ANNUAL REPORT 1993

Fairfield Minerals Ltd.

Open pit mining of high grade gold ore at Siwash North.

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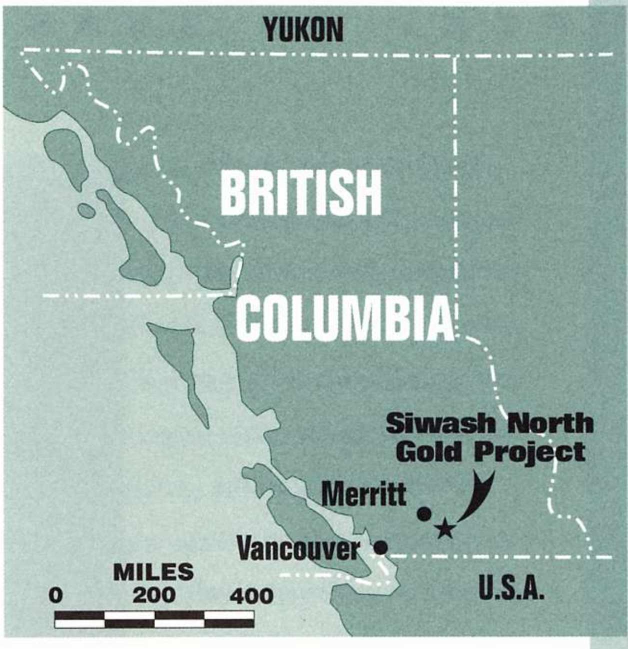
Notice of Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday May 18, 1994 at 10 a.m. in the Conference Room, Lower Main Level, Guinness Tower, 1055 West Hastings Street, Vancouver, B.C.

CORPORATE PROFILE

Fairfield Minerals Ltd. is a Vancouver-based exploration company with precious and base metals properties in southern British Columbia and the Yukon Territory. Incorporated in 1984, its shares trade on the Toronto Stock Exchange.

The Company is concentrating its efforts on the Siwash North Gold Project near Merritt, B.C. where 1993 open pit and underground programs yielded approximately 13,000 ounces of gold. The project is expected to develop into one of the highest grade gold mining operations in Canada with annual production of up to 40,000 ounces.



1993 HIGHLIGHTS

- *Net after tax income of C$1.6 million or $0.24 per share*
- *13,000 ounces gold from Siwash North open pit sold to smelter at average price of US$352 per ounce*
- *6,000 ounces gold in ore stockpile available for sale*
- *Ore grade averaged over 3.2 ounces gold per ton*
- *Total cost of US$170 per ounce, an 18% reduction from 1992*
- *C$2.7 million in working capital and no debt*
- *Underground test confirms continuity, mineability and high grade nature of the vein*
- *New gold exploration target identified nearby with large tonnage potential*

FUTURE OUTLOOK

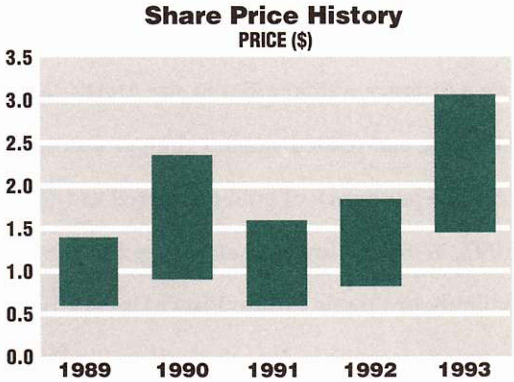
Siwash North open pit expected to produce 25,000 ounces gold in 1994

Underground production decision expected following 1994 mining test

Five years indicated reserves at production of up to 40,000 ounces annually

Excellent potential to increase gold reserves

Gold exploration to continue on 20 nearby targets



REPORT TO SHAREHOLDERS

The Company had net after tax income of C$1,587,651 or $0.24 per share for the year ended January 31, 1994 compared to a loss of C$871,012 or $0.14 per share in the previous year.


