

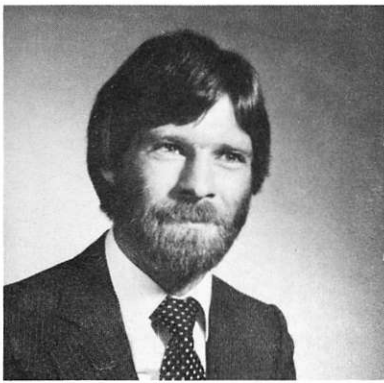
675255
moly may
103P/5

1981
ANNUAL REPORT

ENFIELD RESOURCES INC.

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FORM OF PROXY	Enclosed with text



Dear Shareholder

Your company has now concluded its first year of active operation and I am pleased to announce that we have had a great deal of success in our endeavours. An appropriate theme for our operation in 1981 and 1982 surely would be Vision to Reality.

Your directors are all professionals with extensive experience in mineral exploration. We steadfastly believe that primary resources are the basis of a strong economy and that everyone benefits from their conscientious development. We are committed to the efficient development of high-quality mineral properties into profitable mines.

Obtaining the Moly May property, located on the northern coast of British Columbia, has given us an exciting opportunity to advance the vision to reality. Enfield Resources Inc. was formed in 1981 to explore and develop porphyry molybdenum and gold mineralization on the Moly May property. This year we have conducted the preliminary geological investigation necessary to proceed with intensive exploration of our property, that may reveal an ore body of commercial grade and size.

Our enthusiasm for the project has been shared by the investing public. The people at Bond Street International Securities Ltd. have informed us that our primary issue of stock was completely sold in a few weeks during February, 1982. This is most heartening, during a time when those who watch the markets are so gloomy.

I believe that our timing is very fortunate. Our goal is to develop a large, open pit operation with an integrated ore processing mill. Such projects require several years to complete. For a long time, the world has been affected by governments dabbling in the economy, resulting in the business cycle. Alternating periods of stimulation and restraint on the part of government has given us an economic roller coaster of boom and bust.

We have embarked upon our project in the nadir of the cycle when metal prices are down and markets are flat. I am confident that when our project is complete, we will be operating in a burgeoning economy with expanding markets for our products.

A handwritten signature in cursive script that reads "John Ostler". The signature is written in dark ink and is positioned above the printed name and title.

John Ostler, M.Sc., P.Geol.
President, Enfield Resources Inc.

EXPLORATION REPORT

Moly May Property 1981-82

Exploration on the Moly May property progressed from prospecting through reconnaissance mapping stages during 1981.

Last spring, Francis Merryth and David Javorsky; two veteran prospectors, were testing theories that they had developed about mineralization in the Anyox area of northwestern British Columbia. During their investigation, they found that almost all molybdenite-bearing veins in the area trended toward the base of Granby Peninsula. They checked the source area and discovered the Moly May mineralization.

Shortly thereafter, Wayne Waters and John Ostler and later, W.R. Bacon, Ph.D., P.Eng. examined the property. They agreed that it potentially contained an economic body of porphyry molybdenum mineralization. Dr. Bacon recommended that the property should be explored by geological mapping, sampling and drilling.

C. Graf, P.Eng. catalogued and sampled all major showings on the Moly May claims and sampled a rock-geochemical grid laid out over the highly stained part of the Moly May intrusive, during November, 1982. The most exciting result of his work was his discovery of the west zone which more than doubled the area of known mineralization. Samples were analyzed for some elements that are generally considered indicative of molybdenite mineralization. We were encouraged by the results. Both the east and west zones of showings were also areas of anomalously high indicator elements.

During March, 1982, Enfield Resources consulted P. Peto, Ph.D.; a geologist with extensive porphyry molybdenum experience, to review the company's data from the Moly May property. Dr. Peto had pulps of the samples taken by C. Graf, P.Eng. (stored at Chemex Labs Limited) re-analyzed for a suite of elements to describe chemically, the alteration of the Moly May intrusive during molybdenite mineralization. In most porphyry molybdenum deposits, the pattern of alteration reflects the shape of the ore body. Dr. Peto confirmed that intense alteration forms an arc including both the east and west zones around a central stockwork near the northern margin of the Moly May intrusive. We believe that the stockwork is at the centre of mineralization.

The summaries of the reports by C. Graf, P.Eng. and P. Peto, Ph.D. are included at the end of this exploration report.

Exploration Plans for 1982

Dr. Peto will be conducting an intense mapping and sampling program on the Moly May property during May, 1982; to describe the character of alteration and mineralization in detail. This program will give us the knowledge and ground control required to conduct an appropriate exploratory drill program. We plan to drill the property soon thereafter.

