESERVES

<u>LOCATION</u>	<u>TONS</u>	<u>oz Au/ton</u>	<u>oz Ag/ton</u>
Surface	30,000	0.104	16.19
Underground	<u>47,320</u>	<u>0.078</u>	<u>8.43</u>
GRAND TOTAL	77,320	0.088	11.44

All blocks are shown on the accompanying plans or longitudinal sections.

It is felt that an additional 77,000 tons of Possible Reserves may exist on the No. 5 and 6 veins in the vicinity of the 5150 level and the 5600 level in the areas already explored. Possible Reserves are defined as material believed to exist beyond the known portion of a vein or deposit.

These reserves are on veins 4, 5 and 6 and cover only a small part of the entire panel (see longitudinal sections). Assuming that the veins within the diorite are of commercial grade (and width) for 50% of the panel area, each vein would have about 100,000 tons above the 5150 level. It is not beyond the realm of possibility that this is so and that a million tons exists above that level. Depth possibilities are unknown but there are no changes anticipated in rock types or vein behavior. They should project to depth.

UNDERGROUND DEVELOPMENT

The property is developed by two levels, the 5150 (feet above sea level) and the 5600 level as follows:

5150 level - This level is accessible by road and consists of 1,150 feet of crosscutting, 300 feet of drifting on the No. 6 vein and 120 feet of drifting on the No. 4 vein. The No. 5, No. 7 and No. 8 veins have been intersected in diamond drilling and warrant crosscutting for further investigation.

5600 level - This level cannot be reached by road and is serviced by a surface rail line, inclined at about 40° from the 5150 level dump. It consists of a 130 foot long crosscut, 400 feet of drifting on the No. 5 Vein and 200 feet of drifting on the No. 6 Vein.

Both levels are fully tracked with air and water lines throughout.

New levels could easily be established close to bedrock on the 4950 and 4750 level horizons in line with the presently established portals and close to the existing access road from the camp to the 5150 level portal.

METALLURGICAL TEST

In 1980 metallurgical testing was carried out by Lakefield Research of Canada, Ltd., Lakefield, Ontario for Pure Silver Mines, Ltd. It appears odd that recoveries for silver and gold were not determined, it being primarily a silver property but the report showed that satisfactory lead and zinc concentrates were prepared by flotation.

The metallurgical test investigated the recovery of lead, zinc, silver and gold by flotation at the request of Derry,

Michener and Booth, consultants for Pure Silver in 1980. Samples submitted averaged 3.6 oz Ag, 0.12 oz Au, 1.66% Pb and 3.3% Zn. More work was recommended.

COMMENT

With the encouragement received from the underground development, it appears that the Logjam property has good possibilities of having several hundreds of thousands of tons of mineable reserves in the range of 11.02 Ag, 0.10 oz Au, 2% Pb and 3% Zn. Some tungsten is also present as a sample taken in 1982 at the face of the No. 4 level on the 5150 level assayed 0.132%W. However, this sample also assayed 4.59% As (arsenic) and this may require roasting prior to conventional cyanidation.

Future work should be concentrated in underground development with the purpose of increasing reserves as fast as possible and is recommended at this time.

Respectfully submitted,


R.W. Phendler, P. Eng.


EQUIPMENT ON THE PROPERTY

- 2 - Eimco 12-B mucking machines
- 1 - 1200 cfm Joy air compressor
- 1 - BBU2 diamond drill (underground) with accessories
- 1 - Eimco air locomotive
- 1 - Diamond drill (surface) - Longyear 34 with accessories
- 1 - 8 wheel drive Argo surface vehicle
- 1 - stoper
- 2 - jacklegs
- 1 - 15 KVA generator - deisel
- 1 - radio telephone
- 1 - Black & Decker rotary saw
- 1 - 4 kw Homelite generator
- 1 - welding unit
- 1 - rifle, 308 - semi-automatic
- 1 - propane deep freeze
- 10 - Coleman oil heaters
- 1 - disc sander
- 6 - utility pumps
- 1 - pressure pump for mine water
- 1 - propane refrigerator
- 1 - electric deep freeze
- 1 - fully equipped kitchen-trailer
- 1 - office; fully equipped trailer
- 1 - 20 man sleeper trailer with common room
- 6 - mine lamps with charger
- 1 - single drum air tugger
- 1 - D6C caterpillar tractor
- 3,000' - 20 pound mine rail
- 3,000' - 3" L.D. victaulic pipe
- 1,500' - 1" steel pipe
- 6 - 1 ton mine cars

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

I, R.W. PHENDLER, of 7360 Decourcy Crescent, in the Municipality of Richmond, in the Province of British Columbia, hereby certify as follows:

- 1) THAT I am a registered member of the Association of Professional Engineers of British Columbia - No. 4421 - 1963.
- 2) THAT I am a graduate of McGill University, Montreal, with a Bachelor of Science degree in geology.
- 3) THAT I have practiced my profession continually as mine, exploration and consultant geologist for the past 29 years in all parts of Canada, the U.S.A., Mexico, Peru, Colombia and Chile.
- 4) THAT I have no interest directly or indirectly in the Logjam property nor do I own directly or indirectly, any shares of AMP Exploration and Mining Co. Ltd.
- 5) THAT the information contained in this report was compiled as a result of my examination of the claims referred to above on July 5 - 8th, 1983 and a study of all exploration data.
- 6) THAT I hereby consent to the publication of my report entitled "Report on the Logjam Silver Property, Watson Lake Mining Division, Yukon", dated Sept 20, 1984 in a prospectus or a statement of material facts.


R.W. PHENDLER, P. Eng.

BIBLIOGRAPHY

- 1) TAGGART, L.P., P. Eng. - "The Logjam Property - A Case Study"
June 24, 1983.
- 2) YEN, W.T. (Lakefield Research of Canada, Ltd.) - "An Investigation of the Recovery of Lead, Zinc, Gold and Silver from a sample submitted by Derry, Michener and Booth" - Dec. 12, 1980.
- 3) CATHRO, R.J. - P. Eng. - "Summary Report on Barb Log Claim Group - Watson Lake M.D., Y.T." - January 20, 1983.
- 4) MICHENER, C.E., P. Eng. - "Pure Silver Mines, Ltd. - Yukon, Canada" - October 29, 1980.
- 5) MICHENER, C.E. - "Darva Silver - Gold Mines, Ltd. - Yukon, Canada" - March 7, 1975.
- 6) PHENDLER, R.W., P. Eng. - "Barb Log Claim Group Reserves" - December 17, 1979.



To: Mr. Roy Phendler
7360 Decourcy Cres.,
Richmond, B.C.
V7C 4E9

ACME ANALYTICAL LABORATORIES LTD.

Assaying & Trace Analysis
852 E. Hastings St., Vancouver, B.C. V6A 1R6
Telephone: 253-3158

File No. 83-1168
Type of Samples Rock
Disposition _____

ASSAY CERTIFICATE

Project : Logjam Property

No.	Sample	Pb%	Ag oz/ton	Au oz/ton				No.
1	67323	.63	1.03	.001				1
2	67324	1.40	1.89	.006				2
3	67325	1.09	2.06	.050				3
4	67326	5.64	21.60	.630				4
5	67327	8.56	11.36	.328				5
6	67328		.96	.007				6
7	67329	3.36	5.92	.032				7
8	67330		.22	.001				8
9								9
10								10
11								11
12								12
13								13
14								14
15								15
16								16
17								17
18								18
19								19
20								20

