

~~Confidential~~
~~Property File~~

FILE UNDER → 92HNE 201
008618

92HNE 281
92HNE 096
ALSO N/E 261

May 15, 1987

FAIRFIELD MINERALS LTD.

FAME File (1987, E-25)

ELK GOLD-SILVER PROPERTY
Similkameen Mining Division, B.C. NTS: 92/H-16W

The Elk property, located midway between Peachland and Merritt holds potential for a large-tonnage stockwork-type gold, silver deposit.

Fairfield Minerals Ltd. owns 100% interest in the contiguous block of 20 two-post mineral claims and 140 units in 7 M.G.S. mineral claims, which were all staked in late 1986. The property is readily accessible by road.

The regional geology consists of Upper Triassic Nicola Group volcanic and sedimentary rocks in contact with Jurassic Coast Plutonic rocks. Large stocks of Tertiary granite cut the batholith locally.

The Elk property covers part of the contact zone between Nicola Group andesite flows, breccias, argillite and limestone and a granite batholith. Small quartz-feldspar porphyry stocks and dykes intrude the granite body. Fracture zones within the granite locally contain quartz veins enveloped by sericite alteration. Little known exploration or development work has been previously conducted.

A short distance to the south of Elk several mineral occurrences in a similar geological setting have been explored intermittently since the early 1900's. Mineralization consists of quartz veins with pyrite, sphalerite, galena, chalcopryrite, arsenopyrite, tetrahedrite and hematite within quartz-feldspar porphyry and altered granite. Substantial silver and gold values have been reported. Many of these occurrences have been explored by open cuts, shallow shafts and adits, some diamond drilling, geochemical and geophysical surveys. No sizeable ore shoots have been defined although a few small shipments of high grade ore have been made. Small amounts of placer gold have been recovered from Siwash Creek downstream from the Elk property.

Two mineral occurrences were discovered on the Elk property during 1986 and wide-spaced soil sampling and minor hand trenching was completed. The North Showing consists of an east-west trending quartz vein 15 to 20 cm wide exposed over a 6 metre length. Granite host rocks are clay altered and cut by limonite veinlets within an irregular selvage up to 80 cm wide around the vein. The vein quartz is glassy white to blue-grey with locally a few percent disseminated pyrite, chalcopryrite and possible tetrahedrite. Continuous chip samples across the vein and altered wallrocks all returned substantial gold and silver values with the widest intercept being 0.95 m (3.1 ft) grading 20.6 g/t (0.60 opt) gold and 195 g/t (5.7 opt) silver. A continuous chip sample of vein material along a 0.85 m (2.8 ft) strike length assayed 64.8 g/t (1.89 opt) gold and 377 g/t (11.0 opt) silver. Overburden covers the vein to the west and the area to the north, where mineralized quartz float indicates potential for additional veins. A small stock of quartz-feldspar porphyry outcrops immediately south of the North Showing.

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The South Showing, located approximately 1 kilometre from the North Showing, consists of a small exposure of altered granite which is strongly fractured and contains a stockwork of fine quartz veins with 1% to 10% disseminated pyrite, minor arsenopyrite and galena. The showing exposure, measuring about 4 metres by 1 1/2 metres, was sampled with continuous chips at various attitudes to include narrow quartz veins (1-3 cm wide) and intervening altered granite. The samples all returned

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March 29/88.

substantial gold values, with minor silver. Values ranged from 4.8 g/t (0.142 opt) gold, 3.8 g/t (0.11 opt) silver across 1.0 m (3.3 ft) to 36.3 g/t (1.06 opt) gold, 18.5 g/t (0.54 opt) silver across 0.85 m (2.8 ft).

Only minor prospecting and sampling has been conducted in the areas of the two mineral showings. There is good potential for additional discoveries in each of these areas.

Wide-spaced reconnaissance soil sampling defined many areas of anomalous gold with values greater than 50 ppb, up to a high of 1210 ppb. Contouring of gold values has indicated possible northwest- and northeast-trending mineral zones. A large irregular anomaly near the South Showing stockwork zone measures roughly 600 metres by 400 metres.

The recommended work program includes 45 km of linecutting for geochemical grid control, collection of 5500 soil samples and conducting a VLF-EM geophysical survey. A small excavator will be utilized to expose mineral showings and to trench to bedrock in target areas. Rock chip samples will be collected from the trenches and trench exposures will be geologically mapped.

The program is scheduled to start on June 1, 1987 and is estimated to end by early October, 1987.