ENFIELD RESOURCES INC.

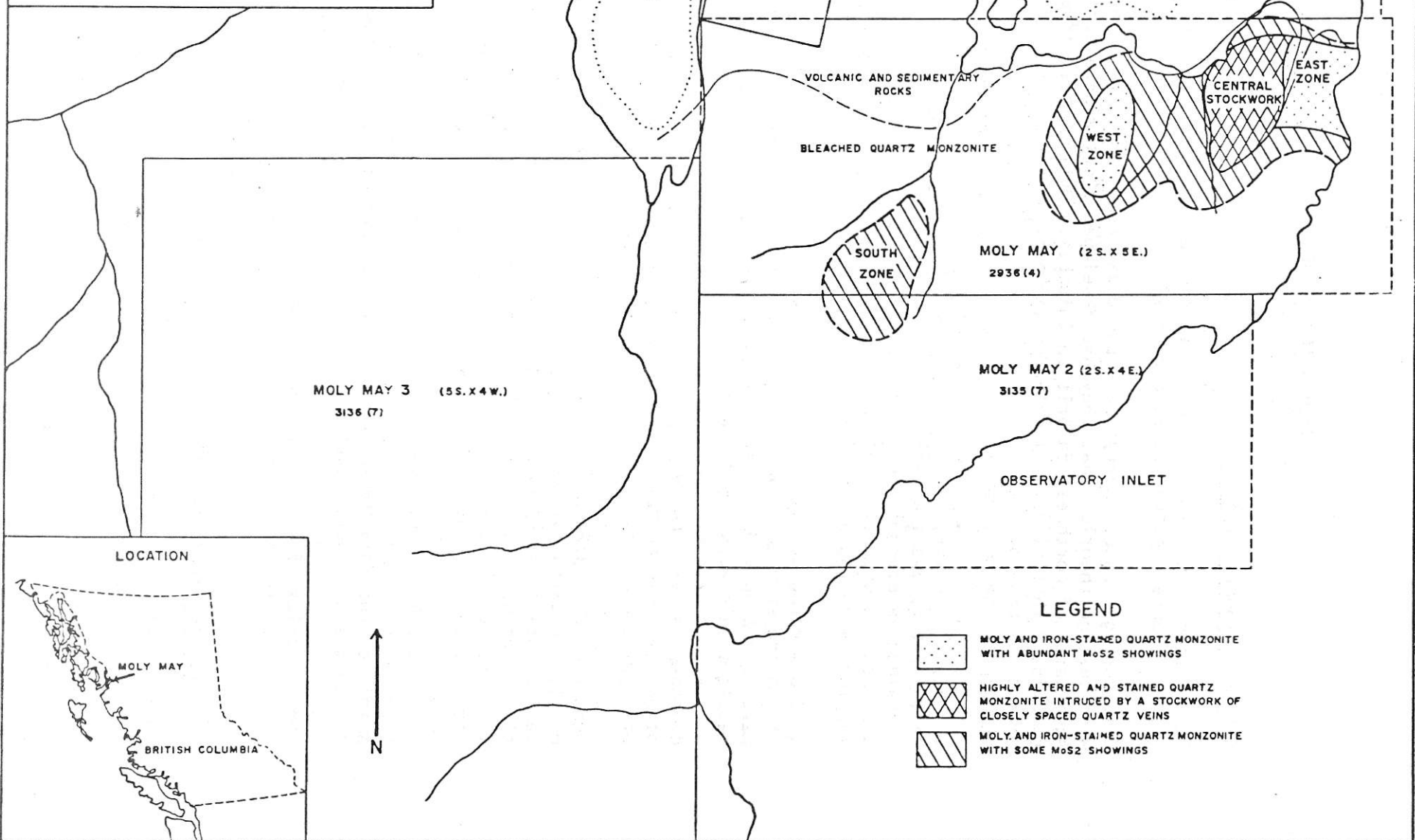
MOLY MAY PROPERTY

55° 21' N., 129° 48' W.

SKEENA M.D., BRITISH COLUMBIA

JANUARY, 1982




SCALE
0 500 1000 m.



LOCATION



LEGEND

-  MOLY AND IRON-STAINED QUARTZ MONZONITE WITH ABUNDANT MoS₂ SHOWINGS
-  HIGHLY ALTERED AND STAINED QUARTZ MONZONITE INTRUDED BY A STOCKWORK OF CLOSELY SPACED QUARTZ VEINS
-  MOLY AND IRON-STAINED QUARTZ MONZONITE WITH SOME MoS₂ SHOWINGS

MOLY MAY CLAIMS
SKEENA MINING DIVISION
NTS 103 P/5W

C. Graf, P.Eng.

Summary

In November of 1981 a mineral exploration program consisting of prospecting, stream silt sampling, reconnaissance and detailed rock geochem sampling, chip sampling of showings and geological mapping was carried out on the Moly May claims of the Alice Arm molybdenum district.

