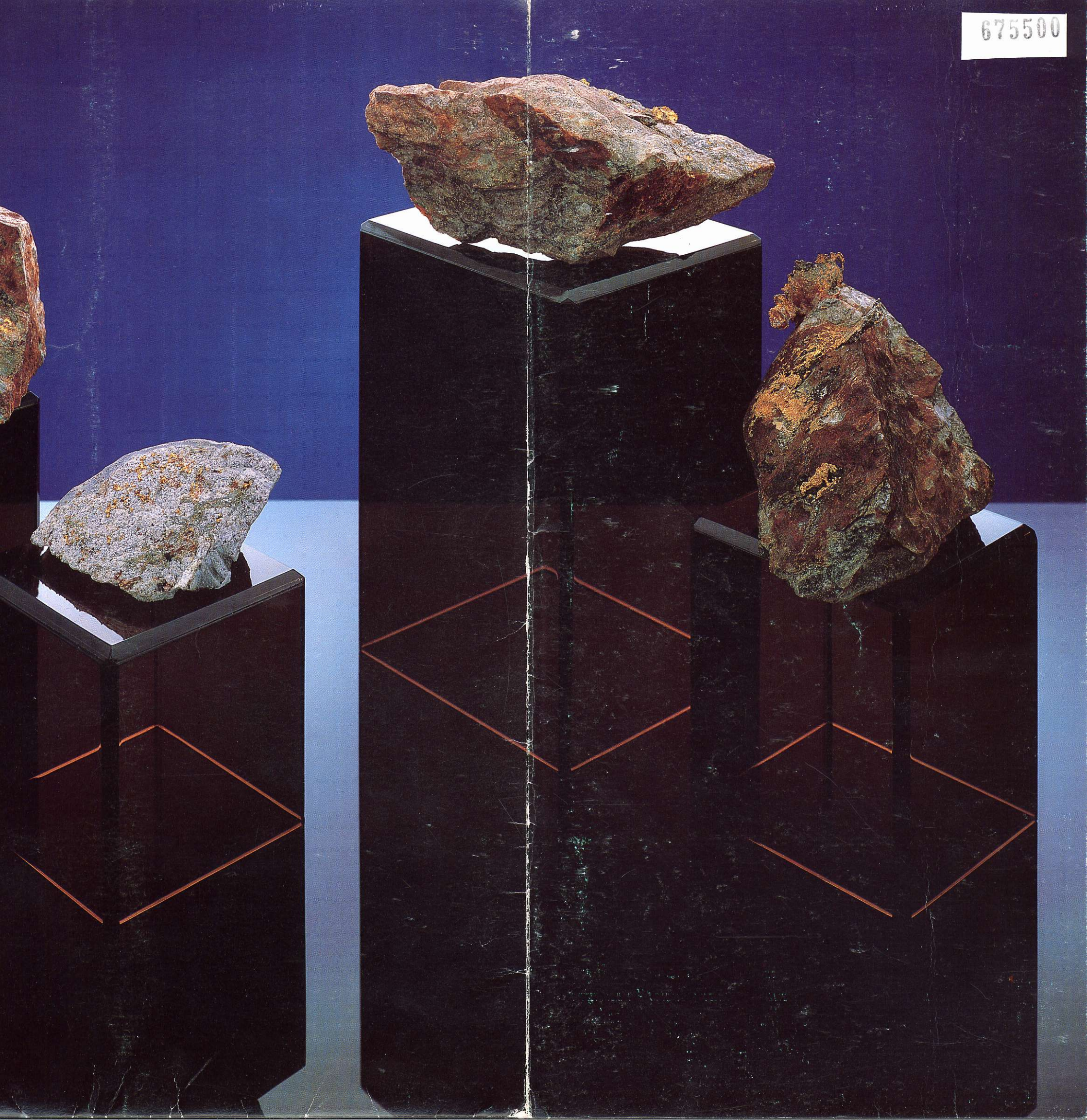


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# THE TILLICUM GOLD PROPERTY

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.

