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PROPERTY FILE

W.A. NO.

Geol Rpt.

NAME

SUBJECT

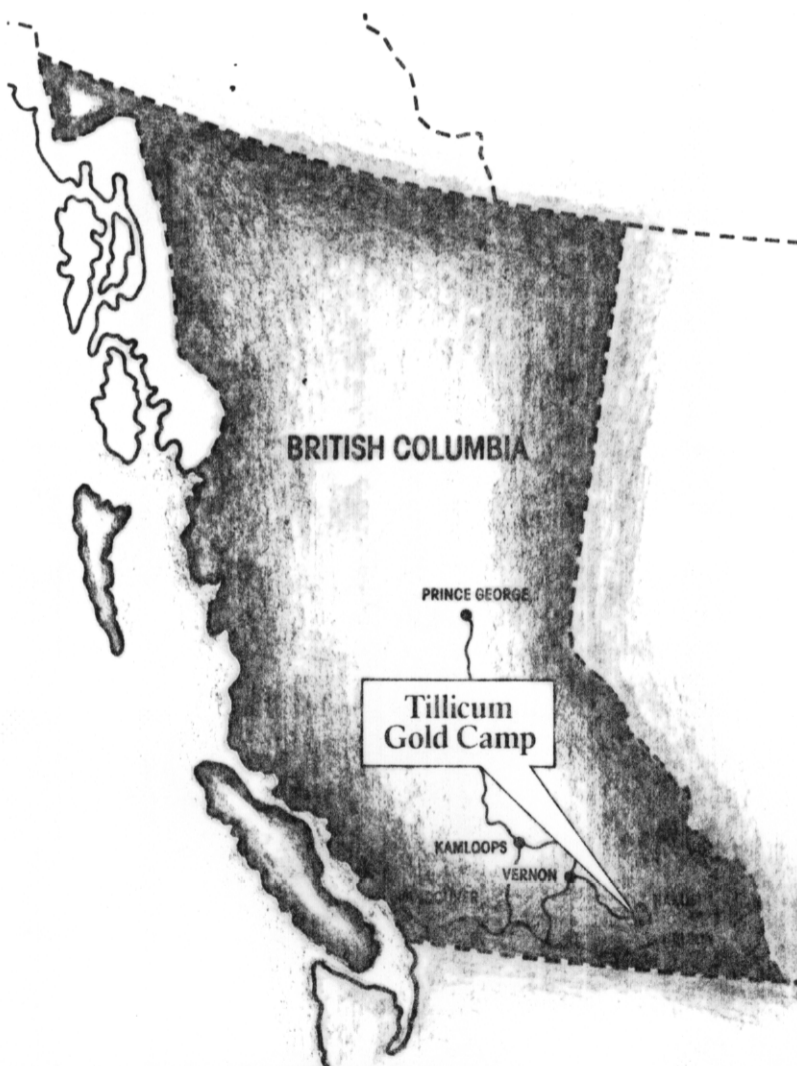
INTRODUCTION

The *Tillicum Gold Camp* promises to be the most significant precious metals discovery area in Western Canada. The principal gold discoveries have been made on the *Tillicum Gold Property* (owned under option by Esperanza Explorations Ltd.), where eight gold-bearing veins, with accompanying values in silver, have been located. Under a financing agreement with Esperanza, La Teko Resources Ltd. is funding a major exploration program on the property; diamond drill testing is proceeding on three zones and, by the close of the 1982 field season, a total of 20 bore holes will have been completed.

Drilling has confirmed extension of the mineralized zones to depth in nine of ten holes. Assays of exposed mineralization indicate average grades from 0.1 to over 2.0 ozs./ton gold over mineable widths of up to 13 feet. Drill core assays grade up to 1.182 ozs./ton gold over a width of 16 feet.

Results to date warrant intensifying exploration efforts and 50 holes to test more recently discovered zones will be drilled, beginning in May 1983. Underground development could follow in September, with preliminary ore reserve estimates available by early 1984.

Tillicum Gold



THE TILLICUM GOLD PROPERTY

The *Tillicum Gold Property* comprises 237 claims lying over Tillicum Mountain, located 8 miles by road east of Burton, which is 20 miles south of Nakusp, in the Arrow Lakes region of British Columbia.