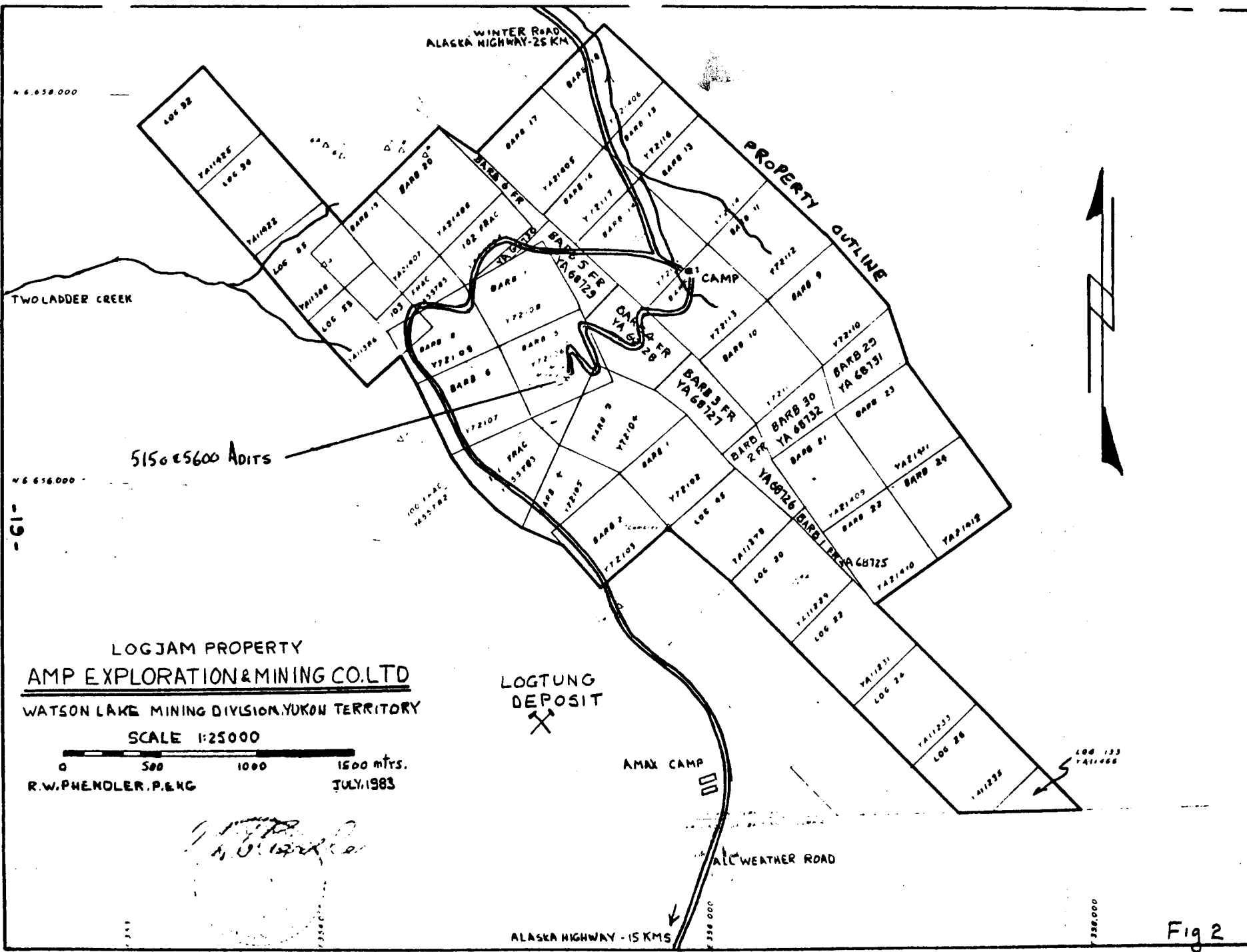
All reports are the confidential property of clients.

DATE SAMPLES RECEIVED July 12, 1983

DATE REPORTS MAILED July 15, 1983

ASSAYER _____

DEAN TOYE, B.Sc.
CHIEF CHEMIST
CERTIFIED B.C. ASSAYER



N 6 658.000

TWO LADDER CREEK

5156 65600 ADITS

N 6 656.000

-19-

LOGJAM PROPERTY
AMP EXPLORATION & MINING CO. LTD
 WATSON LAKE MINING DIVISION, YUKON TERRITORY

LOGTUNG
 DEPOSIT

SCALE 1:25000
 0 500 1000 1500 MTRS.

R.W. PHENDLER, P. ENG

JULY 1983

Handwritten signature

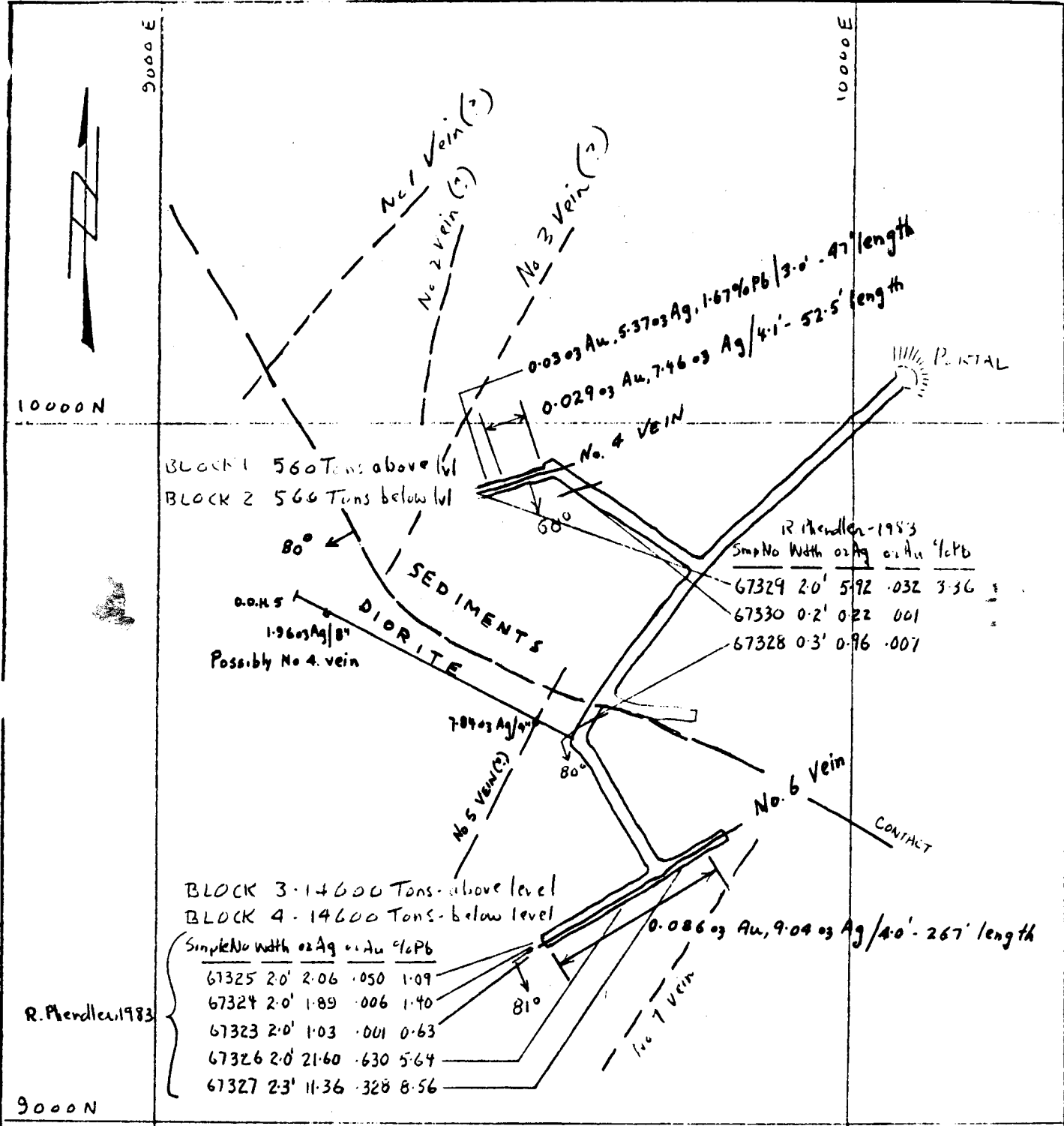
AMAX CAMP

ALL-WEATHER ROAD

ALASKA HIGHWAY - 15 KMS



Fig 2



5150 LEVEL

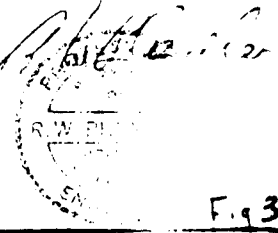
A.M.P. EXPLORATION & MINING CO. LTD.

BARB-LOG CLAIM GROUP LOGJAM SILVER PROPERTY, YUKON

SHOWING RESERVE BLOCKS (DILUTED)
R.W. PHENDLER, P. ENG.

