



EQUITY SILVER MINES LIMITED
EXPLORATION DIVISION

861411

April 15th, 1987

Mr. Jonathan A. Rubenstein
Briant, Angus, McClellan & Rubenstein
Barristers & Solicitors
World Trade Centre
550 - 999 Canada Place
Vancouver, B.C.
V6C 3C8

Dear Jonathan:

Re: Pilgrim Holdings Inc. - H.J. Claims


We have reviewed the data you sent to us under your letter of April 9th and these data are hereby returned to you.

This project, unfortunately, does not fit into the criteria necessary for Equity to seek a participating role.

As a matter of interest to you, the Relay Creek Resources - Big Property is one that we would like to follow-up on, subject of course to a field examination and some relief under the underlying agreement with C.S.A. which requires an annual expenditure of \$75,000 if the gold price exceeds U.S. \$350/ounce. We will be discussing this project with Vic.

Thank you for thinking of us with these projects.

Yours very truly,


R.T. Heard, P. Eng.
General Manager - Explorations

/jms

BRIANT, ANGUS, McCLELLAN & RUBENSTEIN

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April 9, 1987

VIA COURIER

Mr. Terry Heard
708 - 1155 West Pender
Vancouver, B.C.
V6E 2P4

Dear Sir:

Re: Pilgrim Holdings Ltd. - HJ Claims

Enclosed is the original property report with respect to the above-noted claims, along with copies of the underlying agreement dated May 31, 1985 and the amending letter dated July 17, 1985.

We have not copied the maps in the report. Please be sure to return the original report to us when you have completed your review.

The Company has spent about \$50,000 on the property to date (including staking costs for surrounding claims). In addition, the Company has made the down payment and the first annual payment under the option.

Call the writer if you wish to discuss the foregoing.

Yours truly,

BRIANT, ANGUS, McCLELLAN & RUBENSTEIN

Per:

Jonathan A. Rubenstein

JAR/mw

Encl.

HJ PROPERTY
LILLOOET MINING DIVISION, B.C. - NTS 92J/15E
PILGRIM HOLDINGS INC.

Location and Access

South of Carpenter Lake, 10 km east of Goldbridge. Access is by logging road up Truax Creek which is central to the claims.

Mineral Property

Five Modified Grid mineral claims comprising 79 units are held by way of an option agreement by Pilgrim Holdings.

Geological Setting

The property is underlain by Triassic Fergusson Group andesites and ribbon cherts intruded by granitic porphyry dykes and an ultramafic body.

Mineralization

Narrow quartz-stibnite veins and fracture zones in andesite and ribbon chert trend east-west and dip steeply to gently north. Three gold-bearing zones have been identified by trenching and 870 metres of diamond drilling in 11 holes in 1983.

The south zone has been exposed over a strike length of 220 metres and averages 0.337 opt gold over a 1.14 metre width. Three diamond drill holes in the eastern part of the zone yielded values of 0.12 to 0.315 opt gold over 0.8 metre lengths. VLF-EM surveys suggest the zone is open to the west.

The Main and North zones, 900 metres north, include gently dipping shear zones of apparent limited extent. Best value from 7 previous drill holes was 0.241 opt over 4 metres. Most gold values were less than 0.05 opt.

Exploration Potential

Best potential appears to be the South Zone although extension to the west is based on VLF results which are not supported by soil geochemistry.

The property is subject to an apparently complex option agreement which includes payments totalling \$155,000 plus stock and a retained 2.5% NSR. A finders' fee involving annual payments and stock is payable to Vic Erickson.

4/7/87

Pilgrim Holdings

Brought to me by
Jenshan Ribenstein
&
Stuart Angus

JAMES M. DAWSON, P. ENG.
Geologist

FILE

#203 - 455 GRANVILLE STREET
VANCOUVER, B.C. V6C 1T1

TELEPHONE (604) 688-8278

Rec'd May 12/87

December 11, 1986

Mr. S. S. Shine,
Pilgrim Holdings Inc.,
Suite 822, Pharr Road, NE,
ATLANTA, Georgia
USA 30305

Dear Sirs:

REGARDING: HJ Property, Truax Creek Area,
Lillooet Mining Division, British Columbia

The purpose of the 1986 field programme on the HJ claims was to expand upon the known mineralized zones and to test their potential extension to the west and northwest. This was successful in a number of respects; however, because of pervasive heavy overburden, geochemical soil sampling was not as effective as it should have been. In addition, many of those areas where anomalies were detected, overburden in excess of 25 feet precluded exposure of bedrock by trenching.

Nevertheless, the programme added significantly to our knowledge of the mineralized zones and demonstrated that they are open to the west and could have considerable continuity in that direction.

In the North Zone, possible extensions were trenched, but deep overburden precluded exposing bedrock in the areas where mineralization would be expected (to the west). It has been tested by only one drill hole and could consist of two parallel sub-zones. Its potential is open to the west and at depth.

The Main Zone was trenched to the west and is now known to consist of at least three parallel zones. Two of these were exposed by trenching and returned assays of 0.10 ounce gold/ton over 4.5 meters and 0.10 ounce gold/ton over 5.3 meters. These zones have now been traced for between 40 and 50 meters along strike and remain open to the west and at depth.

The South Zone was extended to the west by five trenches and has now been traced for 240 meters along strike. It is open to the west and at depth, although it appears to be faulted off to the east. The mineralized zone as sampled in five trenches over the length of this zone assayed as follows:

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Mr. S. S. Shine,
Pilgrim Holdings Inc.,
Atlanta, Georgia

Trench 1 (easternmost trench)	0.178 ounces/ton gold over 3.5 meters
Trench 2	0.174 ounces/ton gold over 2.8 meters
Trench 5	0.45 ounces/ton gold over 1.0 meters
Trench 6 (two parallel zones)	0.17 ounces/ton gold over 1.5 meters 0.11 ounces/ton gold over 2.2 meters or cumulatively 0.09 ounces/ton gold over 5.5 meters
Trench 9	0.167 ounces/ton gold over 3.0 meters or 0.07 ounces/ton gold over 7.0 meters

Work to date on the HJ property has delineated several westerly-trending, gold-bearing zones, which appear to have potential for significant extension along strike and to depth. Grades are presently marginal to sub-economic, although narrower zones of higher (ore grade) material are present in a number of places.

There is good potential for the delineation of a number of 'shoots' of ore grade material, both along strike and down dip, in the currently known zones. Because of the overburden problem, the bulk of future work will have to be drilling, with additional excavator trenching where possible.

I would, therefore, recommend the following programme for the 1987 field season.

Trenching and drill road construction	\$ 20,000
Diamond drilling - a minimum of 6000 feet at \$35/foot, all in	210,000
Supervision, Consulting and Data Interpretation	10,000
Contingency @ approximately 10%	<u>25,000</u>
	<u>\$ 265,000</u>

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Mr. S. S. Shine,
Pilgrim Holdings Inc.,
Atlanta, Georgia

The programme could be modified somewhat, but basically, this format should be followed.

Yours truly,

DAWSON GEOLOGICAL CONSULTANTS LTD.

James M. Dawson, P.Eng.

Dn#2:pab