HISTORY

High-grade surface occurrences of gold were discovered on Tillicum Mountain in 1980 by local prospectors, Arnold and Elaine Gustafson. In September 1980, the *Tillicum Gold Property* was optioned to Esperanza Explorations Ltd. and Welcome North Mines Ltd. Surface exploration carried out in 1981 by the Welcome-Esperanza Joint Venture confirmed existence of at least two gold-bearing zones.

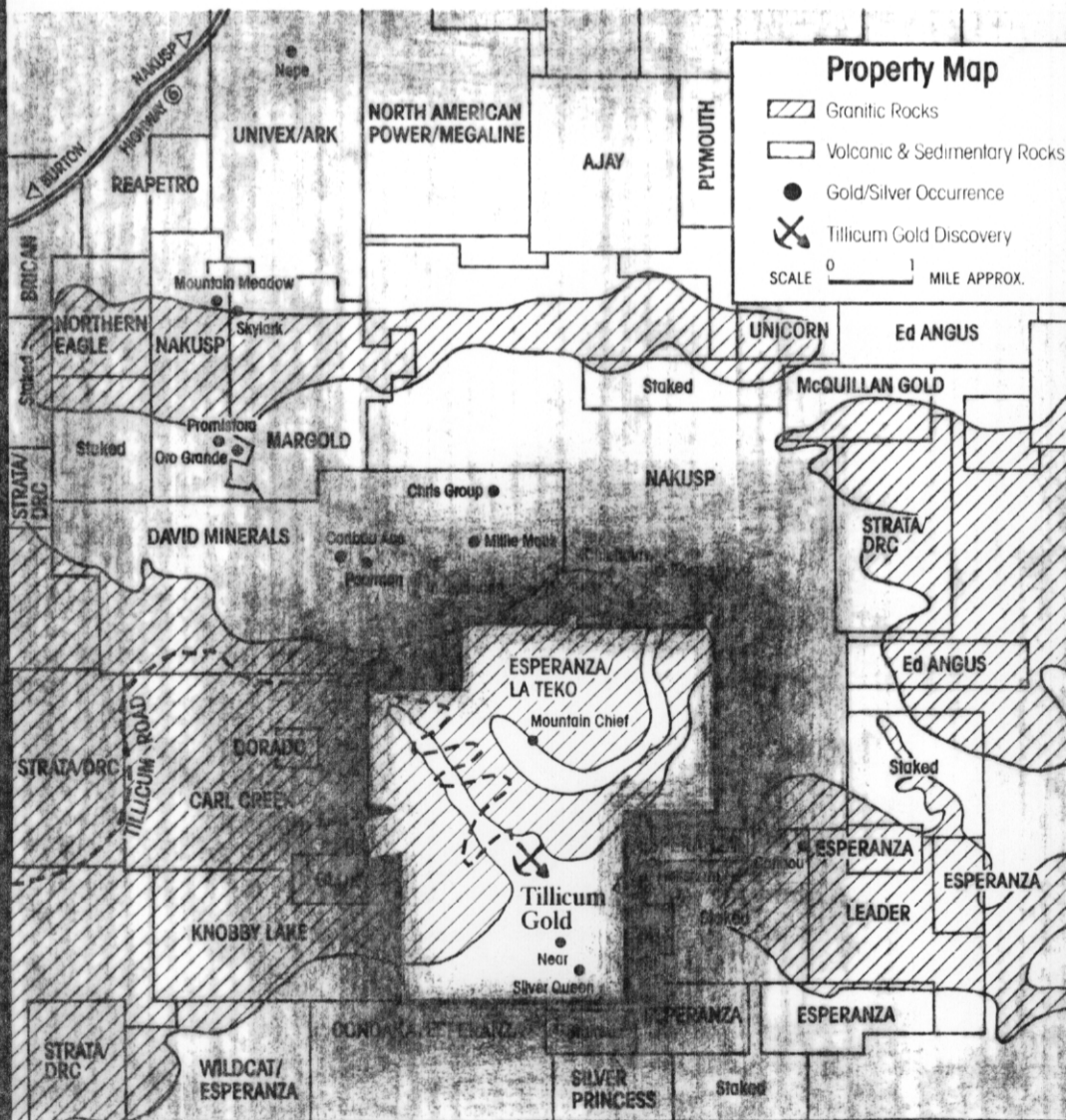
In early 1982, Esperanza acquired Welcome North's 50% interest in the property and in June a financing agreement for exploration of the Tillicum Gold Property was reached with La Teko Resources Ltd. The agreement grants La Teko the right to purchase 3,450,000

shares (50.4%) of Esperanza by contributing \$5.1 million before December 31, 1984.