The following references describe work conducted in the area of the Elk claims:

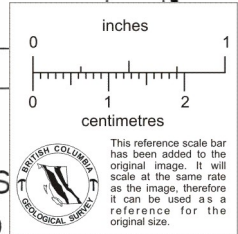
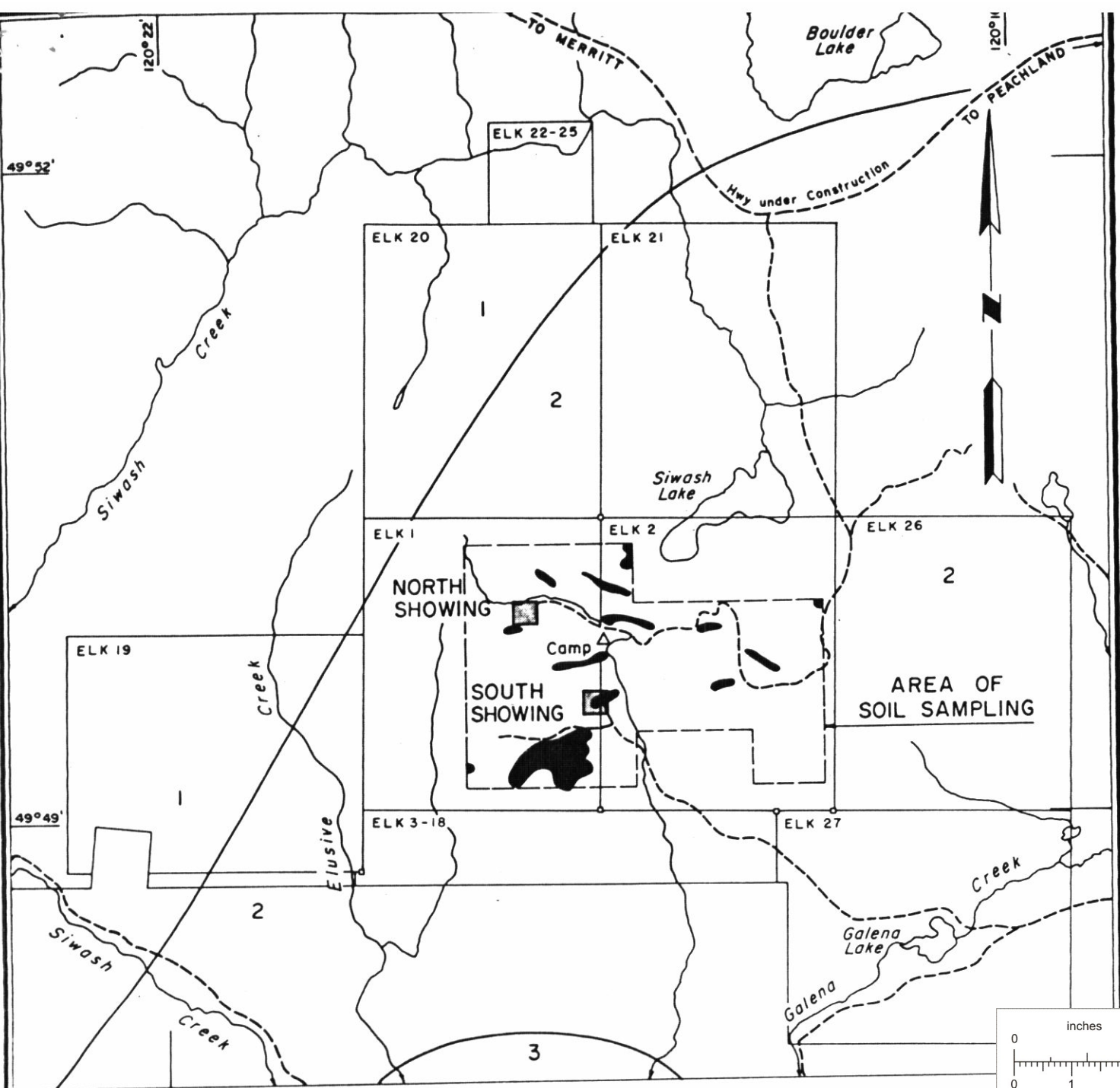
REFERENCES

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Geol. Surv. Canada Memoir 143.

R.Wares & A.L.J.MacDonald
(1972) Report on the Duchess Claims - Agur Option for Orequest
Exploration Syndicate. BCDM AR 4525.

B.C.D.M., G.E.M.: 1973 p.160

END



LEGEND

- 3 Upper Cretaceous - Tertiary
Otter Intrusions - porphyritic granite
- 2 Jurassic - Cretaceous
Coast Intrusions - granite, granodiorite
- 1 Upper Triassic
Nicola Group - greenstone, sediments
- Mineral Occurrence Area
- Geological Contact
- Soil Geochemical Anomaly Au ≥ 50 ppb

**FAIRFIELD MINERALS
GEOLOGY AND
GEOCHEMICAL ANOMALIES
ELK PROPERTY
SOUTH OKANAGAN AREA**

N.T.S. 92H/16W

SIMILKAMEEN MINING DIVISION, B.C.

Scale 1 : 50,000



Scale in Metres



FEBRUARY 1987

FIGURE