SEPT. 1984. *R. W. Phendler*

SCALE 1" = 200'





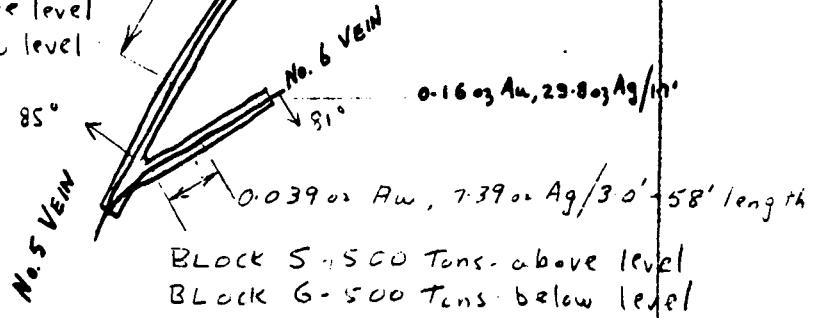
3000 E

10000 E

10000 N



0.070 oz Au, 7.45 oz Ag/4'0" - 200' length
BLOCK T - 8000 Tons above level
BLOCK B - 8000 Tons below level



0.16 oz Au, 23.8 oz Ag/10'
0.039 oz Au, 7.39 oz Ag/3'0" - 58' length
BLOCK S - 500 Tons above level
BLOCK G - 500 Tons below level

9000 N

5600 LEVEL

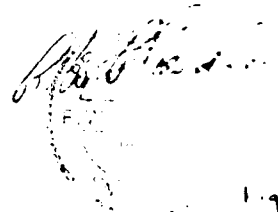
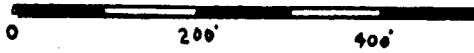
AMPEXPLORATION & MINING CO. LTD.

BARB-LOG CLAIM GROUP LOGJAM SILVER PROPERTY, YUKON

SHOWING RESERVE BLOCKS (DILUTED)
R.W. PHENDLER, P. ENG.

SEPT. 1984

SCALE 1" = 200'



→ NE

Surface sampling - 6 samples over 460' length - 0.1103 Au, 20.203 Ag/3.1'

⑩
18,860 Tons
0.08303 Au, 18.303 Ag
Width - 4.1'

500 Tons, 0.03903 Au, 7.3903 Ag
Width 3.0', Length 58'

5600 LVL

No S VEIN
DIKLET

⑤

⑥

PORTAL
180 NW of section

500 Tons 0.03903 Au, 7.3903 Ag
Width 3.0', Length 58'

DIORITE

SEDIMENTS

③
14600 Tons
0.08603 Au, 9.0403 Ag
Width 4.0', Length 267'

5150 LVL

④ xc.
14600 Tons
0.08603 Au, 9.0403 Ag
Width 4.0', Length 267'

PORTAL

450 NW of section

LONGITUDINAL SECTION - No 6 VEIN

A.M.P. EXPLORATION & MINING CO LTD

BARB LOG CLAIM GROUP. LOGJAM SILVER PROPERTY, YUKON

SHOWING RESERVE BLOCKS (DILUTED)

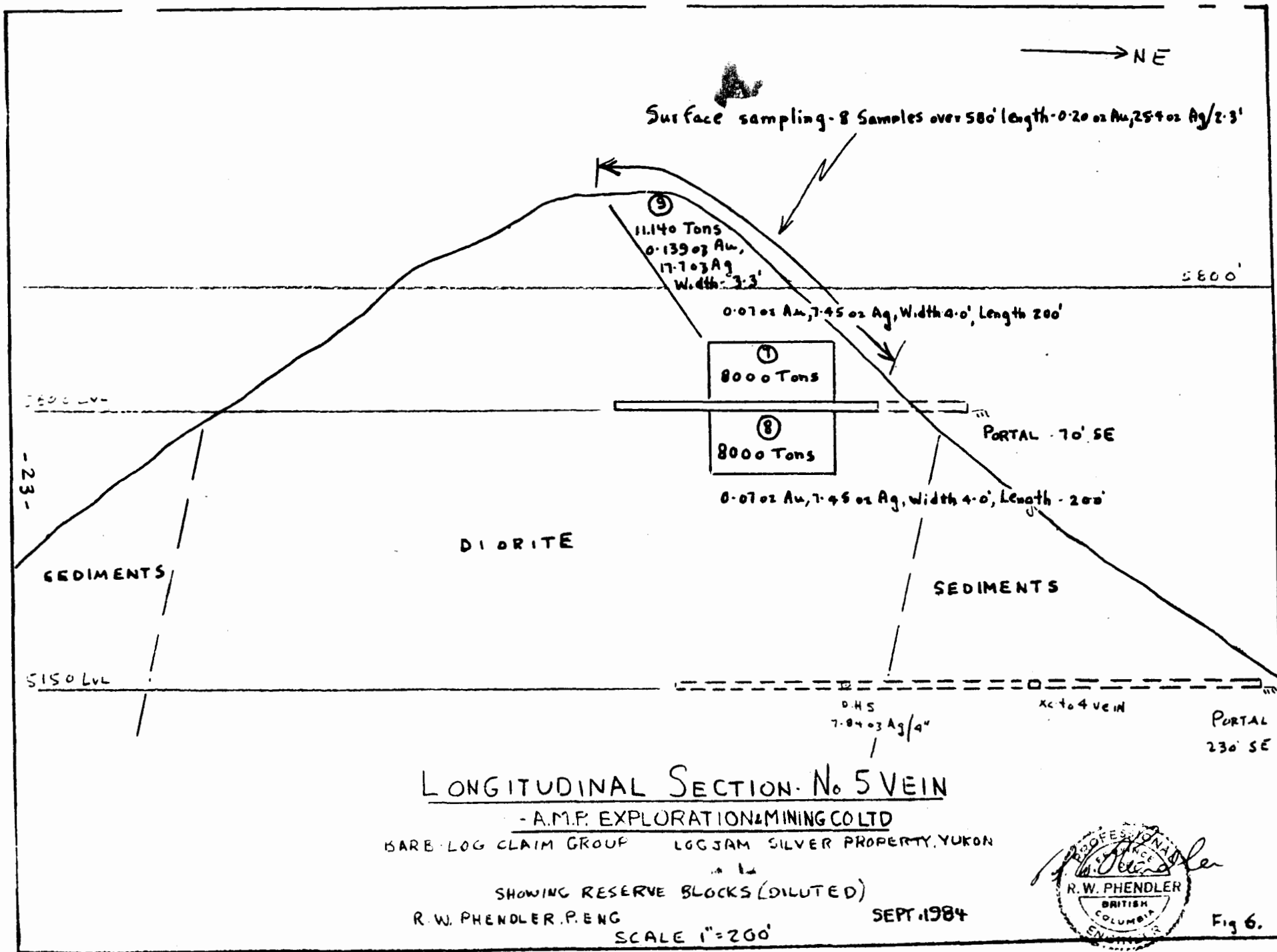
R.W. PHENDLER, P. ENG.

SEPT. 1984

SCALE 1" = 200'



Handwritten signature and date: R.W. Phendler 11/10



6 7 3 1
MAY 7 JUNE 1983

PLAN AND FIELD NOTES
OF SURVEY OF
BARB 1 TO 8 AND FRACTION
100 AND 101 MINERAL CLAIMS
LOTS 1000 TO 1009
QUAD 105 B/4
LATITUDE 60° 01' LONGITUDE 131° 36' (APPROX)
WATSON LAKE MINING DISTRICT
YUKON TERRITORY

SCALE 1 : 5000

THIS SURVEY WAS CONDUCTED DURING THE PERIOD
SEPTEMBER 8 TO 10, 1982, BY J.P. WELSH, C.L.S. FOR
A.M.F. EXPLORATIONS & MINING CO. LTD.

LEGEND

Boundary of mineral claim shown by the bearing and distance of the lines connecting the corners of the claim.

Corner of mineral claim shown by the bearing and distance of the lines connecting the corners of the claim.

Corner of mineral claim shown by the bearing and distance of the lines connecting the corners of the claim.