The 1982 exploration resulted in several new discoveries and greatly expanded Tillicum's potential for gold reserves — success which has attracted more than 30 other mining companies to the surrounding area.

EXPLORATION

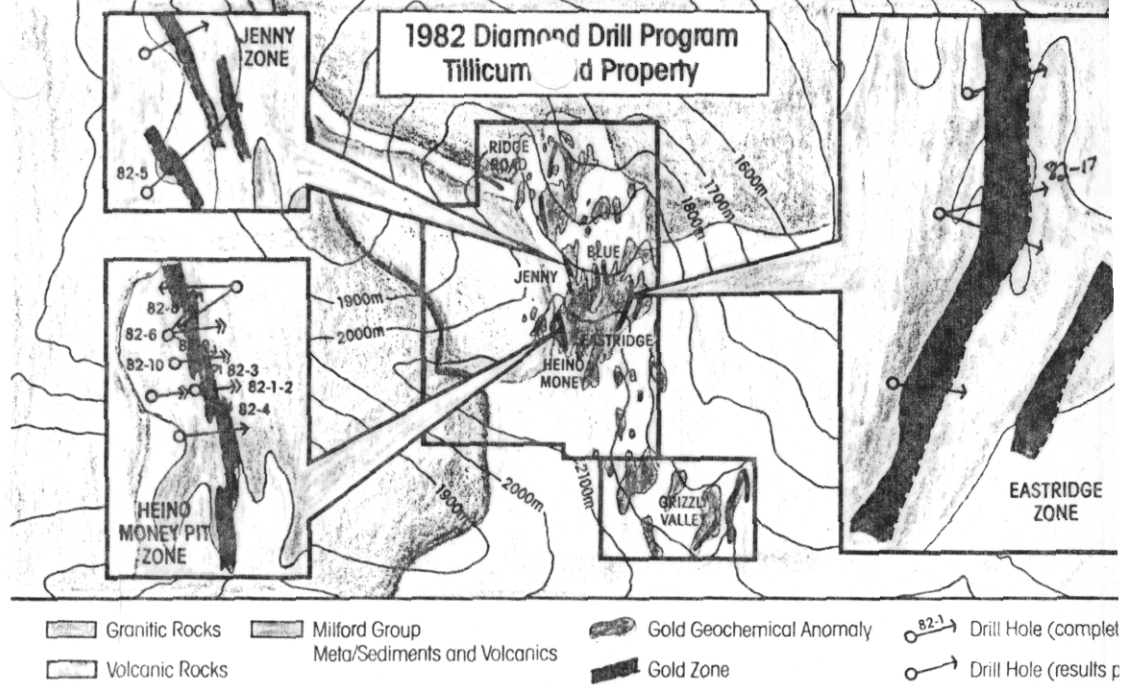
A concentrated program of prospecting, trenching, sampling, mapping, geophysics and geochemistry was initiated in 1981. A 64-ton bulk sample of the original discovery, the Money Pit, was mined and shipped to the Cominco smelter at Trail, B.C., where a smelter return averaged 2.3 ozs./ton gold. Geochemical sampling defined an area 3300 feet long by 1100 feet wide of highly anomalous soils ranging from 100 to 16,000 parts per billion gold, while hand trenching and blasting led to the discovery of two new mineralized horizons, the



Jenny and Blue zones. Detailed prospecting of the geochemical anomaly in 1982 led to the discovery of the Heino Pit, which yielded coarse visible gold assaying up to 147 ozs./ton. Continued exploration led to the discovery of four more zones, the 950, 1250, East Ridge and Grizzly Valley.

Diamond drill testing of the Heino-Money Pit, Jenny and East Ridge zones began in August 1982 and the encouraging results warranted the addition of a second rig to step up drilling. Nine out of ten holes drilled and assayed to date have intersected the zones at depth and visible gold has been seen in five holes drilled under the Heino-Money Pit Zone.

