

Island Mountain Gold Mines Ltd.

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Cariboo Gold Project

Island Mountain Gold Mines Ltd. is earning a 50% interest in the central portion of the Cariboo Gold Project from major stakeholder International Wayside Gold Mines Ltd. In order to earn its interest, under the terms of a 1999 option agreement Island Mountain Gold Mines is required to make an initial payment of \$150,000 (paid), make further cash payments of \$50,000 per year and issue 500,000 shares to International Wayside. In addition, Island Mountain Gold Mines must spend \$4 million on exploration programs on the Island Mountain claim groups over the five-year option term. As of August 2000, a total of over \$676,600 has been spent on exploration.

Located in the Wells-Barkerville area about 85 km east of Quesnel in east-central British Columbia, the project is situated in the heart of the Cariboo Gold Camp, scene of a famous gold rush in the 1860s, the largest in the province's history. Recorded production has been estimated at about 3.83 million ounces of gold that comprised 2.6 million ounces of placer gold, 400,000 ounces lode gold from pyrite replacement ore and 830,000 ounces of gold from quartz veins. International Wayside has been exploring the region for the past six years and has consolidated a land position 45 km long by 10 km wide that includes the Island Mountain/Aurum and Mosquito Creek mines situated two miles northwest of International Wayside's Bonanza Ledge gold discovery in spring 2000.

The Island Mountain claim groups host three past-producing underground gold mines - the Island Mountain/Aurum and Mosquito Creek mines. Together, these mines produced over 603,000 ounces of gold from 1.35 million tons of ore averaging 0.45 oz./ton. Of the two distinct types of ore mined - quartz vein hosted and semi-massive pyrite-rich replacement ore - the latter was higher grade (averaging 0.67 oz./ton) and represented about 40% of gold mined.

The discovery of a third type of gold mineralization, named the Bonanza Ledge, on the International Wayside ground southeast of the Island Mountain claim groups has positive implications for future exploration on the Island Mountain Gold Mines ground. Grades such as 0.719 oz./ton gold over 84.7 feet including 1.205 oz./ton gold over 46.5 feet (DDH BC-2K-10) have been reported from the Bonanza Ledge discovery area. Rock types on the Island Mountain claim groups have similar geology to that hosting Bonanza Ledge style mineralization and represent viable and previously unexplored targets for this type of gold mineralization.

When the Aurum Gold Mine closed in the 1960s, the operators reported that 40,000 tons of pyrite-type replacement gold mineralization grading 0.7 oz./ton remained in the mine (1966 - Cariboo Gold Quartz Mining Co. Annual Report). Channel sampling at the end of the 4400 Level drift at the nearby Mosquito Creek Gold Mine returned 0.75 oz./ton gold across 5.0 feet.

Quartz vein type gold mineralization, intersected by drill hole IMG99-09 during the 1999 drilling program on the property, returned 0.41 oz./ton gold over 22 feet (15 feet true width). Pyrite-type replacement ore intersected during the 2000 drilling program included 0.44 oz./ton over 2.0 feet in IMG2K-07 and 0.39 oz./ton over 2.0 feet in IMG2K-03. A silicified zone in IMG2K-08 returned 0.08

oz.gold/ton over 8 feet. Quartz vein type mineralization intersected included grades of 0.13 to 0.20 oz.gold/ton over widths up to 7.6 feet. Soil sampling carried out over a portion of the Island Mountain claim groups during 2000 indicated several coincident gold anomalies in previously untested areas. Included in these is a promising exploration target where highly anomalous gold (3170 ppb) and pathfinder mineral arsenic (1810 ppm) was accompanied by a favourable local magnetic high.

Godfrey Walton, P.Geo., Vice President Exploration, states there is excellent potential for additional gold mineralization on the Island Mountain claim groups. A diamond drilling program, now underway, is testing for Bonanza Ledge style mineralization as well as pyrite-rich replacement and quartz vein type gold mineralization. Additional drilling targets have been selected from geophysical, geochemical and geological surveys, including an induced polarization survey. The Island Mountain portion of the Cariboo Gold Project represents an opportunity to expand known gold resources and to possibly discover Bonanza Ledge type gold mineralization.

Corporate Structure

CDNX Symbol: IGM

Shares Authorized: 100,000,000

Shares Issued: 7,390,172

Fully Diluted: 9,099,805

Officer/Director

Long-Term Debt: nil

Financial Year-End: July 31

Working Capital: (\$499,288) deficiency 31Jan01

Contact: Corporate Communications

Officers/Directors

J. Frank Callaghan: President/Director

H.K. (Ken) Maddison: Chief Financial

Emil Leimanis: Director

John M. Kowalchuk: Director Exploration

George Evans: Director

Audrey Dinning: Secretary