The property was originally staked by prospector D. Javorsky and associates to cover a known (East) zone of high grade molybdenite showings that occur in altered alaskite granite on the east side of the Moly May 1 claim. Prospecting and geological mapping carried out by the author was successful in locating a new (West) zone of molybdenite showings in altered alaskite granite, approximately 700 m to the west of the old (East) zone, also on the Moly May 1 claim.

A rock geochem grid 600 m long, with a line spacing of 100 m was laid out to cover both mineralized zones and the intervening ground. Five lines were run, each with a length of 800 m from which 71 samples were collected and analyzed for Mo, F and Ba.

The East zone consists of four molybdenite showings that are associated with pegmatite pods and dykes, large quartz masses and a distinctive biotite-rich rock. The four showings were exposed in blast pits, and all were chip sampled and analyzed for Mo and F. These showings and associated pegmatite dykes and biotite-rich granitic rock, are enclosed in alaskite granite that is strongly altered, cut by pervasive (5 mm) quartz veinlets and stained by Fe and Mo oxides over a broad area. Four detailed rock geochem lines, 165 m to 350 m long with 5 m sample intervals were taken across the altered zone of alaskite granite. These samples were analyzed for Mo, F and Ba, yielding encouraging but erratic results.

The West zone contains nine small molybdenite showings, and all consist of disseminated (1-5 mm) grains in altered and Fe-Mo oxide stained alaskite granite. The economically interesting area that contains the showings, Fe and Mo oxide staining, and pervasive quartz veinlets, is roughly 250 m in diameter. The rock is identical to the altered alaskite granite that covers a broad area around the East zone showings.

Each showing was chip-sampled and analyzed for Mo and F. In addition three 200 m long detailed rock geochem lines with a sample spacing of 5 m were taken across the zone of altered alaskite. These samples were analyzed for Mo, F and Ba, also giving encouraging but highly erratic and variable results.

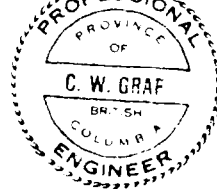
In summary, the property lies within the Alice Arm-Quartz Hill molybdenum belt, and consists of a 1.5 km by 5 km stock of alaskite granite that is hydrothermally altered in two areas which contain intense quartz stock-work development and coincident molybdenite mineralization along fractures. A rock geochem grid over the mineralized areas show them to have generally high but erratic Mo, Ba and F values, which is consistent with the Kitsault and Quartz Hill deposits. Values of .254% Mo across 5 m, .194% Mo across 6 m, .155% Mo across 10 m, .262% Mo across 7 m, .118% Mo across 50 m and .069% Mo across 50 m were obtained. In addition, Showing E-4 contained 10.4 ppm silver and 3850 ppb (about 1/8 oz/ton) gold across 6 m.

It is recommended that two 200 m deep drill holes be put down in each zone to test the grade and continuity of mineralization.

In conjunction with the drilling program, detailed alteration, lithology and structural mapping and further rock geochem sampling should be carried out across both zones.

Chris Graf

Chris Graf, P. Eng.



Note

The report of C. Graf, P. Eng. was submitted for assessment work on the Moly May claim group.

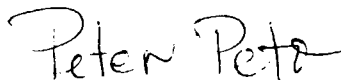
LITHOGEOCHEMICAL REPORT ON MOLYBDENUM
MINERALIZATION ON THE MOLY MAY CLAIMS

P. Peto, Ph.D.

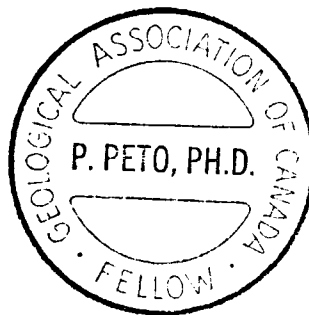
Summary

This report was undertaken in order to evaluate the nature of primary metal dispersion patterns associated with molybdenite mineralization on the Moly May claims. Fifty-seven rock chip samples, previously collected, were analyzed for Mo, Cu, F, K, Rb, Ba, and Sr. Probability plots indicate the presence of distinctly anomalous populations of Mo, F, Rb, Sr and Ba/Sr associated with mineralized and altered granitic rocks. Element distribution maps indicate that molybdenum mineralization is centred about two separate zones associated with anomalous concentrations of F, K, Ba, Sr, and relatively high Rb/Sr and Ba/Sr ratios. Present data indicate that the Moly May claim covers an extensive hydrothermally altered porphyry system that locally carries ore grade molybdenum values.