Geological mapping indicated that the gold-bearing zones occur in distinct horizons within a 1000 ft. thick sequence of Milford Group rock, composed of metamorphosed volcanic and sedimentary units of Jurassic-Triassic age. Higher grade, in excess of 1 oz./ton gold, such as the Heino-Money Pit Zone, is found within a 15 ft. thick horizon of calc-silicate exhalative rock. Also contained within the Heino-Money Pit are values in excess of 2.0 ozs./ton over mineable widths. Lower grade, averaging 0.1 oz./ton gold is found over widths of up to 20 feet near the top of the Milford sequence. These zones, such as the East Ridge, appear to have sizeable tonnage implications.



OUTLOOK

Plans for 1983 call for a large-scale program of continued drilling and it is anticipated that underground exploration and development will commence in September with preliminary ore reserve estimates available by early 1984.

The potential for reserves of higher grade ore mineable by underground methods, as well as larger bulk-tonnage reserves of lower grade ore mineable by open-pit methods, are being investigated simultaneously. At this early stage of exploration, geological indications for both types of reserves are positive.

DIAMOND DRILL HOLE ASSAYS AS OF OCTOBER 18, 1982

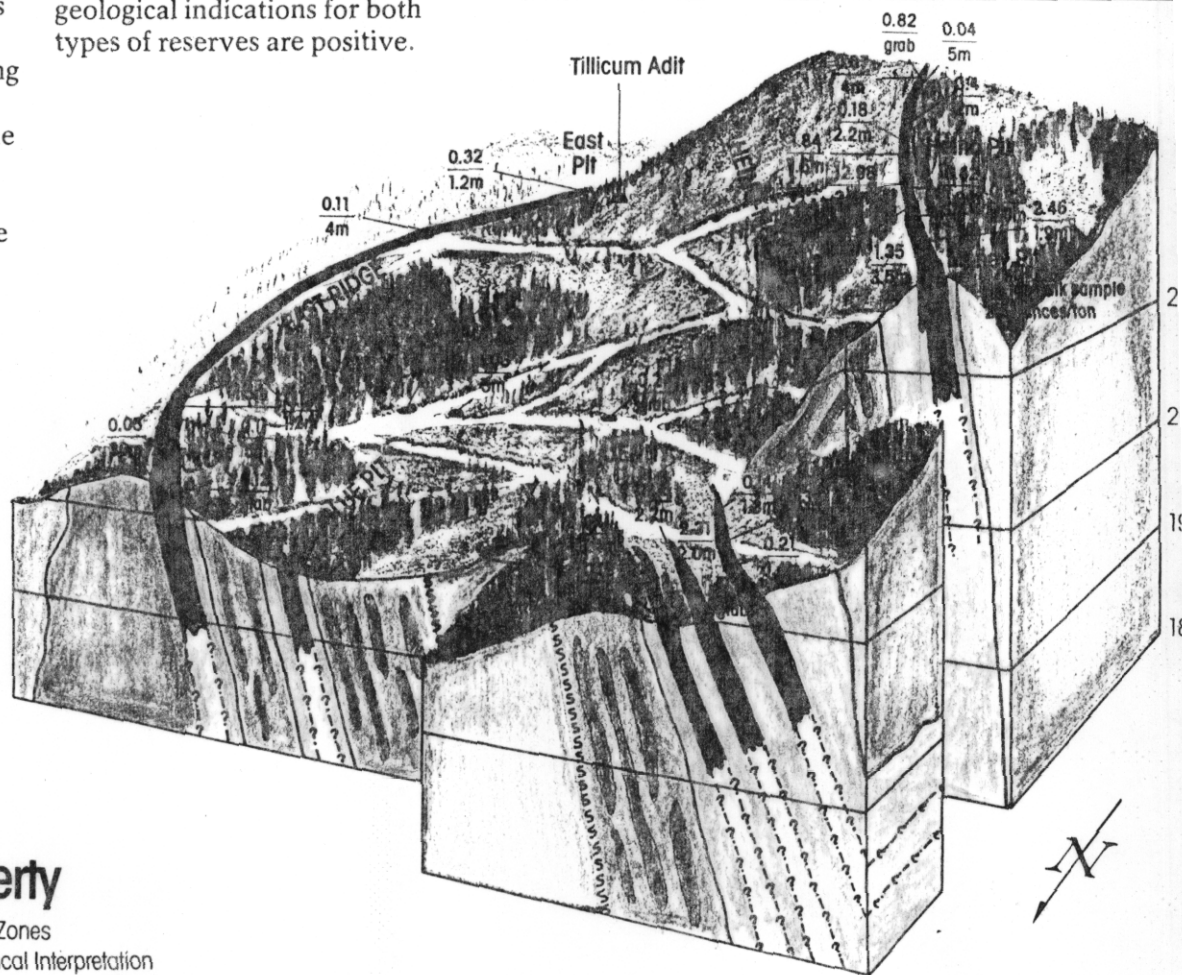
Hole	Angle Drilled	Intersection Depth (Feet)	Intersection Width (Feet)	Gold Ozs/Ton Average Assay
S82-1	-06°	26.8 - 38.0	11.2	1.104
S82-2	-40°	48.8 - 59.3	10.5	0.634
S82-3	-40°	40.4 - 43.7	3.3	0.091
S82-4	-40°	Hole stopped short of zone		
S82-5	-50°	18.0 - 20.0	2.0	0.127
		32.0 - 36.5	4.5	0.111
		Sludge Sludge 110.0 - 115.0	5.0 5.0	0.162 0.239
S82-6	-30°	7.0 - 22.8	15.8	1.182
S82-7	-65°	29.6 - 41.0	11.4	Pending
S82-8	-45°	27.5 - 41.0	13.5	0.284
S82-9	-15°	10.0 - 17.0	7.0	0.24
S82-10	-15°	30.0 - 36.4	6.4	0.08
S82-17	-40°	130.0 - 170.0	40.0	Poor core recovery
		Sludge 140.0 - 150.0	10.0	0.094
		Sludge 150.0 - 160.0 160.0 - 170.0	10.0 Circulation lost - no sludge sample 10.0	0.147