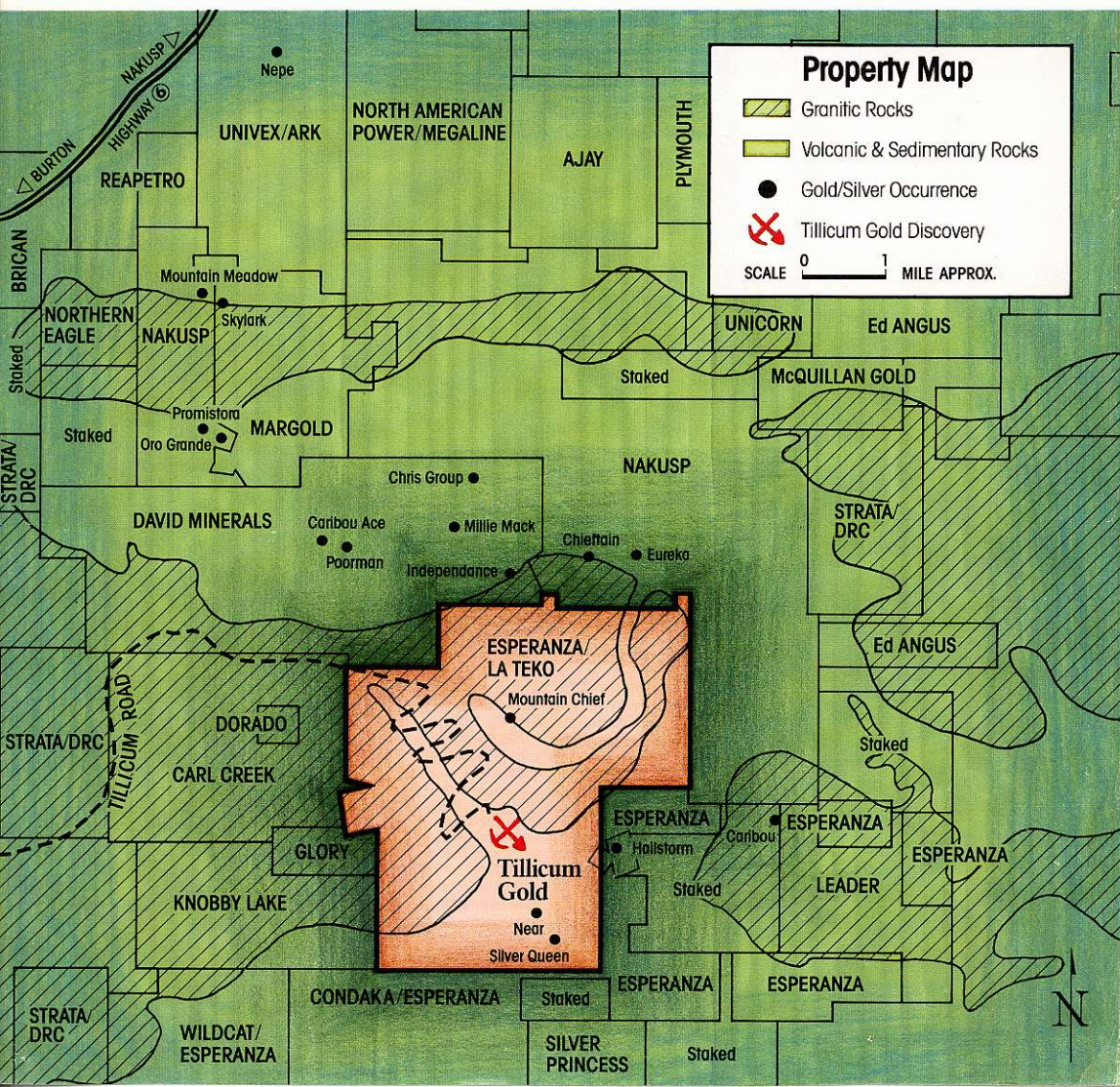
In early 1982, Esperanza acquired Welcome North's 50% interest in the property and in June a financing agreement for exploration of the Tillicum Gold Property was reached with La Teko Resources Ltd. The agreement grants La Teko the right to purchase 3,450,000

