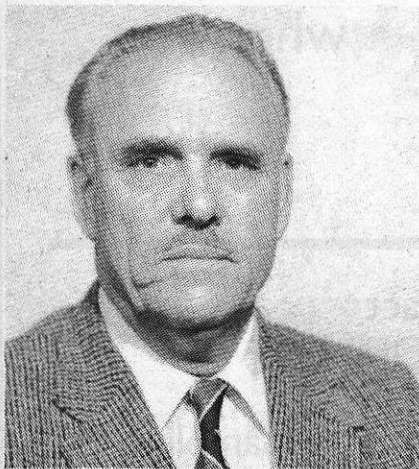


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La Teko Resources Ltd.



J. Billingsley Vice-President Exploration, La Teko Resources.

La Teko Resources Ltd. was formed June 1, 1977 by an amalgamation of La Teko Resources Ltd. and Aegean Explorations Inc.

The officers and directors have remained the same since amalgamation. Chester F. Millar, P. Eng. is president and a director, James R. Billingsley, P. Eng., Vice president and director, Martin Gibbeson, director.

The Company has participated in several exploration ventures since inception but is now focusing its entire efforts towards successful development of the Tillicum Gold Property. The Tillicum Property, located 12 miles east of Burton B.C., in the Arrow Lakes region of south eastern B.C. is held by Esperanza Exploration Ltd.

Under a financing agreement signed in June, 1982 with Esperanza, La Teko, on a staged option basis, has the right to purchase 3,450,000 shares of Esperanza for \$5,125,000 prior to Dec. 31, 1984. The funds are to be used for the exploration and development of the Tillicum Property. If all options are exercised La Teko will own 50.4% of the then issued capital of Esperanza. To date, La Teko has advanced \$1,595,500 pursuant to the agreement for which it has received 1,797,000 shares of Esperanza.

A two-stage exploration program was completed in October 1983 and a third phase program of underground drifting and bulk sampling is in progress. Results of the first two programs are being compiled with some assay results still pending, although the complete picture not yet available, it is evident that extensive new areas of interest have been located that contain highly anomalous gold and silver values.

Preliminary geochemical surveys and limited prospecting have now been conducted over the southern half of the 15,000 acre claim block. Four new gold zones containing multiple geochemical targets comparable in magnitude to those being explored in the Heino - Money pit - East Ridge area, have been located as a result of this work. In the Silver Queen area located in the south east corner of the Tillicum property an exciting silver geochemical anomaly has been defined. This anomaly is about 150' wide by 3300 feet long and contains silver geochemical values ranging from 3 ppm to 256 ppm. It is supported by assays from old underground workings, surface pits and mineralized float, assaying from 2 oz. to 22 oz. per ton silver.

Five thousand feet of core drilling was completed on the Heino - Money pit high grade zone. Additional potential to the existing drill indicated reserve of 40,000 ton of 0.60/ton gold will be known shortly. Drilling to date will be sufficient to provide a data base for determination of the ultimate scale of mining operation.

Approximately 5000 feet of drilling on the East Ridge zone has defined a mineralized zone with a strike length in excess of 1650 feet that remains open to the north and south. This zone averages about 50 feet in width. Values in the gold bearing horizons that make up this width will be checked by muck and channel sampling of an exploration adit currently being driven.

Possible production of high grade ore from the Heino - Money zone; definition

of tonnage potential in the East Ridge zone and the evaluation of the gold and silver geochemical anomalies in the southern portion of the property, all point to exciting and productive developments over the next 12 months.

La Teko has registered its securities with the S.E.C. and trades on NASDAQ (symbol LAORF).

Approximately \$1,000,000 remain in the company's treasury.

Esperanza Explorations Ltd.

Esperanza Explorations Ltd. is directing a major effort toward exploration and development of the Tillicum precious metals deposits located near Burton in southeastern British Columbia.

During the past three years of exploration, twelve mineral zones have been discovered, four of which have been partially drill-tested, and one has had limited underground investigation. Exploration expenditures to date are in the order of 1.5 million dollars and results are extremely positive. At this time, four targets are of priority interest:

1) HEINO-MONEY Contains a drill indicated reserve of 40,000 tons grading 0.6 ounces gold per ton (gold assays cut to 2 ounces) within an overall area



JOHN S. BROCK, Esperanza President

of geologically inferred potential of 100,000 tons. Underground sampling and drilling is proposed for 1984 in order to expand reserve, initiate mining tests, and carry out bulk sampling. Preliminary feasibility studies could then follow in late 1984.