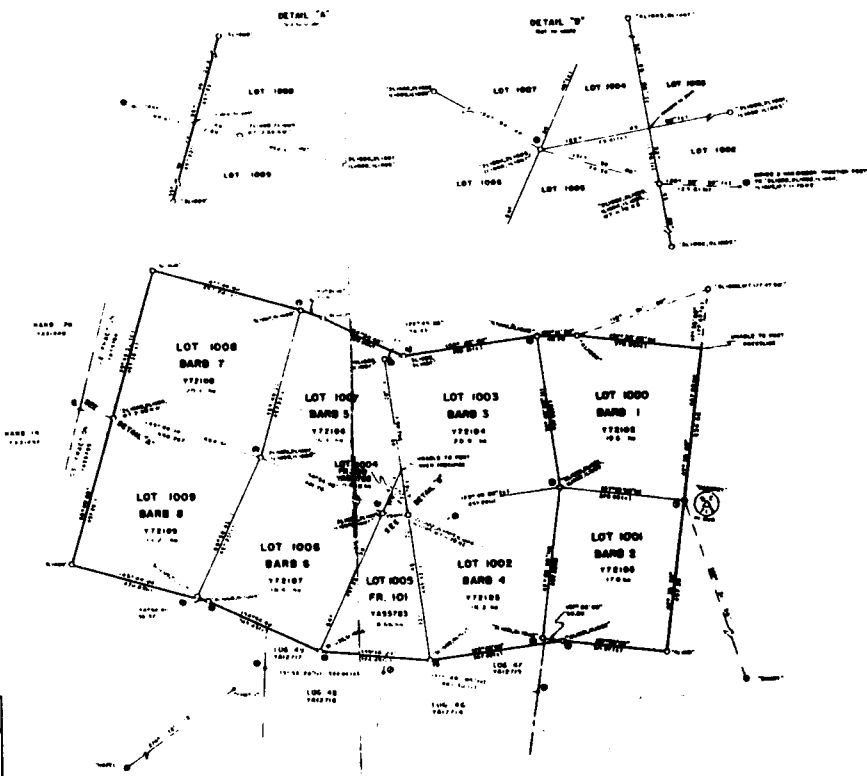
Reference to the plan and field notes
C.L.S. 17 shows the area covered by the plan of survey.

A plan of the site of the mineral claim is shown on the plan of survey. The plan of the site of the mineral claim is shown on the plan of survey. The plan of the site of the mineral claim is shown on the plan of survey.

Surveyed by
J.P. WELSH, C.L.S.

Witnessed by
J.P. WELSH, C.L.S.

Surveyed by
J.P. WELSH, C.L.S.



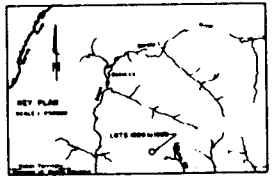
THE COMPENSATION CLAIMED BY ME FOR MY SERVICES AS SURVEYOR

CLASS	AMOUNT	TOTAL
1.0000	2,000.00	2,000.00
2.0000	1,000.00	3,000.00
3.0000	500.00	3,500.00
4.0000	250.00	3,750.00
5.0000	125.00	3,875.00
6.0000	62.50	3,937.50
7.0000	31.25	3,968.75
8.0000	15.62	3,984.37
9.0000	7.81	3,992.18
10.0000	3.90	3,996.08
TOTAL		3,996.08

- 1. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 2. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 3. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 4. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 5. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 6. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 7. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 8. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 9. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims
- 10. Bearings and Distances of Lines Connecting the Corners of the Mineral Claims

TABLE 1

Lot No.	Area (Acres)	Area (Sq. Ft.)
1000	100.00	14,310,000
1001	100.00	14,310,000
1002	100.00	14,310,000
1003	100.00	14,310,000
1004	100.00	14,310,000
1005	100.00	14,310,000
1006	100.00	14,310,000
1007	100.00	14,310,000
1008	100.00	14,310,000
1009	100.00	14,310,000
TOTAL	1000.00	143,100,000



A.M.P. EXPLORATIONS & MINING CO. LTD.

INTERIM FINANCIAL INFORMATION

(Unaudited)

JUNE 30, 1985

Comments on Unaudited Interim Financial Information

Statement 1 - Loss and Deficit

Statement 2 - Balance Sheet

Statement 3 - Changes in Financial Position

Notes to the Interim Financial Information

Schedule - Deferred Exploration and Administration
Expenses

Mackay & Partners

Chartered
Accountants

COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

To the Shareholders of
A.M.P. EXPLORATIONS & MINING CO. LTD.

We have prepared the accompanying balance sheet as at June 30, 1985 and the statements of loss and deficit and changes in financial position for the six month period ended June 30, 1985 from the records of A.M.P. Explorations & Mining Co. Ltd. and from other information supplied to us by the company. Our review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

We have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to the shareholders on which we expressed an opinion were for the year ended December 31, 1984.

Vancouver, Canada
August 9, 1985

Mackay & Partners
CHARTERED ACCOUNTANTS

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 1

LOSS AND DEFICIT

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1985

(Unaudited - See Comments on Unaudited Interim Financial Information)

	<u>1985</u>	<u>1984</u> (Note 8)
EXTRAORDINARY ITEMS		
Write-down of mineral property to nominal value (Note 10)	\$ 742,500	\$ ---
Loss on equipment stolen	<u>7,500</u>	<u>---</u>
Loss AND DEFICIT (Statement 2)	<u><u>\$ 750,000</u></u>	<u><u>\$ ---</u></u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 2



BALANCE SHEET

AS AT JUNE 30, 1985

(Unaudited - See Comments on Unaudited Interim Financial Information)

	<u>ASSETS</u>	<u>1985</u>	<u>1984</u> (Note 8)
CURRENT			
Cash		\$ ---	\$ 79
Accounts receivable		5,486	---
Prepaid expenses		688	763
		<u>6,174</u>	<u>842</u>
MINERAL PROPERTIES (Notes 1, 2 and 3)		192,665	916,432
FIXED (Notes 1, 4 and 6)		242,783	250,283
INCORPORATION COSTS		1,884	1,884
		<u>\$ 443,506</u>	<u>\$1,169,441</u>
	<u>LIABILITIES</u>		
CURRENT			
Bank indebtedness (Note 5)		\$ 5,058	\$ 5,000
Accounts payable and accrued liabilities		67,820	63,473
Due to shareholders (Note 6)		120,000	120,000
		<u>192,878</u>	<u>188,473</u>
DUE TO SHAREHOLDERS		56,202	36,542
		<u>249,080</u>	<u>225,015</u>
	<u>SHAREHOLDERS' EQUITY</u>		
SHARE CAPITAL (Note 7)		944,426	944,426
DEFICIT (Statement 1)		<u>(750,000)</u>	<u>---</u>
		<u>194,426</u>	<u>944,426</u>
		<u>\$ 443,506</u>	<u>\$1,169,441</u>

APPROVED BY THE DIRECTORS:

 Director
 Director

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 3

CHANGES IN FINANCIAL POSITION

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1985

(Unaudited - See Comments on Unaudited Interim Financial Information)

	<u>1985</u>	<u>1984</u> (Note 8)
WORKING CAPITAL PROVIDED BY:		
Advances from shareholders	\$ 19,660	\$ 22,891
WORKING CAPITAL USED FOR:		
Exploration and administration expenses	18,733	57,881
Current portion due to shareholders	---	120,000
	<u>18,733</u>	<u>177,881</u>
INCREASE (DECREASE) IN WORKING CAPITAL	927	(154,990)
WORKING CAPITAL DEFICIENCY, OPENING	<u>187,631</u>	<u>32,641</u>
WORKING CAPITAL DEFICIENCY, CLOSING	<u>\$ 186,704</u>	<u>\$ 187,631</u>
REPRESENTED BY:		
Current liabilities	\$ 192,878	\$ 188,473
Current assets	<u>6,174</u>	<u>842</u>
	<u>\$ 186,704</u>	<u>\$ 187,631</u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1985

(Unaudited - See Comments on Unaudited Interim Financial Information)

1. SIGNIFICANT ACCOUNTING POLICIES

A) Mineral Properties

The company capitalizes all acquisition, exploration and development costs and administration expenses related to exploration and development of mineral properties on a property-by-property basis. The costs of abandoned properties are charged to expense in the year of abandonment. The costs of producing properties will be depleted by the unit of production method based upon estimated proven reserves. Amounts received by the company as option payments are applied to reduce the book value of the claims under option.

B) Depreciation

Fixed assets will be depreciated on a straight-line basis at a rate of 30% when exploration activities commence.

2. RECOVERABILITY OF COST OF UNPROVED PROPERTIES

The recoverability of costs of unproved mineral properties is subject to the discovery of sufficient commercially recoverable reserves.

3. MINERAL PROPERTIES

	1985	1984
Watson Lake Mining District, Yukon Territory:		
Acquisition cost	\$ 750,000	\$ 750,000
Less: Write-down to nominal value (Note 10)	742,500	---
	7,500	750,000
Deferred exploration expenses (Schedule)	61,604	60,771
Deferred administration expenses (Schedule)	201,458	183,558
	270,562	994,329
Less: Option payments received (net)	77,897	77,897
	\$ 192,665	\$ 916,432

As at June 30, 1985 the properties were subject to liens recorded in favour of creditors of a company to whom the properties were previously optioned. The company has cancelled the option and has reached a settlement of all debts whereby the liens will be removed.

A.M.P. EXPLORATIONS & MINING CO. LTD.