Underground loaders entering portal.

Surface mining activities and a major underground test program on the Siwash North gold deposit during 1993 once again exceeded expectations and moved the Company one step closer to becoming a significant, new, low-cost gold producer.

Mining activities yielded approximately 13,000 ounces of gold, bringing accumulated output for the 1992-93 exploration seasons to 21,000 ounces from 6,500 tons averaging over 3.2 ounces gold per ton. Cash flow from these programs has enabled the Company to remain debt free and fund its activities with minimal dilution to shareholders.

The 1993 total cost of production including corporate overhead, contract mining, shipment of ore a distance of 650 miles to the ASARCO Smelter in Montana and related smelter charges was approximately US$170 per ounce of gold compared to US$207 in 1992. With this low cost structure and the prospect of a highly profitable future, Placer Dome's 10% net proceeds interest in Siwash North was purchased for C$1 million, giving the Company an unencumbered 100% interest in the deposit.

Open pit mining operations in 1993 yielded 40% more gold than was initially indicated by drilling. Continuation of this trend throughout the deposit would have profound implications for increasing reserves at Siwash North which is rapidly evolving into a world class vein gold deposit.

Underground test mining also proved the quartz vein to be remarkably consistent and, in some areas, exceptionally rich. A 230 ton bulk sample extracted from a section of the vein averaged 2.46 ounces gold per ton which is indicative of the grade expected from actual underground mining operations.

An application has been made to the Provincial Government to approve the 1994 program which will include open pit production and ongoing underground exploration. Further favourable underground results will lead to application for full-scale mine development. The Company does not anticipate any significant permitting problems since development of the Siwash North deposit will have minimal environmental impact. Due to the exceptionally high grade nature of the ore, there will be no initial requirement for a concentrating facility and only minor construction work will be undertaken on site. In keeping with the Company's strong commitment to the environment, reclamation is scheduled to begin this year on waste dumps and in areas mined by open pit. This reclamation process should be largely completed by the time underground production begins.

The project's viability to operate without a concentrating facility has been confirmed by the acceptance and compatibility of Siwash North gold ore at two major smelters: Noranda in Quebec and ASARCO at Helena, Montana. The high silica content of the Siwash North ore makes it desirable as a smelter flux. Gold and silver values are credited to Fairfield, less smelter charges.

Drill indicated reserves of over 200,000 ounces are currently in place, enough to justify an underground production decision, subject to further test mining. Management believes that these published reserves may be substantially understated given the deposit type, the wide spacing of exploratory drilling and the results of test mining to date. High grade drill intersections at depth and the deep-seated origin of the deposit also point to a significantly higher reserve potential.

An estimated 25,000 ounces of gold are available for extraction from the proposed 1994 expanded pit which will contribute capital for further underground exploration and, ultimately, full-scale mining. Commercial production could generate up to 40,000 ounces annually with minimal startup costs.

While the Siwash North deposit remains the principal focus of our exploration efforts, at least 20 other gold targets exist on the Company's 230-square-miles of surrounding land holdings that have yet to be thoroughly tested. One of these targets contains significant gold occurrences in quartz vein stockworks indicating potential for a large tonnage deposit. Further exploration is planned for 1994.

Again this year, Fairfield is indebted to the skilled and knowledgeable staff of its consulting group, Cordilleran Engineering Ltd, who have contributed enormously to the success of the Siwash North Project. Ongoing support from the Board of Directors is also gratefully acknowledged as is the commitment of our shareholders.