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



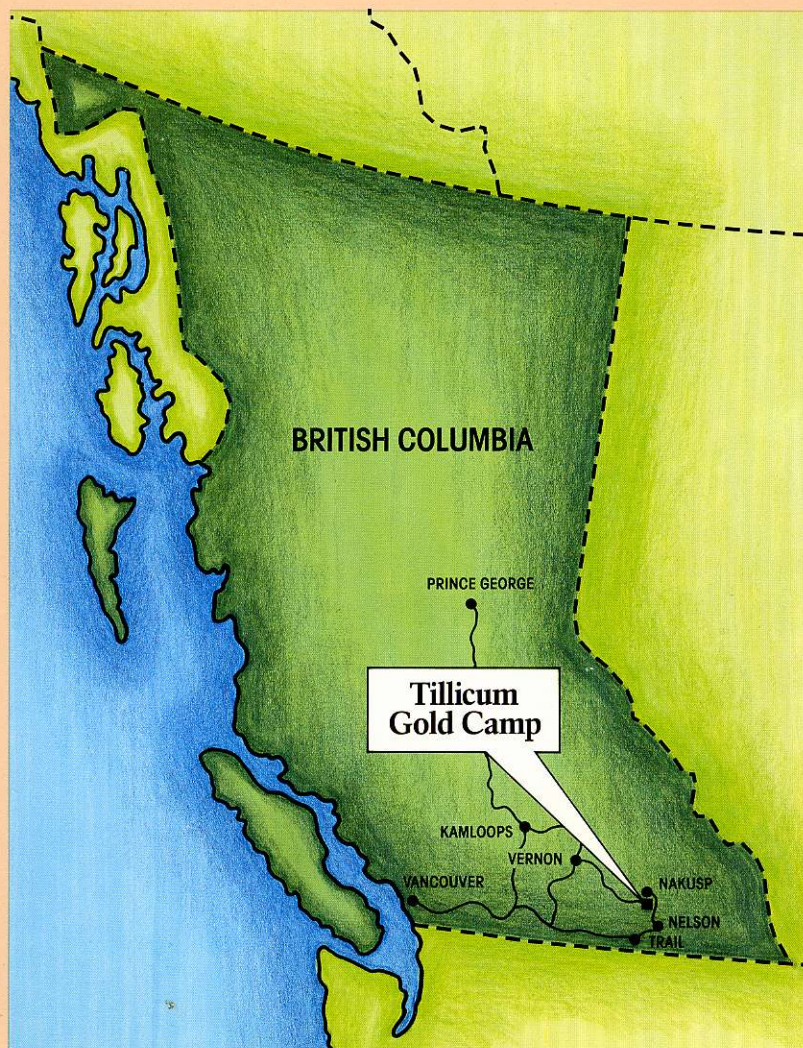
## INTRODUCTION

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.