NOTES TO THE INTERIM FINANCIAL INFORMATION

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1985

(Unaudited - See Comments on Unaudited Interim Financial Information)

4. FIXED ASSETS

	1985		1984	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Vehicles and mobile equipment	\$112,302	\$ ---	\$112,302	\$112,302
Drilling equipment	105,000	---	105,000	105,000
Other mining equipment	<u>25,481</u>	<u>---</u>	<u>25,481</u>	<u>32,981</u>
	<u>\$242,783</u>	<u>\$ ---</u>	<u>\$242,783</u>	<u>\$250,283</u>

5. BANK INDEBTEDNESS

	1985	1984
Overdraft	\$ 58	\$ ---
Bank loan	<u>5,000</u>	<u>5,000</u>
	<u>\$ 5,058</u>	<u>\$ 5,000</u>

The bank loan is unsecured and bears interest at the Bank of Montreal's prime rate plus 3% and is repayable on July 31, 1985.

6. DUE TO SHAREHOLDERS

Those shareholder loans classified as current liabilities bear interest at 15% and are secured by mining equipment.

7. SHARE CAPITAL

Authorized:

25,000,000 common shares without par value

Issued and fully paid:

	<u>Number</u>	<u>Amount</u>
Balance, December 31, 1984 and June 30, 1985	<u>1,173,714</u>	<u>\$ 944,426</u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

**NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1985**

(Unaudited - See Comments on Unaudited Interim Financial Information)

8. COMPARATIVE FIGURES

Comparative figures are for the year ended December 31, 1984.

9. RELATED PARTY TRANSACTIONS

There were no related party transactions during the period other than advances from shareholders.

10. WRITE-DOWN OF MINERAL PROPERTY TO NOMINAL VALUE

By a directors' resolution, the directors determined that since no commercially recoverable ore reserves have been identified, the mineral property owned by the company should be written down to a nominal value of \$7,500.

11. JURISDICTION OF INCORPORATION

The company was incorporated on May 14, 1969 under the laws of the Province of British Columbia.

12. SUBSEQUENT EVENT

By an agreement dated August 12, 1985, the company agreed to issue 28,531 common shares in settlement of a debt.

A.M.P. EXPLORATIONS & MINING CO. LTD.

SCHEDULE

DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 1985

(Unaudited - See Comments on Unaudited Interim Financial Information)

	Balance at December 31, 1984	Expenditures During the Period	Balance at June 30, 1985
EXPLORATION			
WATSON LAKE MINING DISTRICT:			
Engineering and sundry	\$ 52,363	\$ 833	\$ 53,196
Claim fees	8,408	---	8,408
TOTAL EXPLORATION	<u>60,771</u>	<u>833</u>	<u>61,604</u>
ADMINISTRATION			
Professional fees	82,642	9,806	92,448
Bank charges and interest	27,482	9,461	36,943
Management fees	26,393	---	26,393
Travel and promotion	20,091	908	20,999
Office	18,423	2,432	20,855
Vehicle	7,980	753	8,733
Rent	6,303	---	6,303
Casual labour	3,339	---	3,339
Taxes	75	---	75
	<u>192,728</u>	<u>23,360</u>	<u>216,088</u>
Deduct: Interest earned and miscellaneous recovered expenses	<u>9,170</u>	<u>5,460</u>	<u>14,630</u>
TOTAL ADMINISTRATION	<u>183,558</u>	<u>17,900</u>	<u>201,458</u>
TOTAL DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES (Note 3)	<u><u>\$ 244,329</u></u>	<u><u>\$ 18,733</u></u>	<u><u>\$ 263,062</u></u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 1984

Auditors' Report

Statement 1 - Balance Sheet

Statement 2 - Changes in Financial Position

Notes to the Financial Statements

Schedule - Deferred Exploration and Administration
Expenses

Mackay & Partners

Chartered
Accountants

AUDITORS' REPORT

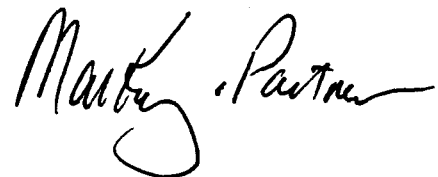
To the Shareholders of

A.M.P. EXPLORATIONS & MINING CO. LTD.

We have examined the balance sheets of A.M.P. Explorations & Mining Co. Ltd. as at December 31, 1984 and December 31, 1983 and the statements of changes in financial position for each of the years in the five year period ended December 31, 1984. Our examinations were 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 December 31, 1984 and December 31, 1983 and the changes in its financial position for each of the years in the five year period ended December 31, 1984 in accordance with generally accepted accounting principles applied on a consistent basis.

Vancouver, Canada
January 2, 1985



CHARTERED ACCOUNTANTS

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 1

BALANCE SHEET

AS AT DECEMBER 31, 1984

	<u>ASSETS</u>	<u>1984</u>	<u>1983</u>
CURRENT			
Cash		\$ 79	\$ 432
Prepaid expenses		763	813
		<u>842</u>	<u>1,245</u>
MINERAL PROPERTIES (Notes 1, 2 and 3)		916,432	858,551
FIXED (Notes 1, 4 and 6)		250,283	250,283
INCORPORATION COSTS		<u>1,884</u>	<u>1,884</u>
		<u>\$1,169,441</u>	<u>\$1,111,963</u>
	<u>LIABILITIES</u>		
CURRENT			
Bank indebtedness (Note 5)		\$ 5,000	\$ ---
Accounts payable and accrued liabilities		63,473	33,886
Due to shareholders (Note 6)		<u>120,000</u>	<u>---</u>
		188,473	33,886
DUE TO SHAREHOLDERS (Notes 6 and 10)		36,542	133,651
	<u>SHAREHOLDERS' EQUITY</u>		
SHARE CAPITAL (Note 7)		<u>944,426</u>	<u>944,426</u>
		<u>\$1,169,441</u>	<u>\$1,111,963</u>

APPROVED BY THE DIRECTORS:

A. Ormsby Director
R. Cook Director

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 2

CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1984

	<u>1984</u>	<u>1983</u>	<u>1982</u>	<u>1981</u>	<u>1980</u>
WORKING CAPITAL PROVIDED BY:					
Issue of shares:					
For cash	\$ ---	\$ 45,000	\$ ---	\$ ---	\$ ---
For settlement of debt	---	89,426	---	---	---
For fixed assets	---	60,000	---	---	---
Advances from shareholders	22,891	133,651	---	---	---
Option payment (net)	---	---	---	23,863	19,634
	<u>22,891</u>	<u>328,077</u>	<u>---</u>	<u>23,863</u>	<u>19,634</u>
WORKING CAPITAL USED FOR:					
Acquisition of fixed assets	---	247,683	2,600	---	---
Exploration and administration expenses	57,881	94,353	33,872	5,456	8,211
Current portion due to shareholders	120,000	---	---	---	10,918
	<u>177,881</u>	<u>342,036</u>	<u>36,472</u>	<u>5,456</u>	<u>19,129</u>
INCREASE (DECREASE) IN WORKING CAPITAL	(154,990)	(13,959)	(36,472)	18,407	505
WORKING CAPITAL (DEFICIENCY), OPENING	<u>(32,641)</u>	<u>(18,682)</u>	<u>17,790</u>	<u>(617)</u>	<u>(1,122)</u>
WORKING CAPITAL (DEFICIENCY), CLOSING	<u>\$ (187,631)</u>	<u>\$ (32,641)</u>	<u>\$ (18,682)</u>	<u>\$ 17,790</u>	<u>\$ (617)</u>
REPRESENTED BY:					
Current assets	\$ 842	\$ 1,245	\$ 7,200	\$ 35,184	\$ 13,954
Current liabilities	188,473	33,886	25,882	17,394	14,571
	<u>\$ (187,631)</u>	<u>\$ (32,641)</u>	<u>\$ (18,682)</u>	<u>\$ 17,790</u>	<u>\$ (617)</u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1984**

1. SIGNIFICANT ACCOUNTING POLICIES

A) Mineral Properties

The company capitalizes all acquisition, exploration and development costs and administration expenses related to exploration and development of mineral properties on a property-by-property basis. The costs of abandoned properties are charged to expense in the year of abandonment. The costs of producing properties will be depleted by the unit of production method based upon estimated proven reserves. Amounts received by the company as option payments are applied to reduce the book value of the claims under option.

B) Depreciation

Fixed assets will be depreciated on a straight-line basis at a rate of 30% when exploration activities commence.