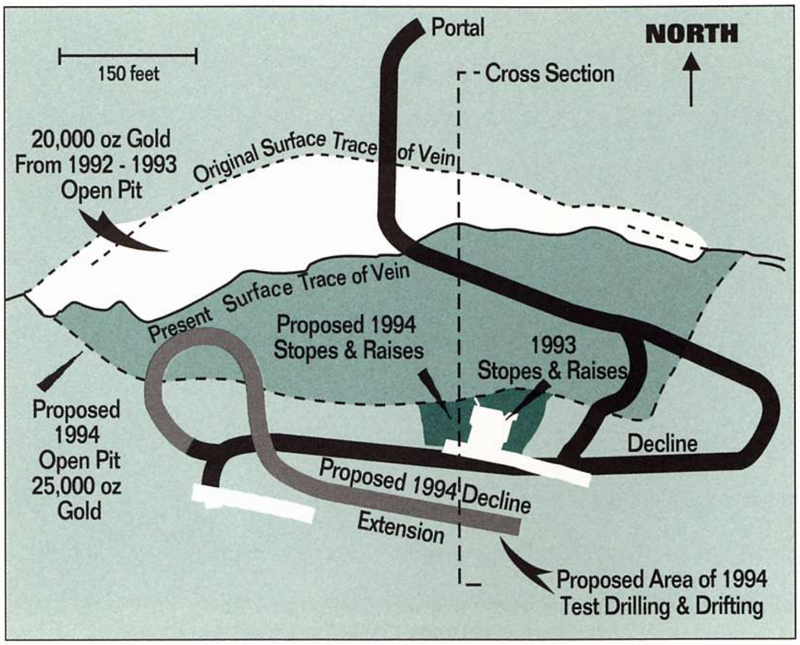
John W. Stollery
President
March 15, 1994

PROJECT REVIEW 1993

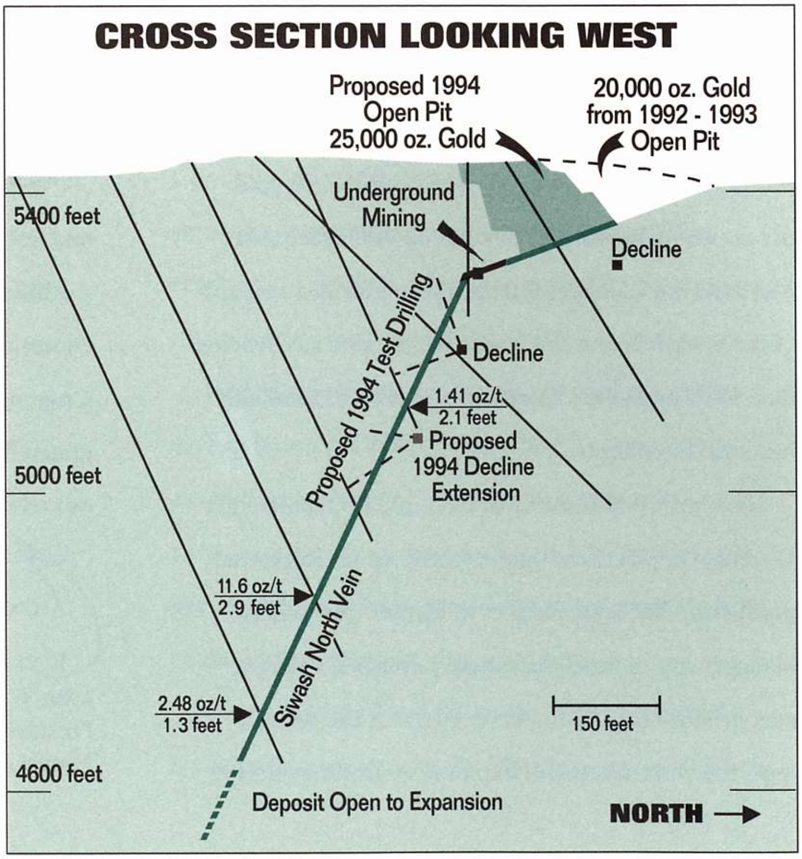
Underground test mining and exploration of the Siwash North Gold Deposit in 1993 provided important data for a feasibility study which is geared towards achieving commercial production at the earliest possible date. The deposit is favourably located in southern British Columbia one mile from a major highway and close to rail facilities.