- Intrusive Rocks (Granite)
- Tuff Flows and Breccia
- Dacite and Sediments
- Calc-Silicate (Skarn) Exhalative
- Volcanic Rocks (Andesite)
- Gold Bearing Zone

0.40 Gold, ounces/ton
2.0m Width sampled (metres)

Tillicum Gold Property

Heino-Money, Jenny, Blue, East Ridge Zones
with Selected Gold Assays and Geological Interpretation



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TILLICUM MOUNTAIN - PROGRESS REPORT No. 10

December 15, 1982

Two important gold-bearing formations have been partially explored by 25 diamond drill holes completed on the TILLICUM Gold Property, located on Tillicum Mountain, 25 miles south of Nakusp, in the Lower Arrow Lakes area of B.C.

Each of the two structures tested by the work in the season is as important as it is different. The first is the Heino-Money zone which is considered first because it was the first zone to be explored by trenching and drilling, has had the most work done on it and has to date carried higher grade. The second structure is the Valley area, which was the second to be explored, has fewer holes drilled but has a far larger over-all gold potential and holds a real likelihood of developing into the more important of the two zones.

HEINO-MONEY AREA

As reported previously when the results were received, there were 17 holes drilled in the Heino-Money zone, which has been traced by surface trenches over a 775-foot north-south length. The holes were spread over a 350-foot strike length; established continuity of the zone over that distance; and had a remarkable success ratio of 13 good holes of the 17 drilled. The arithmetic average of the 13 drill hole intersections shows a width of 9.15 feet with 0.41 oz. gold per ton. The samples are continuing to be assayed for silver, lead, zinc and tungsten as well as having a series of check gold assays executed. These results could add significantly to the gross value. The deepest any of these holes cut the zone was 200 feet below the surface. It remains open to depth as well as along strike. Areas of indicated extension will be probed in the next phase of drilling. The table below shows the assay results from the 13 successful holes. Holes No. 4 and 20 were outside the zone; holes No. 14 and 15 cut the zone but did not intercept significant values:

HOLE NO.	ANGLE	FOOTAGE		WIDTH (Feet)	GOLD Oz/Ton
		From	To		
S82-1	-06°	26.8	- 38.0	11.2	1.104
S82-2	-40°	48.8	- 59.3	10.5	0.634
S82-3	-40°	40.4	- 43.7	3.3	0.091
S82-6	-30°	7.0	- 22.8	15.8	1.182
S82-7	-65°	14.4	- 37.6	23.2	0.253
	Including	33.4	- 35.4	2.0	1.765
S82-8	-45°	27.5	- 41.0	13.5	0.284
S82-9	-15°	10.0	- 17.0	7.0	0.24
S82-10	-15°	30.0	- 36.4	6.4	0.08
S82-11	-50°	51.8	- 60.0	8.2	0.12
S82-12	-10°	48.0	- 50.0	2.0	0.11
S82-13	-35°	77.0	- 83.0	6.0	0.12
S82-16	-10°	104.8	- 111.2	6.4	1.02
S82-21	-10°	144.0	- 147.5	3.5	0.11