2. RECOVERABILITY OF COST OF UNPROVED PROPERTIES

The recoverability of costs of unproved mineral properties is subject to the discovery of sufficient commercially recoverable reserves.

3. MINERAL PROPERTIES

	<u>1984</u>	<u>1983</u>
Watson Lake Mining District, Yukon Territory:		
Acquisition cost	\$ 750,000	\$ 750,000
Deferred exploration expenses (Schedule)	60,771	60,687
Deferred administration expenses (Schedule)	<u>183,558</u>	<u>125,761</u>
	994,329	936,448
Less: Option payments received (net)	<u>77,897</u>	<u>77,897</u>
	<u>\$ 916,432</u>	<u>\$ 858,551</u>

As at December 31, 1984 the properties were subject to liens recorded in favour of creditors of a company to whom the properties were previously optioned. The company has cancelled the option and has reached a settlement of all debts whereby the liens will be removed.

A.M.P. EXPLORATIONS & MINING CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1984

4. FIXED ASSETS

	1984		1983	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Vehicles and mobile equipment	\$112,302	\$ ---	\$112,302	\$112,302
Drilling equipment	105,000	---	105,000	105,000
Other mining equipment	32,981	---	32,981	32,981
	\$250,283	\$ ---	\$250,283	\$250,283

5. BANK INDEBTEDNESS

The bank loan bears interest at the Bank of Montreal's prime rate plus 3% and is repayable on July 31, 1985.

6. DUE TO SHAREHOLDERS

Those shareholder loans classified as current liabilities bear interest at 15% and are secured by mining equipment.

7. SHARE CAPITAL

Authorized:

25,000,000 common shares without par value

Issued and fully paid:

	1984		1983	
	Number	Amount	Number	Amount
Balance, opening	1,173,714	\$ 944,426	750,000	\$ 750,000
Issued during the year:				
For cash	---	---	300,000	45,000
For settlement of debt	---	---	89,428	89,426
For fixed assets	---	---	34,286	60,000
Balance, closing	1,173,714	\$ 944,426	1,173,714	\$ 944,426

A.M.P. EXPLORATIONS & MINING CO. LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1984**

8. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

9. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year other than advances from shareholders.

10. JURISDICTION OF INCORPORATION

The company was incorporated on May 14, 1969 under the laws of the Province of British Columbia.

11. SUBSEQUENT EVENT

The shareholders' loans due on January 3, 1985 were postponed subsequent to the year-end.

A.M.P. EXPLORATIONS & MINING CO. LTD.
DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1984

SCHEDULE

	1984	1983	1982	1981	1980
EXPLORATION					
WATSON LAKE MINING DISTRICT:					
Engineering and sundry	\$ 84	\$ 35,915	\$ 15,964	\$ ---	\$ ---
Claim fees	---	---	84	---	---
	84	35,915	16,048	---	---
TOTAL EXPLORATION	84	35,915	16,048	---	---
BALANCE, OPENING	60,687	24,772	8,724	8,724	8,724
BALANCE, CLOSING	\$ 60,771	\$ 60,687	\$ 24,772	\$ 8,724	\$ 8,724
ADMINISTRATION					
Professional fees	\$ 24,900	\$ 22,252	\$ 11,297	\$ 5,892	\$ 5,301
Bank charges and interest	18,636	8,620	33	28	5
Office	10,291	6,970	1,118	---	---
Travel and promotion	3,729	11,950	4,228	---	---
Vehicle	822	2,725	4,433	---	---
Rent	---	6,303	---	---	---
Casual labour	---	---	3,339	---	---
Management fees	---	---	2,500	2,500	3,393
	58,378	58,820	26,948	8,420	8,699
Deduct: Interest earned and miscellaneous recovered expenses	581	382	3,124	2,964	488
TOTAL ADMINISTRATION	57,797	58,438	23,824	5,456	8,211
BALANCE, OPENING	125,761	67,323	43,499	38,043	29,832
BALANCE, CLOSING	\$ 183,558	\$ 125,761	\$ 67,323	\$ 43,499	\$ 38,043

A.M.P. EXPLORATIONS & MINING CO. LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 1983

Auditors' Report

Statement 1 - Balance Sheet

Statement 2 - Changes in Financial Position

Notes to the Financial Statements

Schedule - Deferred Exploration and Administrative Expenses

Mackay & Partners

Chartered
Accountants

AUDITORS' REPORT

to the Shareholders of
A.M.P. EXPLORATIONS & MINING CO. LTD.

We have examined the balance sheet of A.M.P. Explorations & Mining Co. Ltd. as at December 31, 1983 and the statement of changes in financial position for the year ended December 31, 1983. 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 December 31, 1983 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, Canada
June 18, 1983

Mackay + Partners

CHARTERED ACCOUNTANTS

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 1

BALANCE SHEET

AS AT DECEMBER 31, 1983

	<u>1983</u>	<u>1982</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 432	\$ 1,426
Prepaid expense	813	---
Income tax recoverable	-0-	5,774
	<u>1,245</u>	<u>7,200</u>
MINERAL PROPERTIES (Notes 1, 2 and 3)	858,551	764,198
FIXED (Notes 1, 4 and 5)	250,283	2,600
INCORPORATION COSTS	1,884	1,884
	<u>\$ 1,111,963</u>	<u>\$ 775,882</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 33,886	\$ 11,638
Due to shareholders	-0-	14,244
	<u>33,886</u>	<u>25,882</u>
DUE TO SHAREHOLDERS (Note 5)	133,651	---
<u>SHAREHOLDERS' EQUITY</u>		
SHARE CAPITAL (Notes 6 and 10)	<u>944,426</u>	<u>750,000</u>
	<u>\$ 1,111,963</u>	<u>\$ 775,882</u>

APPROVED BY THE DIRECTORS:

A. J. Brignault Director

Donald E. ... Director

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 2

CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1983

	<u>1983</u>	<u>1982</u>
WORKING CAPITAL PROVIDED BY:		
Issue of shares:		
For cash	\$ 45,000	\$ ---
For settlement of debt	89,426	---
For fixed assets	60,000	---
Advances from shareholders	<u>133,651</u>	<u>---</u>
	<u>328,077</u>	<u>---</u>
WORKING CAPITAL USED FOR:		
Acquisition of fixed assets	247,683	2,600
Exploration and administration expenses	<u>94,353</u>	<u>33,872</u>
	<u>342,036</u>	<u>36,472</u>
DECREASE IN WORKING CAPITAL	13,959	36,472
WORKING CAPITAL(DEFICIENCY), OPENING	<u>(18,682)</u>	<u>17,790</u>
WORKING CAPITAL DEFICIENCY, CLOSING	<u>\$ 32,641</u>	<u>\$ 18,682</u>
REPRESENTED BY:		
Current liabilities	\$ 33,886	\$ 25,882
Current assets	<u>1,245</u>	<u>7,200</u>
	<u>\$ 32,641</u>	<u>\$ 18,682</u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

A. Mineral Properties

The company capitalizes all acquisition, exploration and development costs and administration expenses related to exploration and development of mineral properties on a property by property basis. The costs of abandoned properties are charged to expense in the year of abandonment. The costs of producing properties will be depleted by the unit of production method based upon estimated proven reserves. Amounts received by the company as option payments are applied to reduce the book value of the claims under option.

B. Depreciation

Fixed assets used in exploration are depreciated on a straight line basis at the rates indicated in Note 4.

2. RECOVERABILITY OF COST OF UNPROVED PROPERTIES

The recoverability of costs of unproved mineral properties is subject to the discovery of sufficient commercially recoverable reserves.

3. MINERAL PROPERTIES

Watson Lake Mining District, Yukon Territory:

	<u>1983</u>	<u>1982</u>
Acquisition cost	\$ 750,000	\$750,000
Deferred exploration and administration expenses (Schedule)	<u>186,448</u>	<u>92,095</u>
	936,448	842,095
Less: Option payments received (net)	<u>77,897</u>	<u>77,897</u>
	<u>\$ 858,551</u>	<u>\$764,198</u>

As at December 31, 1983 the properties were subject to liens recorded in favour of creditors of a company to whom the properties were previously optioned. The Company has cancelled the option and has reached a settlement of all debts whereby the liens will be removed.

A.M.P. EXPLORATIONS & MINING CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1983

4. FIXED ASSETS

	1983	1982
Mining equipment	\$250,283	\$ 2,600

The equipment is to be used in a new exploration program. It will be depreciated at 30% straight line per year upon commencement of the exploration program.

