

675497  
Tillicum  
82 K/4

## ESPERANZA EXPLORATIONS LTD.

1027 - 470 Granville St., Vancouver, B.C. V6C 1V5 Telephone (604) 687-1658

### REPORT TO SHAREHOLDERS

June 30, 1982

As you will see from the Information Circular mailed to you with this letter, Esperanza Explorations Ltd. has entered into an agreement with La Teko Resources Ltd. to finance further exploration and development of the Company's Tillicum Property.

La Teko Resources Ltd., headed by the well-known mining men, Chester Millar, James Billingsley and Martin Gibbeson, has agreed to subscribe for 400,000 shares of Esperanza at \$0.50 per share by way of a private placement, to net the Company \$200,000. Approximately \$140,000 of these funds will be directed immediately towards completion of a program of geochemical and geophysical surveys, trenching and sampling, and diamond drill site preparation on the Tillicum Property.

In consideration for subscribing to the private placement, La Teko will be granted options, exercisable over the next 30 months, to purchase an additional 3,050,000 shares for a total consideration of \$4,925,000.

If La Teko exercises all of the options to which it will be entitled, it will have purchased a total of 3,450,000 shares and will have acquired 50.4 percent of the then issued capital of Esperanza. La Teko will at that time be entitled to appoint a majority of the members of the Board of Directors of Esperanza.

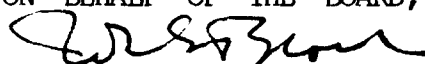
The Directors of the Company are pleased that this financing arrangement will provide funding for immediate work on the Tillicum Property and provide additional funding of development work if results of work done remain positive.

Under the arrangement, the Company will retain 100% of its rights to the Tillicum Property with La Teko eventually becoming the majority shareholder.

The Directors have investigated prospects of optioning the Tillicum Property to major mining companies but are of the opinion that equity financing such as arranged with La Teko provides the greater benefit to the Company and its shareholders.

It is hoped that you will be able to attend the extraordinary general meeting on July 29, 1982 called to consider and approve the agreement with La Teko, a related increase in the capitalization of the Company, and directors stock options. Particulars of these matters are described in the accompanying Information Circular.

ON BEHALF OF THE BOARD,



John S. Brock,  
President