The extensive underground program, which included the driving of a 1,350 foot access ramp and test mining of the Siwash North vein on two levels, proved to be an outstanding success. It not only confirmed the consistency of the vein but also its high grade nature and the Company's ability to selectively mine vein material with minimal dilution. A 230-ton bulk sample produced from the upper level averaged 2.46 ounces gold per ton. Confirmation of these favourable mining results by additional test work in 1994 will allow the Company to make a production decision.

In addition to the underground test program, surface mining operations expanded the open pit to a total length of 700 feet. Open pit and underground mining yielded 6,500 tons of high grade ore during the 1992-93 exploration seasons, containing approximately 21,000 ounces of gold and a similar quantity of silver. Gold sales totalled 2,000 ounces in 1992 and 13,000 ounces in 1993. Over 6,000 ounces remain available for future sale.



Plan of existing and proposed mine workings at Siwash North gold project.



Ore from the open pit had an overall average grade of 3.43 ounces gold per ton. Ninety-eight percent of the ore was over one ounce per ton with highs up to ten ounces. The remaining 2% of lower grade averaged 0.67 ounce per ton which is still richer than the grades reported by many historical vein gold producers in Western Canada.

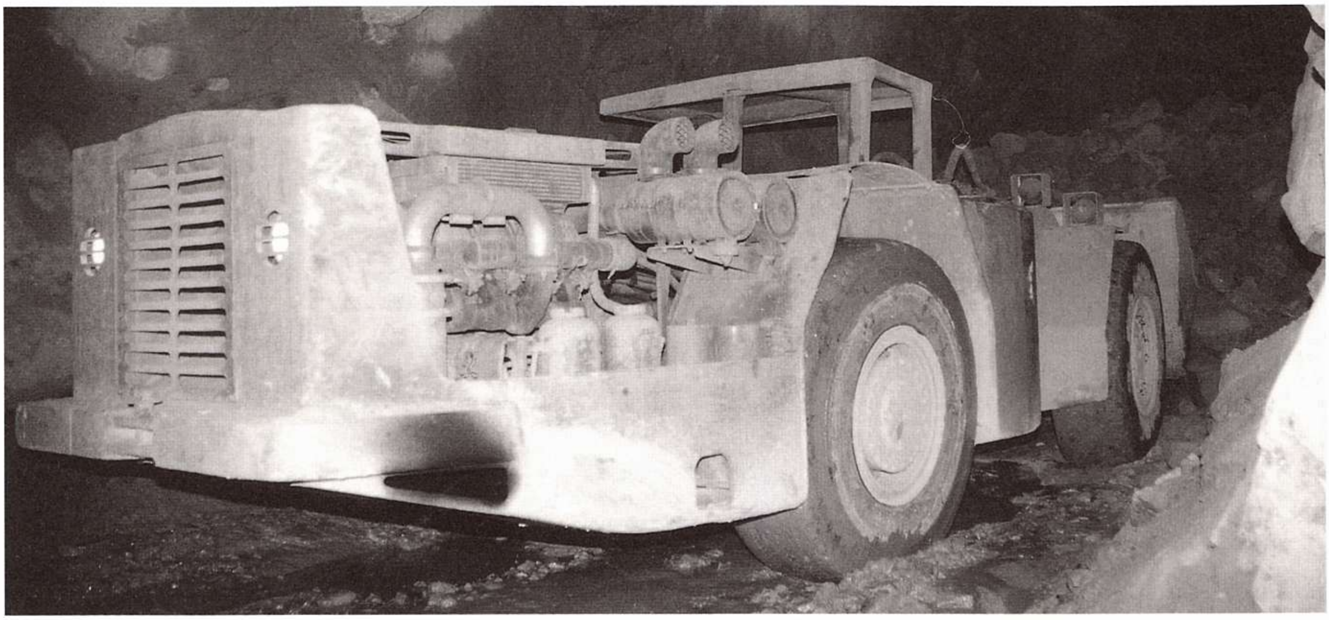
The quantity of gold recovered from surface mining operations has proved to be 40% greater than was initially estimated, based on widely-spaced diamond drill holes. The reason for this reserve increase is that gold-bearing mineralization within the Siwash North zone is more consistent and higher grade than the drilling indicated. As a result, there is good potential for a significant increase in the currently quoted 210,000 ounces of reserves.