5. SHAREHOLDERS LOANS

Shareholders loans includes \$120,000 in loans which are due January 3, 1985 with interest at 15%. Secured by certain equipment of the company. \$ 133,651

6. SHARE CAPITAL

Authorized:

25,000,000 common shares without
nominal or par value

Issued and fully paid:

	1983		1982	
	Number	Amount	Number	Amount
Balance, opening	750,000	\$ 750,000	750,000	\$ 750,000
Issued during the year:				
For cash	300,000	45,000	---	---
In settlement of debt	89,428	89,426	---	---
For fixed assets	34,286	60,000	---	---
Balance, closing	1,173,714	\$ 944,426	750,000	\$ 750,000

A.M.P. EXPLORATIONS & MINING CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1983

7. LOSS CARRY-FORWARD

The company has a loss carry-forward of \$110,721 available to reduce taxable income of future years expiring as follows:

1989	\$16,368
1990	\$94,353

8. JURISDICTION OF INCORPORATION

The company is incorporated under the laws of the Province of British Columbia.

9. COMPARATIVE FIGURES

Certain figures given for comparative purposes have been reclassified to conform with the current year presentation.

10. RELATED PARTY TRANSACTIONS

2817 common shares were issued to companies controlled by a director in part consideration for the purchase of a drill.

11. SUBSEQUENT EVENT

The Company has been authorized to issue 400,000 units at \$1.00 to the public. Each unit consists of one common share and two series "A" share purchase warrants. Two purchase warrants will enable the holder to purchase one common share of the company at \$1.15 within 120 days from the date of listing on the Vancouver Stock Exchange but not later than February 1, 1985.

A.M.P. EXPLORATIONS & MINING CO. LTD.
DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 1983

SCHEDULE

	<u>Balance at December 31, 1982</u>	<u>Expenditures During The Year</u>	<u>Balance at December 31, 1983</u>
EXPLORATION			
WATSON LAKE MINING DISTRICT:			
Engineering and sundry	\$16,364	\$35,915	\$ 52,279
Claims fees	<u>8,408</u>	<u>---</u>	<u>8,408</u>
TOTAL EXPLORATION	<u>24,772</u>	<u>35,915</u>	<u>60,687</u>
ADMINISTRATION			
Professional fees	35,490	22,252	57,742
Management fees	26,393	---	26,393
Travel and promotion	4,412	11,950	16,362
Vehicle	4,433	2,725	7,158
Casual labour	3,339	---	3,339
Rent	---	6,303	6,303
Office	1,162	6,970	8,132
Bank charges and interest	226	8,620	8,846
Taxes	<u>75</u>	<u>-0-</u>	<u>75</u>
	75,530	58,820	134,350
Deduct: Interest earned	<u>8,207</u>	<u>382</u>	<u>8,589</u>
TOTAL ADMINISTRATION	<u>67,323</u>	<u>58,438</u>	<u>125,761</u>
TOTAL DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES (Note 3)	<u><u>\$92,095</u></u>	<u><u>\$94,353</u></u>	<u><u>\$186,448</u></u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 1982

Auditors' Report

Statement 1 - Balance Sheet

Statement 2 - Deferred Exploration, Development
and Other Expenditures

Statement 3 - Changes in Financial Position

Notes to the Financial Statements

Mackay & Partners

Chartered
Accountants

AUDITORS' REPORT

To the Shareholders of
A.M.P. EXPLORATIONS & MINING CO. LTD.

We have examined the balance sheet of A.M.P. Explorations & Mining Co. Ltd. as at December 31, 1982 and the statements of deferred exploration, development and other expenditures and changes in financial position for the year 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 December 31, 1982 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, Canada
November 8, 1983

Mackay & Partners
CHARTERED ACCOUNTANTS

A.M.P. EXPLORATIONS & MINING CO. LTD.

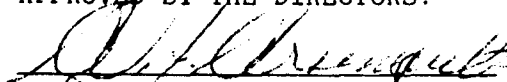
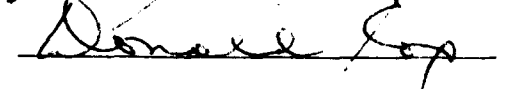
STATEMENT 1

BALANCE SHEET

AS AT DECEMBER 31, 1982

	<u>1982</u>	<u>1981</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 1,426	\$ 75
Term Deposit	-	33,280
Accounts receivable	-	1,829
Income tax recoverable	<u>5,774</u>	<u>-</u>
	7,200	35,184
MINERAL PROPERTIES (Notes 1, 2, 3 and 4)	764,198	730,326
FIXED (Note 5)	2,600	-
INCORPORATION COSTS	<u>1,884</u>	<u>1,884</u>
	<u>\$775,882</u>	<u>\$767,394</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable	\$ 11,638	\$ 5,074
Income taxes payable	-	6,502
Due to shareholders	<u>14,244</u>	<u>5,818</u>
	25,882	17,394
<u>SHAREHOLDERS' EQUITY</u>		
SHARE CAPITAL (Note 6)	<u>750,000</u>	<u>750,000</u>
	<u>\$775,882</u>	<u>\$767,394</u>

APPROVED BY THE DIRECTORS:

 Director
 Director

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 2

DEFERRED EXPLORATION,
DEVELOPMENT AND OTHER EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1982

	Balance at December 31, 1981	Expenditures During Period	Balance at December 31, 1982
EXPLORATION AND DEVELOPMENT			
WATSON LAKE MINING DISTRICT:			
Claims fees	\$ 8,324	\$ 84	\$ 8,408
Engineering	400	15,964	16,364
Promotion	140	---	140
	<u>8,864</u>	<u>16,048</u>	<u>24,912</u>
ADMINISTRATION			
Professional fees	24,193	11,297	35,490
Management fees	23,893	2,500	26,393
Bank charges and interest	193	33	226
Government taxes	75	---	75
Entertainment	44	---	44
Office expenses	44	1,118	1,162
Casual labour	---	3,339	3,339
Vehicle	---	4,433	4,433
Travel and Accommodation	---	4,228	4,228
	<u>48,442</u>	<u>26,948</u>	<u>75,390</u>
Deduct: Tax recovery	---	6,000	6,000
Interest earned	5,083	3,124	8,207
	<u>5,083</u>	<u>9,124</u>	<u>14,207</u>
TOTAL ADMINISTRATION	<u>43,359</u>	<u>17,824</u>	<u>61,183</u>
TOTAL DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES			
(Note 4)	<u>\$52,223</u>	<u>\$33,872</u>	<u>\$186,095</u>

A.M.P. EXPLORATIONS & MINING CO. LTD.
CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED DECEMBER 31, 1982

STATEMENT 3

	1982	1981
WORKING CAPITAL PROVIDED BY:		
Option payment (Net)	\$ ---	\$ 23,863
WORKING CAPITAL USED FOR:		
Acquisition of fixed assets	2,600	---
Exploration development and administration expenditures (Statement 2)	33,872	5,456
	36,472	5,456
INCREASE (DECREASE) IN WORKING CAPITAL	(36,472)	18,407
WORKING CAPITAL (DEFICIENCY), OPENING	17,790	(617)
WORKING CAPITAL (DEFICIENCY), CLOSING	\$(18,682)	\$ 17,790
REPRESENTED BY:		
Current assets	\$ 7,200	\$ 35,184
Current liabilities	25,882	17,394
	\$(18,682)	\$ 17,790

A.M.P. EXPLORATIONS & MINING CO. LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1982**

1. SIGNIFICANT ACCOUNTING POLICIES

A) Option Payments

Amounts received by the company as option payments are applied to reduce the book value of the claims under option.

B) Mineral Properties

- i) The mineral property was acquired for shares and is recorded at \$750,000, being equal to the par value of the shares at the time of issue in 1974. This value is not intended to represent the present or future recoverable value of the property.
- ii) The company capitalizes all exploration and development costs and administrative expenses related to exploration and development of mineral properties on a property by property basis. The costs of abandoned properties are charged to expense in the year of abandonment. The costs of producing properties will be depleted by the unit of production method based upon estimated proven reserves.

2. RECOVERABILITY OF COST OF UNPROVED PROPERTIES

The recoverability of costs of unproved mineral properties is subject to the discovery of sufficient commercially recoverable reserves.

3. OPTION AGREEMENT

It was resolved by the directors of the company on April 14, 1982 to terminate the Option Agreement dated September 4, 1979 between the company and Rebel Developments Ltd. (subsequently assigned to Pure Silver Mines Ltd.) The mineral properties under option are, however, liened by various creditors of Pure Silver Mines Ltd. and the company is presently negotiating the removal of these liens and acquisition of all mining equipment and related material remaining on the claims.