VALLEY AREA

The remaining eight holes were drilled in the large drift-covered Valley area to the east of the Heino-Money zone, and within a geochemically anomalous area which measures 3,000 feet north-south by 1,000 feet east-west. It is within this area that the potential for very large tonnages of gold, silver, lead, zinc sulphide mineralization is indicated. The eight widely spaced holes were principally designed to outline geology and to substantiate soil values. Owing to the methods of drilling, core recovery was poor. The experience gained in the program will aid in improving recoveries in future drilling programs and suggests that more accurate sample values may be obtained through the use of reverse circulation drilling. Sludge samples were taken and assays of these samples were used for core equivalents. The sludge assays are generally about twice the value of core equivalents and indicate significant 'up-grading' is possible. See map overleaf for the location of the Valley area and the holes within the extensive anomalous zone. Hole S82-23 was drilled outside the zone.

Each of these holes has tested separate stratigraphic intervals which would suggest that the total stratigraphic section across the valley may contain gold of economic interest. Geologic similarities between the Valley drill holes and the Heino-Money zone holes indicate that higher grade gold concentrations may occur within the Valley area. A program of grid pattern drilling is proposed for this zone in 1983.

SIGNIFICANT GOLD ASSAYS - VALLEY AREA
(Sludge Results in Brackets)