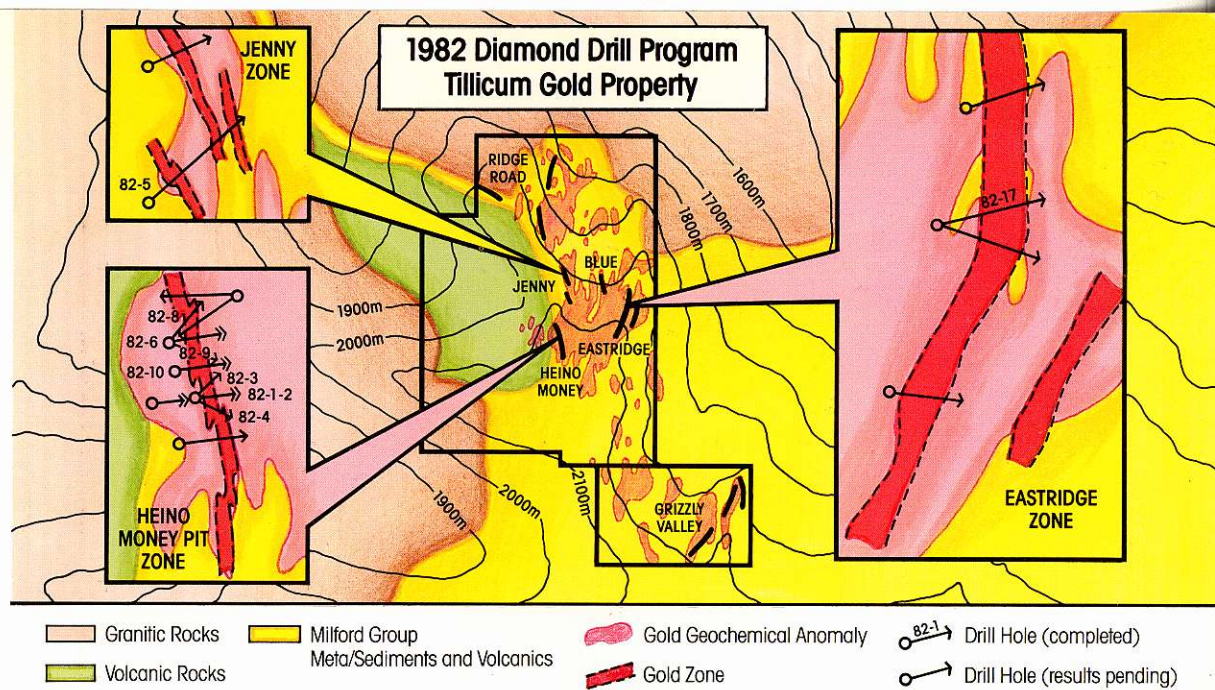
# Tillicum Gold



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
		35.0 - 40.0	5.0	0.162
		110.0 - 115.0	5.0	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
		140.0 - 150.0	10.0	0.094
		150.0 - 160.0	10.0	Circulation lost - no sludge sample
		160.0 - 170.0	10.0	0.147

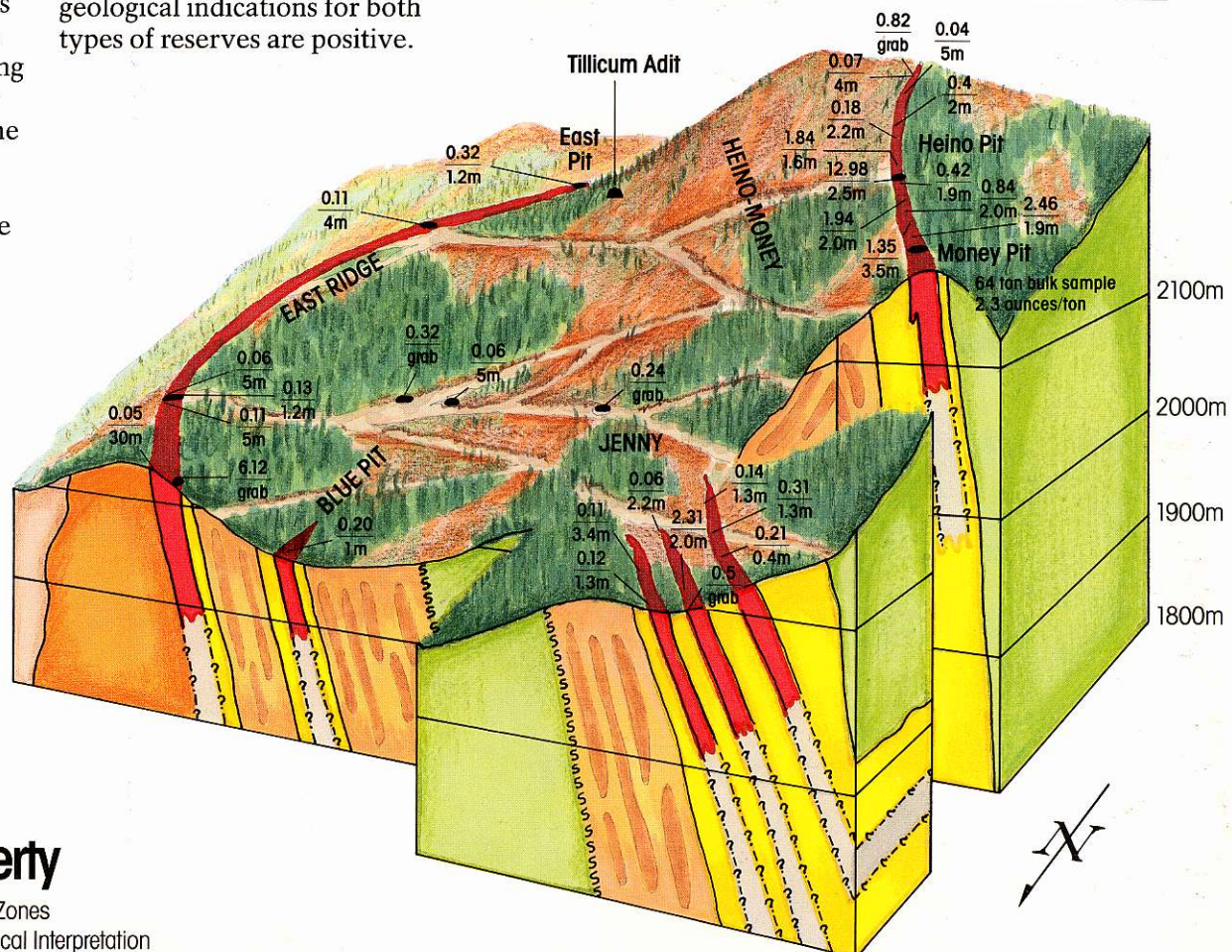
- Intrusive Rocks (Granite)
- Tuff Flows and Breccia
- Dacite and Sediments
- Calc-Silicate (Skarn) Exhalative
- Volcanic Rocks (Andesite)
- Gold Bearing Zone