Ore from the Siwash North deposit was shipped to the ASARCO smelter at Helena, Montana in 1993. Contract mining, low corporate overhead and attractive smelter terms contributed to a low unit cost of US$170 per ounce in 1993, a reduction of 18% from 1992. The Company expects to maintain and possibly even better this cost performance in 1994.

Above:
Loading waste rock in open pit.

Left:
Daylight breaks through darkness at mine portal.

PROJECT OUTLOOK



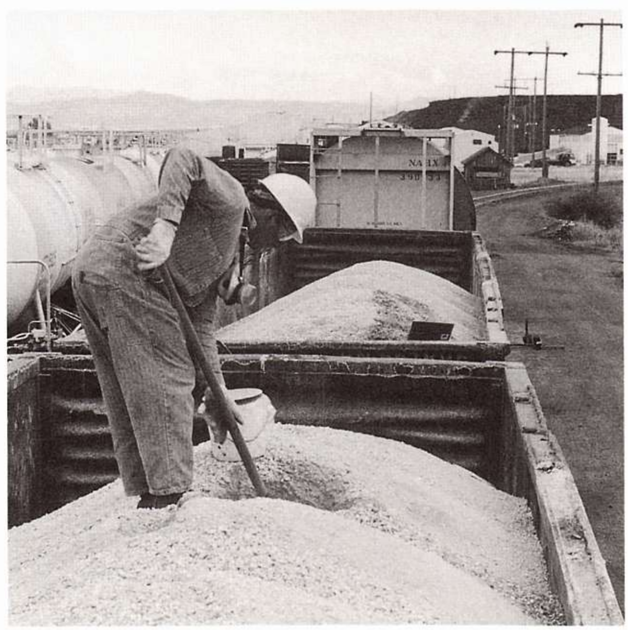
Expenditures of up to C$5 million are planned for 1994. These funds are available from cash on hand and revenue from the sale of stockpiled ore. A major expansion of the open pit will be undertaken, producing an estimated 25,000 ounces of gold from 10,000 tons of ore. The existing underground access ramp will be extended, allowing for further definition of the vein by drilling and providing access for future mining. Additional underground test work will help determine mineability as well as recovering an estimated 2,000 ounces of gold.

The Company envisages a highly profitable underground mining operation at Siwash North, producing up to 40,000 ounces of gold annually. A production decision could be forthcoming following the 1994 program.

No major obstacles are anticipated in obtaining mining permits. Indeed, regulatory authorities have been very supportive of the Company's efforts to develop this world class gold deposit in a timely manner.

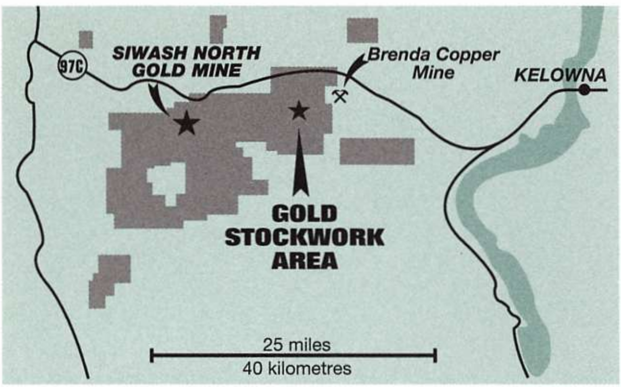
Above: Removing waste rock underground.

Below: Sampling of high grade ore in railcars at smelter.



The Siwash North Project is environmentally benign and on-site processing is not a requirement in the present conceptual mine model.