It is recommended that the prospect be sampled further, geologically mapped and tested by exploratory drilling to estimate the grade and depth of the mineralized porphyry systems.



Peter Peto, Ph.D.



NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS
OF
ENFIELD RESOURCES INC.

Notice is hereby given that the Annual General Meeting of the Company will be held:

Date: Tuesday, May 11, 1982
Time: 9:30 a.m. local time
Place: 1400-1030 West Georgia Street
Vancouver, British Columbia

and with respect thereto an Information Circular is appended.

INFORMATION CIRCULAR

(as at and dated March 22, 1982)

Persons Making the Solicitation

The solicitation is made by the management of the Company, and the cost of the soliciting will be borne by the Company.

Voting Shares and Principal Holders

The shares of the company are entitled to one vote each, and the number outstanding is 1,390,000.

Only shareholders of record on April 23, 1982 will be entitled to vote at the meeting.

To the knowledge of the directors and senior officers of the Company, the following persons beneficially own, directly or indirectly, shares carrying more than ten percent of the voting rights attached to all shares of the Company carrying the right to vote:

<u>Name & Address</u>	<u>Number of Shares Beneficially Owned Directly or Indirectly</u>	<u>Percentage of Outstanding Shares</u>
John David Ostler 1902-1501 Haro Street Vancouver, B.C.	262,500	18.9%
Wayne Frederick Waters 3765 West Broadway Avenue Vancouver, B.C.	222,500	16.0%

Revocability of Proxy

A member giving a proxy has the power to revoke it in any manner permitted by law.

Use of Proxy

A proxy to be valid must be deposited at least forty-eight hours, excluding Saturdays and holidays, before the time of the meeting at the office of the Company's Registrar and Transfer Agent, The Canada Trust Company, 4 Bentall Centre, Box 49390, Vancouver, B.C., V7X 1P3.

If the instructions contained in a Form of Proxy are certain, the shares represented by the proxy shall be voted on any poll and, where a choice is specified, in accordance with the specification so made. IF NO CHOICE IS SPECIFIED WITH RESPECT TO ANY MATTER REFERRED TO HEREIN, IT IS INTENDED ON A POLL TO VOTE SUCH SHARES IN FAVOUR OF EACH SUCH MATTER.

The proxy confers discretionary authority with respect to amendments to, or variations of, matters brought before the meeting.

A MEMBER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A MEMBER, TO ATTEND AND ACT FOR HIM AND ON HIS BEHALF AT THE MEETING, OTHER THAN THE PERSON DESIGNATED ON THE FORM OF PROXY AND MAY DO SO BY INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY.

Appointment of Auditors


The nominee for appointment as auditor is the firm of Doane, Raymond (formerly known as H.R. Doane & Co.) of 1009-736 Granville Street, Vancouver, B.C., which was first appointed on June 14, 1981.

Particulars of Other Matters to be Acted Upon

The Company has granted, subject to the approval of the shareholders, the following options, and resolution to approve such options will be proposed at the Annual General Meeting.

<u>Name</u>	<u>No. of Shares</u>	<u>Price</u>	<u>Expiry Date</u>
John David Ostler	29,750	\$1.00	may only be exercised after
Wayne Frederick Waters	29,750	\$1.00	June 15, 1982 and on
Brian David Fairbank	10,000	\$1.00	or before September 15, 1982

BY ORDER OF THE BOARD OF DIRECTORS
OF ENFIELD RESOURCES INC.



President

AUDITORS' REPORT

To the Shareholders of
Enfield Resources Inc.

We have examined the balance sheet of Enfield Resources Inc. as at December 31, 1981 and the statements of deferred expenses and changes in financial position for the period then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1981 and the results of its operations and the changes in its financial position for the period then ended in accordance with generally accepted accounting principles.