2) EAST RIDGE On the basis of 18 holes drilled to date, plus visual encouragement from recent underground work, the East Ridge zone is emerging as a wide (up to 100 feet) mineralized zone

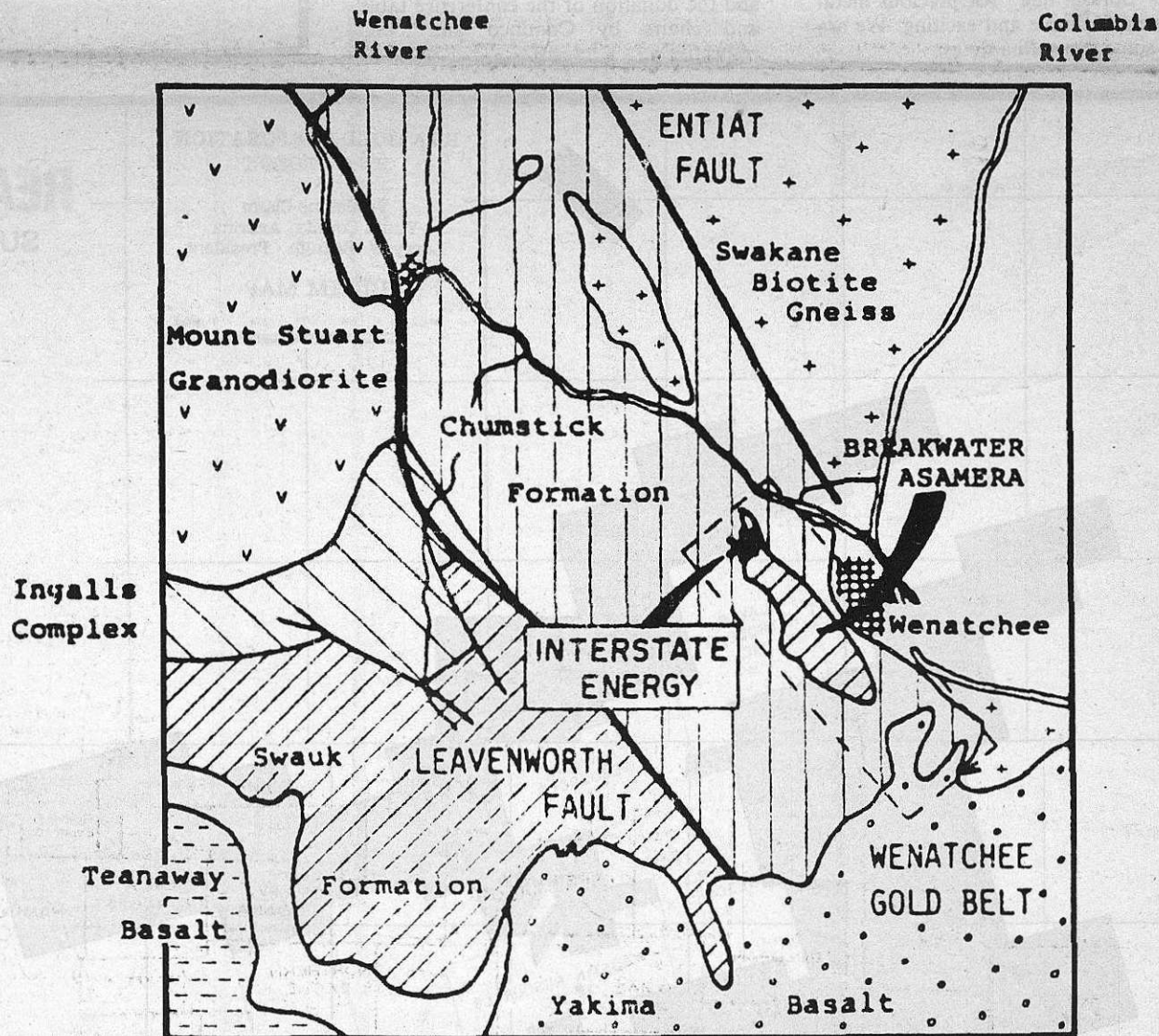
with a strike length in excess of 1650 feet that remains 'open' to the north and south. Grades vary up to 0.1 ounces gold per ton, with shorter, higher-grade intervals assaying up to 0.38 ounces per ton over 9 feet. Assays from more recent drilling are pending. An accurate estimate of bulk tonnage potential and overall grade will be possible once muck samples from the underground work have been assayed and compiled. Further underground sampling and drilling is proposed for 1984 to more fully delineate and evaluate what appears to be a potentially large reserve of gold amenable to mining by open pit methods.

3) SILVER QUEEN A 3000-foot long by 150-foot wide zone of highly anomalous silver geochemistry was outlined late in the 1983 field season; the Silver Queen anomaly is considered an extremely important target for further work in 1984. Preliminary prospecting has led to the discovery of silver mineralization within the anomalous zone with samples assaying up to 22 ounces per ton silver. The next phase of exploration will call for bulldozer trenching followed by diamond drilling.

continued on page 33

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From: Gresens, et al
May 1978

**MR. VERN LLOYD PAULGER
- PRESIDENT**

GENERAL GEOLOGY

SCALE AS SHOWN

MAY 18, 1983

DONALD W. TULLY, P. ENG.