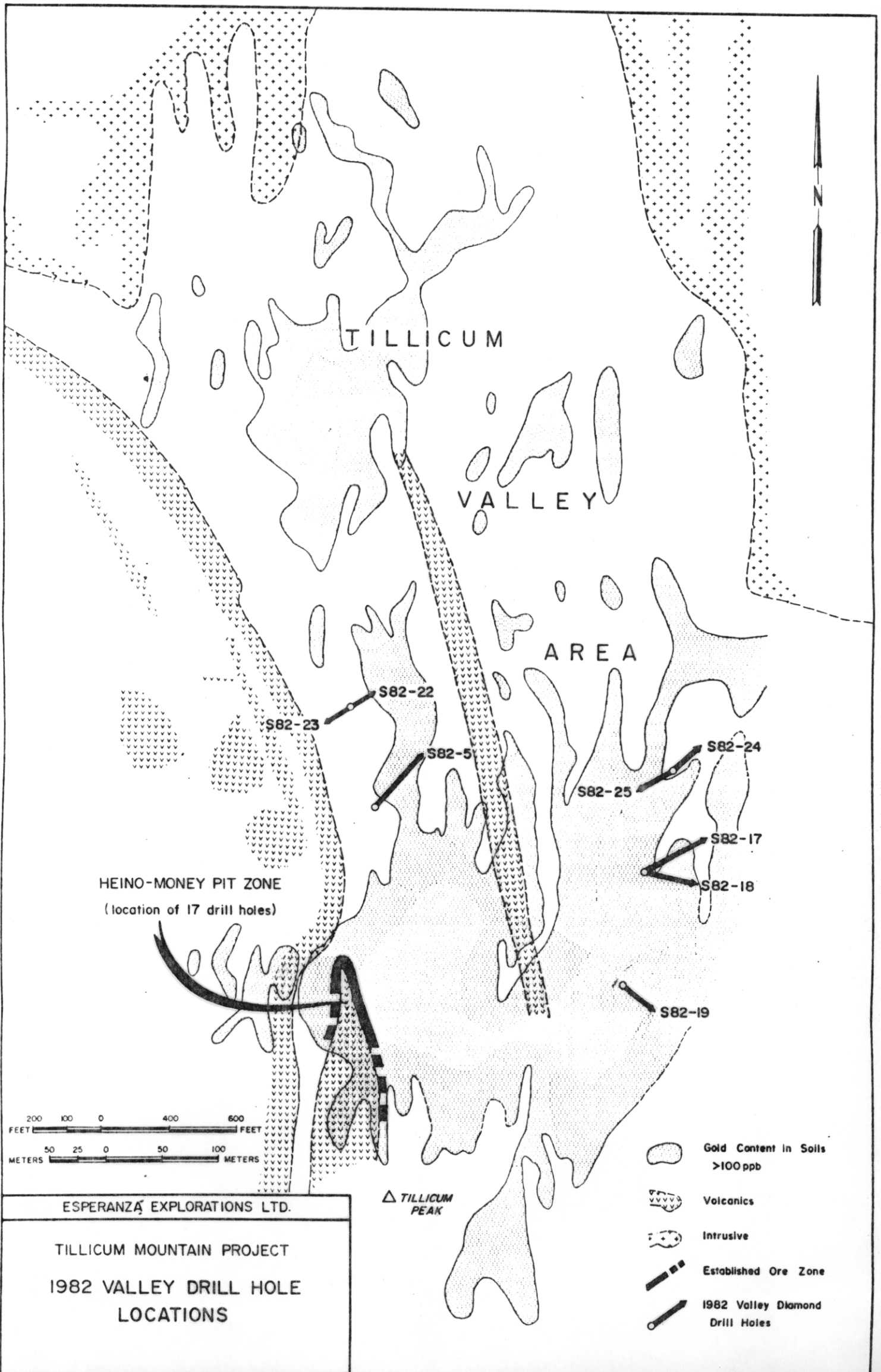
HOLE NO.	ANGLE	FOOTAGE		WIDTH (Feet)	GOLD Oz/Ton
		From	To		
S82-5	-50°	18.0	- 22.4	4.4	0.067
		29.5	- 36.4	7.0	0.089
		30.0	- 40.0	10.0	(0.132)
		79.0	- 79.8	0.8	0.141
		109.6	- 113.0	3.4	0.101
		120.5	- 121.5	1.0	0.100
		100.0	- 115.0	15.0	(0.101)
		75.0	- 115.0	40.0	(0.062)
S82-17	-40°	61.0	- 62.0	1.0	0.028
		82.8	- 86.0	3.2	0.036
		99.5	- 101.8	2.3	0.037
		130.0	- 131.5	1.5	0.028
		144.5	- 177.5	33.0	0.029
		120.0	- 180.0	60.0	(0.070)
		206.5	- 208.0	1.5	0.051
S82-18	-40°	110.5	- 144.0	33.5	0.066
		110.0	- 144.0	30.0	(0.140)
S82-19	-30°	57.0	- 64.0	7.0	0.118
S82-22	-70°	74.0	- 79.5	5.5	0.043
		86.0	- 89.5	3.5	0.108
		101.0	- 107.0	6.0	0.055
		123.0	- 126.0	3.0	0.057
S82-23	-70°	No significant gold values			
S82-24	-40°	25.8	- 28.2	2.4	0.092
		39.0	- 48.7	9.7	0.080
		39.0	- 49.0	10.0	(0.072)
		57.5	- 59.0	1.5	0.081
		74.0	- 79.4	5.4	0.034
		81.6	- 83.0	1.4	0.060
		84.0	- 85.3	1.3	0.050
		74.0	- 84.0	10.0	(0.069)
		104.0	- 109.0	5.0	0.120
		S82-25	-45°	46.0	- 53.0
45.0	- 55.0			10.0	(0.115)
93.0	- 98.0			5.0	0.066
108.0	- 113.0			5.0	0.106

Submitted on behalf of the Board of Directors,

ESPERANZA EXPLORATIONS LTD.
"JOHN S. BROCK"
PRESIDENT.

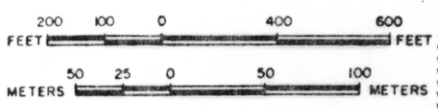
LA TEKO RESOURCES LTD.
"J.R. BILLINGSLEY"
VICE PRESIDENT

This progress report has been prepared by the Company officers signed above, who accept responsibility for its content. The Vancouver Stock Exchange has neither approved nor disapproved of this report.



TILLICUM
VALLEY
AREA

HEINO-MONEY PIT ZONE
(location of 17 drill holes)



ESPERANZA EXPLORATIONS LTD.
TILLICUM MOUNTAIN PROJECT
1982 VALLEY DRILL HOLE
LOCATIONS

△ TILLICUM PEAK

- Gold Content in Soils >100 ppb
- Volcanics
- Intrusive
- Established Ore Zone
- 1982 Valley Diamond Drill Holes