0.40 Gold, ounces/ton

2.0m Width sampled (metres)

## Tillicum Gold Property

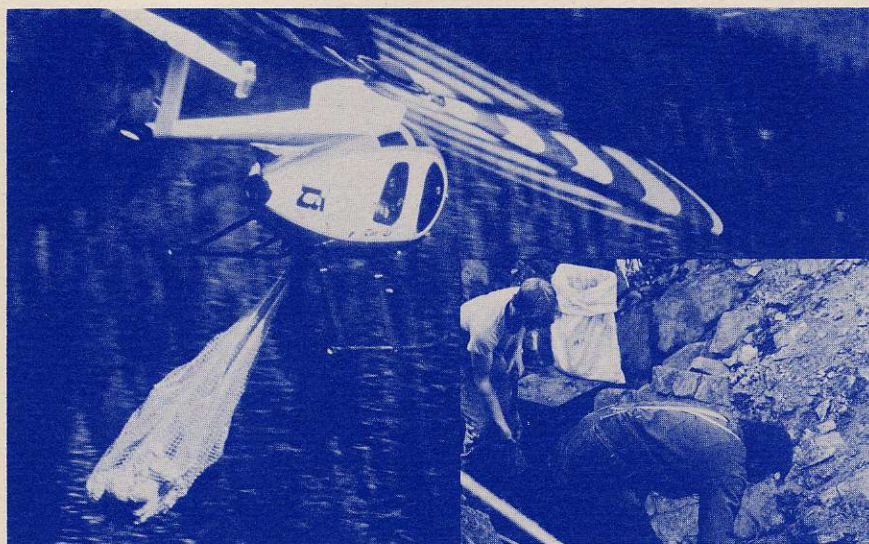
Heino-Money, Jenny, Blue, East Ridge Zones  
with Selected Gold Assays and Geological Interpretation



# Esperanza Explorations Ltd.

Listed: Vancouver Stock Exchange  
Symbol: EEP

Esperanza Explorations Ltd. is a Vancouver-based public mining company established in 1979. Since then, Esperanza's efforts have focused on developing precious metal prospects, notably the Tillicum and Wisconsin gold properties in southeastern B.C. In addition to several other property holdings, the company also owns substantial equity interests in two B.C.-based mineral exploration companies.



Prior to constructing road to Tillicum, helicopters airlifted high grade gold samples; inset: Esperanza prospector, Dave Heino sampling the Money Pit. A 64-ton bulk sample from this area assayed 2.3 ozs./ton gold.