4. MINERAL PROPERTIES

Watson Laking Mining District, Yukon Territory:
34 claims acquired for 750,000 shares of the company's capital stock at \$1 per share and valued at cost less option payments received to date.

A.M.P. EXPLORATIONS & MINING CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1982

4. MINERAL PROPERTIES - continued

	1982	1981
Acquisition cost (Note 1 B)i))	\$750,000	\$750,000
Deferred exploration, development and administration expenditures (Statement 2)	86,095	52,223
	836,095	802,223
Less: Option payments received (net)	71,897	71,897
	\$764,198	\$730,326

5. FIXED ASSETS

		1982		1981	
Rate	Cost	Accumulated Depreciation	Net Book Value	Net Book Value	Value
Vehicle	30%	\$ 2,600	\$ ---	\$ 2,600	\$ ---

Since the vehicle was acquired in December, 1982, no depreciation has been provided on it.

6. SHARE CAPITAL

	1982	1981
Authorized:		
5,000,000 common shares without nominal or par value		
Issued for mining property:		
750,000 common shares	\$750,000	\$750,000

7. LOSS CARRY-FORWARD

The company has a loss carry-forward of \$16,368 available to reduce taxable income of future years expiring in 1987.

8. SUBSEQUENT EVENT

On January 17, 1983 the company issued 300,000 common shares for \$45,000.

9. JURISDICTION OF INCORPORATION

The company is incorporated under the laws of the Province of British Columbia.

A.M.P. EXPLORATIONS & MINING CO. LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 1981

Auditors' Report

Statement 1 - Balance Sheet

**Statement 2 - Deferred Exploration, Development
and Other Expenditures**

Statement 3 - Changes in Financial Position

Notes to the Financial Statements

Mackay & Partners

Chartered
Accountants

AUDITORS' REPORT

To the Shareholders of
A.M.P. EXPLORATIONS & MINING CO. LTD.

We have examined the balance sheet of A.M.P. Explorations & Mining Co. Ltd. as at December 31, 1981 and the statements of deferred exploration, development and other expenditures and changes in financial position for the year 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 December 31, 1981 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Vancouver, Canada
November 8, 1983

Mackay & Partners
CHARTERED ACCOUNTANTS

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 1

BALANCE SHEET

AS AT DECEMBER 31, 1981

	<u>1981</u>	<u>1980</u>
<u>ASSETS</u>		
CURRENT		
Cash	\$ 75	\$ 3,466
Term Deposit	33,280	10,253
Accounts receivable	1,829	235
	<u>35,184</u>	<u>13,954</u>
MINERAL PROPERTIES (Notes 1, 2, 3 and 4)	730,326	748,733
INCORPORATION COSTS	1,884	1,884
	<u>\$767,394</u>	<u>\$764,571</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable	\$ 5,074	\$ 8,387
Income taxes payable	6,502	366
Due to shareholders	5,818	5,818
	<u>17,394</u>	<u>14,571</u>
<u>SHAREHOLDERS' EQUITY</u>		
SHARE CAPITAL (Note 5)	750,000	750,000
	<u>\$767,394</u>	<u>\$764,571</u>

APPROVED BY THE DIRECTORS:

A. J. Breggett Director
Donald G. ... Director

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 2

DEFERRED EXPLORATION,
DEVELOPMENT AND OTHER EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 1981

	Balance at December 31, 1980	Expenditures During Period	Balance at December 31, 1981
EXPLORATION AND DEVELOPMENT WATSON LAKE MINING DISTRICT:			
Claims fees	\$ 8,324	---	\$ 8,324
Engineering	400	---	400
Promotion	140	---	140
TOTAL EXPLORATION AND DEVELOPMENT	<u>8,864</u>	<u>---</u>	<u>8,864</u>
ADMINISTRATION			
Professional fees	18,301	5,892	24,193
Management fees	21,393	2,500	23,893
Bank charges and interest	165	28	193
Government taxes	75	---	75
Entertainment	44	---	44
Office expenses	44	---	44
	<u>40,022</u>	<u>8,420</u>	<u>48,442</u>
Deduct: Interest earned	<u>2,119</u>	<u>2,964</u>	<u>5,083</u>
TOTAL ADMINISTRATION	<u>37,903</u>	<u>5,456</u>	<u>43,359</u>
TOTAL DEFERRED EXPLORATION, DEVELOPMENT AND OTHER EXPENDITURES (Note 4)	<u><u>\$46,767</u></u>	<u><u>\$5,456</u></u>	<u><u>\$52,223</u></u>

A.M.P. EXPLORATIONS & MINING CO. LTD.

STATEMENT 3

CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1981

	<u>1981</u>	<u>1980</u>
WORKING CAPITAL PROVIDED BY:		
Option payment (Net)	\$ 23,863	\$ 19,634
WORKING CAPITAL USED FOR:		
Reduction of long term loans from shareholders	---	10,918
Exploration development and administration expenditures (Statement 2)	<u>5,456</u>	<u>8,211</u>
	5,456	19,129
INCREASE IN WORKING CAPITAL	18,407	505
WORKING CAPITAL (DEFICIENCY), OPENING	<u>(617)</u>	<u>(1,122)</u>
WORKING CAPITAL (DEFICIENCY), CLOSING	<u>\$ 17,790</u>	<u>\$ (617)</u>
REPRESENTED BY:		
Current assets	\$ 35,184	\$ 13,954
Current liabilities	<u>17,394</u>	<u>14,571</u>
	<u>\$ 17,790</u>	<u>\$ (617)</u>

A.M.P. EXPLORATIONS & MINING CO. LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES

A) Option Payments

Amounts received by the company as option payments are applied to reduce the book value of the claims under option.

B) Mineral Properties

- i) The mineral property was acquired for shares and is recorded at \$750,000, being equal to the par value of the shares at the time of issue in 1974. This value is not intended to represent the present or future recoverable value of the property.
- ii) The company capitalizes all exploration and development costs¹ and administrative expenses related to exploration and development of mineral properties on a property basis. The costs of abandoned properties are charged to expense in the year of abandonment. The costs of producing properties will be depleted by the unit of production method based upon estimated proven reserves.

2. RECOVERABILITY OF COST OF UNPROVED PROPERTIES

The recoverability of costs of unproved mineral properties is subject to the discovery of sufficient commercially recoverable reserves.

3. OPTION AGREEMENT

By an agreement dated September 4, 1979 between the company and Rebel Developments Ltd., Rebel, by making certain option payments to the company and expending certain funds on exploration and development of the Barb Claim, would have earned a 70% interest in the claims.

On February 9, 1981 the option referred to above was, with the consent of the company, transferred by Rebel Developments Ltd. through a series of transactions to Pure Silver Mines Ltd.

Option payments received to the date of the financial statement were \$78,400 and an agreement dated June 30, 1981, which at the date of the financial statements had not been signed, calls for further payments of \$140,000 by November 30, 1983.

A.M.P. EXPLORATIONS & MINING CO. LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1981

4. MINERAL PROPERTIES

Watson Laking Mining District, Yukon Territory:
34 claims acquired for 750,000 shares of the
company's capital stock at \$1 per share and
valued at cost less option payments received
to date.

	1981	1980
Acquisition cost (Note 1 B)i))	\$750,000	\$750,000
Deferred exploration, development and administration expenditures (Statement 2)	52,223	46,767
	802,223	796,967
Less: Option payments received (net)	71,897	48,034
	\$730,326	\$748,733

5. SHARE CAPITAL

	1981	1980
Authorized 5,000,000 common shares without nominal or par value		
Issued for mining property: 750,000 common shares	\$750,000	\$750,000

6. JURISDICTION OF INCORPORATION

The company is incorporated under the laws of the Province of British Columbia.

CERTIFICATE OF THE ISSUER

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act and the regulations under it.

DATED this 30th day of November, 1985.



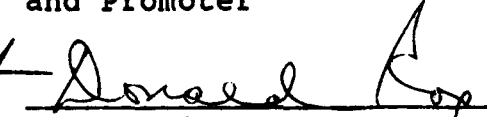
ARMAND JOSEPH ARSENAULT
President, Director and
Promoter



ROBERT LEIGHTON COOK
Secretary, Director
and Promoter



ARMANI ARNOLD ARSENAULT
Director and Promoter



DONALD COX
Director and Promoter

CERTIFICATE OF THE AGENT

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by Part 7 of the Securities Act, and the regulations under it.

DATED this 30th day of November, 1985.

BRINK, HUDSON & LEFEVER LIMITED

Per:

