



EQUITY SILVER MINES LIMITED
EXPLORATION DIVISION

April 27th, 1987

Mr. Harry C. Faulkner, President
International Shasta Resources Ltd. (N.P.L.)
409 - 1200 West Pender Street
Vancouver, B.C.
V6E 2S9

Dear Harry,

Re: Toodoggone Gold Silver Property

Further to our conversations of earlier today, I would like to present your company with the kinds of work commitment figures we feel Equity would be prepared to make to further evaluate the above property.

Firstly, we would like to earn at least a 60% interest in the property, and would like to see this interest vested no later than at the completion of year three.

We would propose to spend a total of \$3 million on exploration programmes over the next three field seasons, with Equity as operator, at roughly an estimated \$1,000,000 per season. If we agree that a Feasibility Study can be prepared within this time and the \$3,000,000, then Equity will have earned its 60% interest.

The above is somewhat subjective, but if we assume that the results of the Feasibility Study are positive, and that a Production Decision can be made, then Shasta will pay its pro rata share (40%) of all subsequent expenditures.

A formal agreement can cover all of the eventualities that could come up.

These are basically the kinds of numbers the property deserves and the terms for an agreement we could live with.

Yours truly,

R.T. HEARD, P. Eng.,
General Manager - Exploration

/lh



EQUITY SILVER MINES LIMITED
EXPLORATION DIVISION

April 14th, 1987

Mr. Harry C. Faulkner, President
International Shasta Resources Ltd. (N.P.L.)
#409 - 1200 West Pender Street
Vancouver, B.C.
V6E 2S9

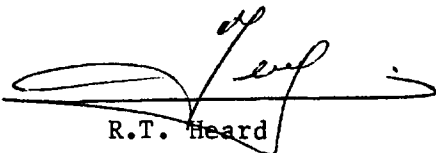
Dear Harry,

Please find enclosed your data on Shasta's Toodoggone Gold-Silver property. It certainly appears to be a project of merit.

We would be extremely interested in discussing the possibilities of acquiring an interest in it, should your situation permit.

Thank you for the review. I will be in contact with you later today.

Yours truly,



R.T. Heard

Enclosure



INTERNATIONAL SHASTA RESOURCES LTD. (N.P.L.)

409—1200 West Pender Street, Vancouver, B.C. V6E 2S9 (604) 669-2812

NEWS RELEASE

Results from Newmont Mines' 1984 Drilling Program on International Shasta's Toodoggone Gold-Silver Property.

International Shasta Resources announces that the 1984 drilling program on their Toodoggone gold-silver property was a most positive and resounding success. The exploration is being done by Newmont Mines Limited, who hold the property under option from International Shasta.

A total of 19 holes for 2003 metres (6,572 feet) of diamond drilling was completed in 1984 on the Creek Zone. This mineral deposit, discovered in 1983, has now been substantially enlarged. Its length is 370 metres (1,215 feet) and its width ranges from 2 to 23 metres (7 to 75 feet). Mineralization extends from surface to a depth of at least 100 metres (330 feet), and is open for extension to depth and to the north. The best mineralization at surface is in trench 83-N4 at 640N-280W, where the weighted average over a width of 11 metres is .307 oz/ton gold and 2.73 oz/ton silver.

Reserve Estimates

Insufficient drilling has been done to make a detailed calculation of ore blocks, but International Shasta estimates that drill-indicated geologic reserves exceed 500,000 tons averaging 0.17 oz/ton of gold equivalent. Silver values have been converted to equivalent gold based on prevailing prices. Substantially greater tonnages are present if lower grade material adjacent to the high grade core is included. The most significant drill intersections are listed in the Table; the drill hole locations are shown on the accompanying plan. For sake of completeness, certain 1983 holes are also included.

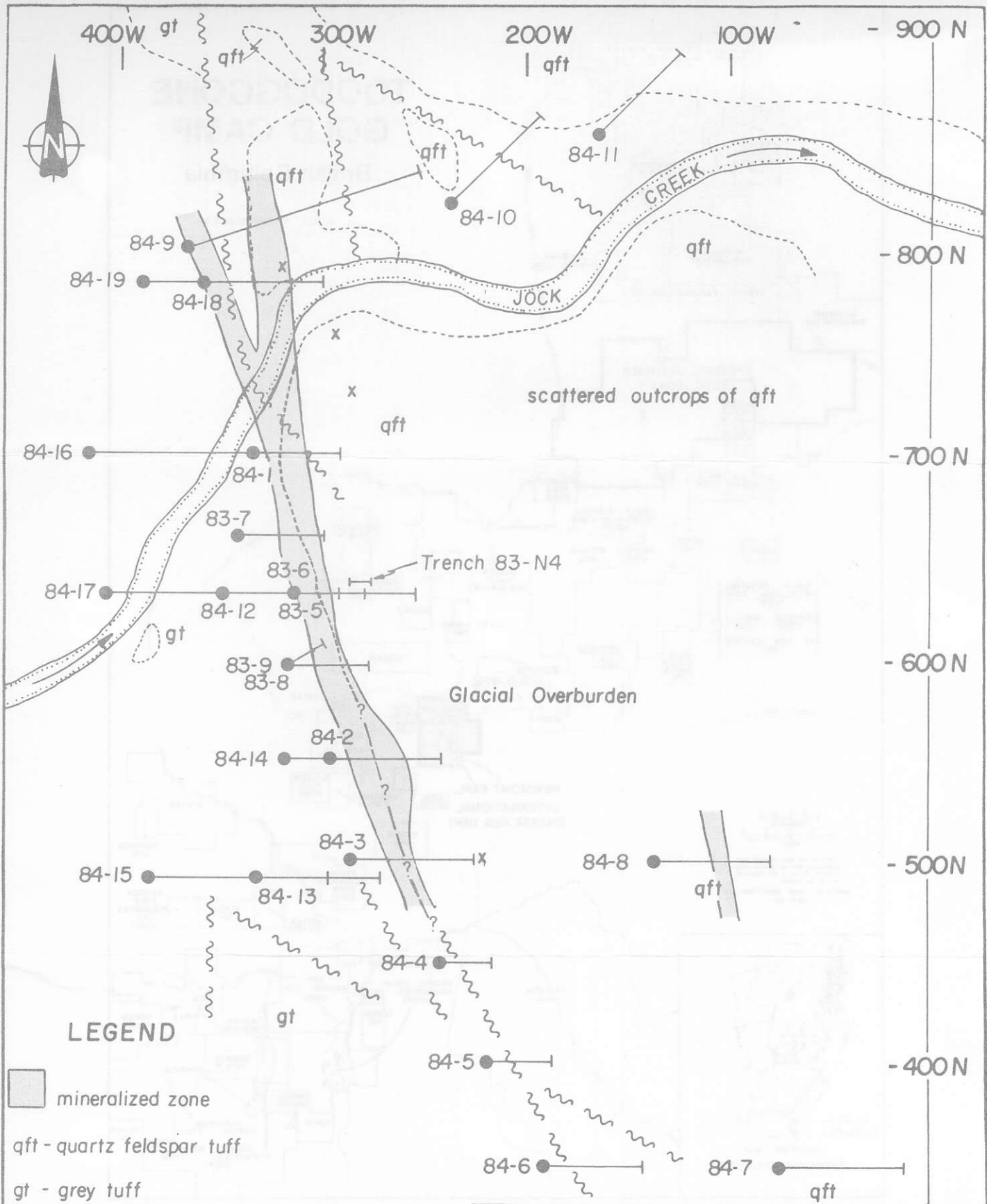
New Discoveries

In addition to the Creek Zone described above, targets for future drilling have been developed elsewhere within the 1000 x 1600 metre area containing numerous indications of gold-silver mineralization. Most geophysical and geochemical anomalies are overburden covered, requiring trenching and/or drilling. As examples, rubble turned up in road building at 500N-220W, containing 1.077 oz/ton gold and 32.58 oz/ton silver, awaits trenching and drilling in 1985. Intersections in holes 84-8 and 84-10 to the east of the Creek Zone warrant followup holes on each side.

Indications point to an active exploration season in the entire Toodoggone district this summer, with ground acquisition presently underway by a number of new participants.

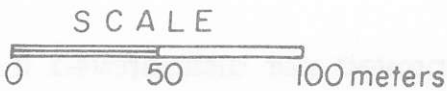
Table of Significant Drill Intersections

SECTION METRES	DDH	DIP & BRG.	FROM	TO	LENGTH METRES	WEIGHTED AVERAGES		
						oz/t Au	oz/t Ag	oz/t Au equivalent
350N	84-6	55° E	30.1	31.1	1.0	.146	10.52	0.370
500N	84-3	55° E	28.4	34.1	5.7	.158	9.86	0.369
	84-8	55° E	49.0	57.9	8.9	.074	2.52	0.128
550N	84-2	55° E	34.2	41.0	6.8	.055	2.97	0.118
	84-14	55° E	50.3	73.1	22.8	.066	4.24	0.156
600N	83-9	70° N 60 E	47.5	58.1	10.6	.110	3.84	0.195
640N	83-5	45° E	14.6	19.6	5.0	.659	7.63	0.820
	83-6	70° E	16.5	27.7	11.2	.209	4.47	0.303
	84-12	60° E	39.3	49.0	9.7	.065	1.58	0.099
666N	83-7	45° E	20.0	24.7	4.7	.077	1.06	0.100
			36.9	43.0	6.1	.056	4.65	0.155
700N	84-1	45° E	9.3	15.2	5.9	.043	3.52	0.118
785N	84-18	55° E	54.7	60.7	6.0	.081	2.93	0.143
	84-19	55° E	42.0	46.9	4.9	.155	9.32	0.354
				including	1.0	.642	40.11	1.496
			68.0	69.3	1.3	.216	2.96	0.279
815N	84-9	45° N 70 E	47.7	51.0	3.3	.184	8.52	0.365
				including	0.5	1.028	48.37	2.058
	84-10	45° N 45 E	13.9	16.4	2.5	.109	.62	0.122
			75.0	75.8	0.8	.134	3.16	0.201



LEGEND

- mineralized zone
- qft - quartz feldspar tuff
- gt - grey tuff
- ~ fault
- x new zones, 1984

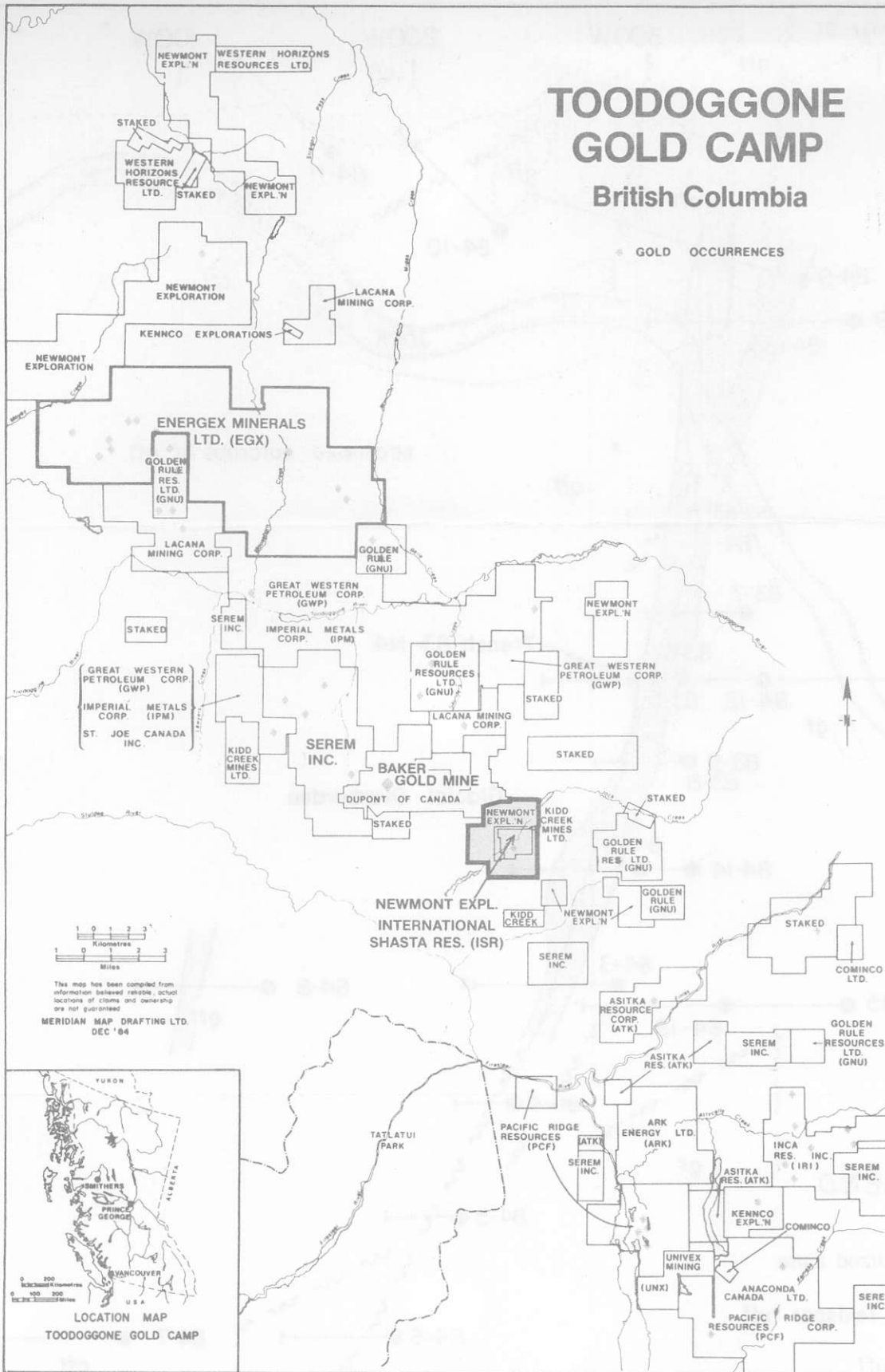


NEWMONT EXPLORATION OF CANADA LTD.		
SHASTA PROJECT		
DRILL HOLE PLAN - CREEK ZONE		
SCALE	1: 2500	LOCATION 94E
SURVEY BY	BWD	DATE APRIL 10, 85
	DRAWN BY I.C.	NO

TOODOGGONE GOLD CAMP

British Columbia

● GOLD OCCURRENCES



0 1 2 3
Kilometres
0 1 2 3
Miles

This map has been compiled from information believed reliable, actual locations of claims and ownership are not guaranteed.

MERIDIAN MAP DRAFTING LTD.
DEC '84



On behalf of the Board.

H. Faulkner

H.C. Faulkner
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.



International Shasta Resources Ltd. (N.P.L.)

409 - 1200 W. Pender St. Vancouver B.C. V6E 2S9 (604) 669-2812

TRADING SYMBOL: ISR

Further to our report of July 13, 1984, additional information received from Newmont Mines Limited indicate the discovery of several new areas of mineralization on the Company's gold-silver Toodoggone Property.

The zones of interest defined during the 1983 program were:

- The "Main Zone" indicated to be 50 metres wide and 30 metres long, open to both north and south. Within it, several areas containing significant mineralization occur, the best of which is a 1 metre chip sample assaying 1.462 oz/t gold and 65.20 oz/t silver.
- The "New Zone", now called the "Creek Zone", indicated to be 40 metres wide and 90 metres long, open to both north and south. Sampling within the zone shows a wide range of gold-silver values, the best of which is a 3.0 metre chip sample containing .837 oz/t gold and 2.31 oz/t silver.
- The "Jock Zone", with similar characteristics to the Main and Creek Zones, but on which no drilling was done in 1983.

During the current 1984 program, discoveries, in addition to the three above described zones, were as follows:

- An additional zone in the area designated the "Creek Zone" was found by geophysics (VLF-EMR resistivity). Chip samples returned:

<u>WIDTH (METRES)</u>	<u>AU (OZ/TON)</u>	<u>AG (OZ/TON)</u>
5.5	.050	1.40
3.2	.018	.44
10.5	.030	1.76

- An additional showing in the area designated the "Jock Zone" was found by mapping and appears to be a continuation of the above mentioned discovery. Chip samples returned:

<u>WIDTH (METRES)</u>	<u>AU (OZ/TON)</u>	<u>AG (OZ/TON)</u>
7.0	.018	1.04
5.0	.015	.32

The above two discoveries outline a zone approximately 100 meters in length by 5 metres in width, located approximately 100 metres NNE of the trench 83-N4, which carried .307 oz/t gold and 2.73 oz/t silver over a width of 11.0 metres (weighted average). Two diamond drill holes tested this new zone and contained a number of very significant intersections.