### PRINCIPAL HOLDINGS

**Tillicum Property (Gold)** — Esperanza has the right to acquire a 100% interest in the *Tillicum Gold Property*, located near Burton in the Arrow Lakes District of British Columbia. Three out of eight gold-bearing zones are currently being drill tested with drill core assays ranging to over 1 oz./ton gold over widths of up to 15 feet. Potential also exists for open-pit reserves of lower grade gold. Exploration is being financed by La Teko Resources Ltd., which has options to

purchase 3,450,000 shares, or 50.4% of the then issued capital of Esperanza, for \$5.1 million.

**Wisconsin Property (Gold)** — Esperanza holds the rights to acquire the *Wisconsin Gold Property*, located near Nelson, B.C. Geologically inferred reserves are on the order of 100,000 tons grading 0.35 oz./ton gold. A participant is being sought to aid in metallurgical testing and further definition of ore reserves.

**Hixon Property (Gold)** — Esperanza granted Golden Rule Resources Ltd. an option to acquire the *Hixon Gold Property*, located south of Prince George, B.C. Geophysical, geochemical and surface sampling indicate a large area of low-grade, bulk-tonnage potential. Should Golden Rule earn, Esperanza would retain a 2.5 percent Net Smelter Return Interest from production.

**Reb Property (Lead/Zinc)** — Esperanza granted Esso Mineral of Canada an option to earn an 85% interest in the REB shale-hosted massive sulphide occurrences, located south of Cyprus Anvil's Cirque lead-zinc deposit in the Williston Lake area of B.C. Esperanza will retain a 15% Net Profits Interest. Cash option payments from Esso Minerals reach \$100,000 per annum by 1984. Initial drilling in 1982 intersected massive sulphides.

**Welcome North Mines Ltd.** — Esperanza owns 284,676 shares of Welcome North Mines Ltd., a Vancouver-based mineral exploration company with a diversified portfolio of base and precious metals prospects throughout Northern Canada, most of which are receiving exploration

and development by major companies through farm-out agreements.

**Arctic Red Resources Corp.** — Esperanza owns 595,000 escrowed shares of Arctic Red Resources Corp., a Vancouver-based mineral exploration company which holds the rights to acquire the LaForma Property, a former gold producer located

near Carmacks, Yukon Territory. The LaForma Gold Property presently contains reserves on the order of 70,000 tons of 0.44 oz./ton gold. Arctic Red is proceeding with an underground drilling program to prove increased tonnage to depth.

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## Corporate Information

### DIRECTORS

**JOHN S. BROCK** (*President*): B.Sc., Geology and Geophysics, University of British Columbia. Eighteen years' experience in mineral exploration and development throughout Western Canada.

**IRENE M. WILSON** (*Secretary*): Corporate Secretary with nineteen years' experience in corporate, regulatory and administrative functions related to mineral exploration and development within British Columbia and Yukon Territory.

**JURGEN T. LAU**: Graduate Geological Engineer and Barrister and Solicitor. Nineteen years' experience in the practice of mining and securities law.

**DAVID C. PEGG**: Chartered Accountant and business executive with twenty years' experience in the natural resource field and related financial background.

### HEAD OFFICE

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

### REGISTERED OFFICE

3000 Royal Centre  
1055 West Georgia Street  
Vancouver, B.C. V6E 3R3

### RECORDS OFFICE

**AND TRANSFER AGENT**  
Guardian Estates & Agencies Ltd.  
#404-470 Granville Street  
Vancouver, B.C. V6C 1V8

### SOLICITORS

Bull, Housser & Tupper  
3000-1055 West Georgia Street  
Vancouver, B.C. V6E 3R3

### BANK

Canadian Imperial Bank of Commerce  
Granville at Hastings Street  
Vancouver, B.C.

### CAPITALIZATION

7,000,000 (with no par value) authorized  
3,684,070 issued (September, 1982)

### AUDITORS

Coopers & Lybrand  
1111 W. Hastings Street  
Vancouver, B.C.  
V6E 3R2

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