Doane Raymond

Chartered Accountants

Vancouver, British Columbia
February 9, 1982

Doane Raymond

ENFIELD RESOURCES INC.BALANCE SHEETDECEMBER 31, 1981ASSETS

Current	
Cash	\$ 11,092
Term deposits	5,000
Trust funds	<u>886</u>
	16,978
Mineral claims (note 3)	75,500
Mining equipment (note 4)	240
Deferred expenditures	<u>35,095</u>
	\$127,813
	=====

LIABILITIES

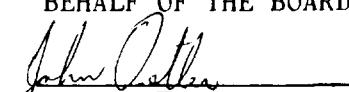
Current	
Payables and accruals	\$ 4,813

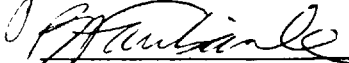
SHAREHOLDERS' EQUITY

Share capital (note 5)	<u>123,000</u>
	\$127,813
	=====

Related party transaction (note 6)

BEHALF OF THE BOARD

 Director

 Director

Doane Raymond

ENFIELD RESOURCES INC.DEFERRED EXPENDITURESFOR THE PERIOD JUNE 12, 1981 TO DECEMBER 31, 1981

Exploration expenses

Assays	\$ 2,198
Depreciation	60
Engineering expenses	9,671
Licenses and fees	481
Travel	6,211
Wages	<u>3,075</u>
	<u>21,696</u>

Administrative expenses

Bank charges	22
Legal and audit	8,260
Management fees	3,500
Office expenses	885
Printing	554
Rent	278
Telephone	<u>265</u>
	13,764
Deduct	
Interest income	<u>365</u>
	<u>13,399</u>
	\$35,095
	=====

ENFIELD RESOURCES INC.STATEMENT OF CHANGES IN FINANCIAL POSITIONFOR THE PERIOD JUNE 12, 1981 TO DECEMBER 31, 1981

Working capital derived from Shares issued for cash		<u>\$ 48,000</u>
Working capital applied to Deferred expenses		35,095
Less - depreciation		<u>60</u>
		35,035
Purchase of mining equipment		300
Purchase of mineral claims	\$75,500	
Less - escrow shares issued	<u>75,000</u>	<u>500</u>
		<u>35,835</u>
Increase in working capital		<u>12,165</u>
Working capital, end of period		<u>\$ 12,165</u> =====
Represented by		
Current Assets		\$ 16,978
Current Liabilities		<u>4,813</u>
		<u>\$ 12,165</u> =====

Doane Raymond

ENFIELD RESOURCES INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1981

1. Incorporation

The company was incorporated under the laws of the Province of British Columbia on March 31, 1978 under the name of Comanche Resources Inc. and on March 8, 1979 changed the name to Shawnee Oil Corporation. During the period March 21, 1978 to June 12, 1981 the company was inactive.

On June 19, 1981 the company changed its name to Enfield Resources Inc.

2. Significant accounting policies

a. Deferred costs

The company is in the development stage and has established a policy of deferring all costs relating to exploration projects, including related administration costs, until such time as the projects are put into commercial production, abandoned or sold. Any accumulated deferred costs on exploration projects which are abandoned will be written-off to deficit at the time the decision to abandon is made.

b. Values

The amounts shown for mineral properties and deferred costs represent costs to date and do not necessarily reflect present or future values.

c. Depreciation

Depreciation on mining equipment is recorded on the diminishing balance method at the rate of 20 per cent.

3. Mineral claims

The company has acquired (5) contiguous mineral claims situated in the Skeena Mining Division of the province of British Columbia known as:

<u>Name</u>	<u>Record No.</u>	<u>Expiry Date</u>
Moly May	2936 (4)	April 10, 1982
Moly Fr 1	2938 (4)	April 10, 1982
Beatrice	2937 (4)	April 10, 1982
Moly May 2	3135 (7)	July 02, 1982
Moly May 3	3136 (7)	July 02, 1982

ENFIELD RESOURCES INC.NOTES TO FINANCIAL STATEMENTSDECEMBER 31, 1981

4. Mining equipment

Cost	\$300
Accumulated depreciation	<u>60</u>
Net book value	<u><u>\$240</u></u>

5. Share capital

Authorized	
10,000,000 shares without par value	
Issued and outstanding	
240,000 shares for cash @ 20¢ each	\$ 48,000
750,000 shares for mineral claims	
<u> </u> @ a deemed value of 10¢ each	<u>75,000</u>
990,000	\$123,000
=====	=====

- a. Outstanding shares include 750,000 escrowed shares held by the directors of the company.
- b. The directors of the company granted an option to purchase up to 29,750 shares to each of Wayne Waters and John Ostler and of up to 10,000 shares to Brian Fairbank subject to the agreement of shareholders and acceptance by the Vancouver Stock Exchange. The option price is \$1.00 per share to be exercised only after May 30, 1982 and on or before August 31, 1982.

6. Related party transaction

The company directors have agreed to pay a management fee of \$500 per month to a director Mr. John Ostler commencing June 1981. To December 31, 1981 \$3,500 has been paid to Mr. Ostler.

Doane Raymond