- Continuous chip samples of outcrop along Jock Creek at the north end of the Creek Zone returned 56.2 metres of 0.014 oz/t gold, .37 oz/t silver and 36.0 metres of .010 oz/t gold and .89 oz/t silver. These results indicate low but widespread precious metals values in this area.
- Cat trenching was done to test the continuance at surface of trench 83-N4 on the Creek Zone with the following chip sample results:

<u>CAT TRENCH</u>	<u>WIDTH (METRES)</u>	<u>AU (OZ/T)</u>	<u>AG (OZ/TON)</u>
500N/219W	2.0	1.077	32.58
500N/223W	1.0	.046	.83
500N/226W	1.0	.018	.90
500N/223W	9.5	.055	1.00
including	0.5	.482	1.10

- Bedrock discovered during construction of drill roads in areas of no outcrop near the Creek Zone returned the following grab sample results:

<u>LOCATION</u>	<u>AU (OZ/TON)</u>	<u>AG (OZ/TON)</u>
675N/220W	.040	2.82
635N/190W	.018	.20
640N/210W	.016	.34

In summary, the above is of importance, as it definitely proves the mineralization to be considerably more widespread over a larger area of the property than previously known.

The 1984 drill results are being compiled by Newmont and will be available in the very near future.

On behalf of the Board.

H. Faulkner

H.C. Faulkner
President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

SHASTA 1983 DRILL SUMMARY AS COMPILED BY NEWMONT MINES LIMITED

<u>DDH</u>	<u>LAT.</u> <u>METRES</u>	<u>DEP.</u> <u>METRES</u>	<u>ELEV.</u> <u>METRES</u>	<u>BRG.</u>	<u>DIP</u>	<u>LENGTH</u> <u>METRES</u>	<u>FROM</u>	<u>TO</u>	<u>LENGTH METRES</u>	<u>OZ/T AU</u>	<u>OZ/T AG</u>		
1	043N	020W	1425	270°	-50°	91.8	9.4	10.3	0.9	0.050	0.96		
							41.8	43.0	1.2	0.070	4.36		
							57.3	62.2	4.9	0.040	2.70		
							71.9	74.9	2.8	0.042	2.88		
2	198N	009W	1405	270°	-55°	83.5	66.0	67.1	1.1	0.012	0.30		
3	251N	057W	1380	120°	-50°	92.7	21.0	26.2	5.2	0.153	1.69		
							(includes a section of:		25.0	26.2	1.2	0.208	2.83)
4	139N	072E	1425	090°	-50°	82.3	12.2	14.9	2.7	0.003	0.12		
5	635N	305W	1260	090°	-45°	84.1	12.2	13.1	0.9	0.078	0.18		
							14.6	19.6	5.0	0.659	7.63		
							(includes a section of:		17.5	19.6	2.1	0.726	13.00)
							OR		12.2	19.6	7.4	0.403	4.07
6	635N	305W	1260	090°	-70°	60.0	16.5	27.7	11.2	0.209	4.47		
							(includes a section of:		18.6	19.8	1.2	0.610	11.23)
							OR		16.5	34.1	17.6	0.155	3.03
7	660N	330W	1245	090°	-45°	57.3	20.0	24.7	4.7	0.077	1.06		
							28.0	29.6	1.6	0.078	0.68		
							36.9	43.0	6.1	0.056	4.65		
							OR		32.0	45.7	13.7	0.037	2.60
8	596N	310W	1280	090°	-45°	56.7	32.0	32.5	0.5	0.150	13.14		
9	596N	310W	1280	060°	-70°	64.6	25.3	25.9	0.4	0.046	1.32		
							47.5	58.1	10.6	0.110	3.84		
							(includes a section of:		52.7	54.3	1.6	0.270	12.75)