The policy of shipping ore directly to the smelter without milling will reduce capital costs, eliminate risks associated with institutional borrowings and also limit dilution to shareholders resulting from equity financings. Revenue from gold sales will help finance development costs and put the Company in a position to achieve full production while remaining debt free.



Extensive claim holdings in southern British Columbia.

The discovery of substantial new gold reserves in the Siwash North deposit and surrounding properties is a distinct possibility. A number of high priority exploration targets exist on the Company's 230-square miles of mineral claims. One of these targets, an extensive geochemical soil anomaly with several gold occurrences, is located adjacent to the former Brenda Copper Mine approximately 12 miles east of Siwash North. Exploration programs will include trenching and detailed sampling of several priority areas. Favourable results will be further evaluated by drill testing.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Management's Responsibility for Financial Reporting

The financial statements and the information contained in the annual report have been prepared by the management of the Company. The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and, where appropriate, reflect management's best estimates and judgements based on currently available information. A system of internal accounting control is maintained to provide reasonable assurance that financial information is accurate and reliable.

The Company's independent auditors, who are appointed by the shareholders, conduct an audit in accordance with generally accepted auditing standards to allow them to express an opinion on the financial statements.

The Audit Committee of the Board of Directors, with two of the three members not being officers of the Company, meets periodically with management and the independent auditors to review the scope and result of the annual audit, and to review the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

J.W. Stollery
President
March 11, 1994

Auditor's Report to the Shareholders

We have audited the balance sheets of Fairfield Minerals Ltd. as at January 31, 1994 and 1993 and the statements of operations and deficit and changes in financial position for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 1994 and 1993 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles. As required by the Company Act (British Columbia), we report that, in our opinion, these principles have been applied on a consistent basis.

KPMG Peat Marwick Thorne

KPMG Peat Marwick Thorne
Chartered Accountants
Vancouver, Canada
March 11, 1994

BALANCE SHEETS

	1994	1993
## *Assets*		
Current assets:		
Cash and term deposits	$ 2,793,253	$ 1,863,361
Accounts receivable	1,005,016	–
Inventory of stockpiled ore	594,764	–
Marketable securities	9,500	9,500
Prepaid expenses	9,627	9,547
	4,412,160	1,882,408
Resource properties (note 3)	5,051,850	3,122,349
Fixed assets (note 4)	5,081	7,316
	$ 9,469,091	$ 5,012,073

Liabilities and Shareholders' Equity

	1994	1993
Current liabilities:		
Accounts payable and accrued liabilities (note 3(a))	$ 1,021,727	$ 48,913
Income and resource taxes payable	174,071	–
	1,195,798	48,913
Deferred income and resource taxes	1,417,182	–
Shareholders' equity:		
Capital stock (note 6)	7,189,621	6,884,321
Deficit	(333,510)	(1,921,161)
	6,856,111	4,963,160
Commitments (notes 3 and 7)		
	$ 9,469,091	$ 5,012,073

See accompanying notes to financial statements.

On behalf of the Board:

Director

Director

STATEMENTS OF OPERATIONS AND DEFICIT

	1994	1993
Revenue:		
Gold sales net of transportation and smelter charges	$ 4,863,480	$ –
Interest and other income	142,502	126,966
	5,005,982	126,966
Expenses:		
Mining costs	683,455	–
Depletion	790,770	–
General exploration	18,059	19,280
General and administrative	311,363	254,413
Write-down of resource properties	23,431	724,285
	1,827,078	997,978
Income (loss) before taxes	3,178,904	(871,012)
Income and resource taxes:		
Current	174,071	–
Deferred	1,417,182	–
	1,591,253	–
Net income (loss) for the year	1,587,651	(871,012)
Deficit, beginning of year	(1,921,161)	(1,050,149)
Deficit, end of year	$ (333,510)	$ (1,921,161)
Net income (loss) per share	$ 0.24	$ (0.14)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

	1994	1993
Cash provided by (used for):		
Operations:		
Net income (loss) for the year	$ 1,587,651	$ (871,012)
Items not involving cash:		
Write-down of resource properties	23,431	724,287
Deferred income and resource taxes	1,417,182	–
Depletion	790,770	–
Depreciation	2,235	1,829
Change in non-cash working capital items	(452,975)	30,094
	3,368,294	(114,802)
Financing:		
Issue of common shares	305,300	512,053
Investing:		
Additions to resource properties	(2,743,702)	(1,731,868)
Mineral recoveries	–	751,094
	(2,743,702)	(980,774)
Increase (decrease) in cash	929,892	(583,523)
Cash and term deposits, beginning of year	1,863,361	2,446,884
Cash and term deposits, end of year	$ 2,793,253	$ 1,863,361

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Nature of operations:

The Company was incorporated under the Company Act of British Columbia on October 23, 1984. Its principal business activities include the exploration for and development of resource properties.

The sale of ore from the Siwash North open pit mining program on the Elk property has been reflected in the statement of operations since February 1, 1993. In 1993 prior to commencement of commercial operations, mineral recoveries of $751,094 were credited to the capitalized exploration and development expenditures. The portion of the Siwash North gold deposit which will be accessed by underground mining continues to be under exploration, including the driving of a 1,350 foot access ramp and test mining. The underground test program is expected to establish ore grade and continuity, mining techniques and ground conditions in order to proceed to a production decision.

The recoverability of the amounts shown for interests in mining properties and deferred costs is dependent upon the quantity of economically recoverable reserves, on the outcome or timing of legislative or regulatory developments relating to environmental protection, and on future profitable operations or proceeds from the disposition thereof.

2. Significant accounting policies:

(a) Marketable securities:
Marketable securities are recorded at the lower of cost and quoted market value.

(b) Inventory:
The stockpiled ore is valued at the lower of the average cost of mining and net realizable value.

(c) Resource properties:
Property acquisition costs and exploration and development expenditures are deferred until the mine to which they relate is placed into production, sold, or abandoned. These costs will be charged to future operations on a unit of production basis following commencement of commercial production using estimated recoverable reserves of the mine as a base or written down if the property is sold, abandoned or where there is an impairment in value.

The Company follows the cost reduction method in accounting for option payments and mineral recoveries prior to commercial production whereby proceeds received are credited against expenditures on the related resource property.

(d) Fixed assets:
Fixed assets are recorded at cost and are depreciated over their estimated useful lives on a straightline basis.

(e) Net income (loss) per share:
The net income (loss) per share is computed on the basis of the weighted average number of shares outstanding during the year. The fully diluted loss per share is not presented when it is the same or anti-dilutive.

3. Resource properties:

	1994	1993
Balance, beginning of year	$ 3,122,349	$ 2,865,862
Current year expenditures	2,743,702	1,731,868
Less:		
Mineral recoveries	–	(751,094)
Write-downs	(23,431)	(724,287)
Depletion	(790,770)	–
Balance, end of year	$ 5,051,850	$ 3,122,349
Balance, end of year represented by:		
Elk (Siwash North gold deposit) (note 3(a))	$ 3,808,352	$ 1,966,144
Oka	511,933	511,933
Au (note 3(b))	32,002	–
Crest	138,330	136,648
Sunset	101,152	101,152
Dill/Bank	93,758	67,465
Other (notes 3(c) and (d))	366,323	339,007
	$ 5,051,850	$ 3,122,349

The resource properties are all located in the Province of British Columbia and the Yukon Territory.

(a) Elk (Siwash North gold deposit):
Pursuant to an agreement dated March 26, 1991, the Company acquired a 100% interest in the Elk property by purchasing the 50% interest held by Placer Dome Inc. ("Placer"). The agreement provided for the Company to pay Placer 10% of the cumulative net proceeds, after recovery of all costs, to a maximum of $2.5 million from future production. On December 29, 1993 the Company reached an agreement with Placer to acquire Placer's 10% net proceeds interest for $1.0 million. Payment of the $1.0 million included in accounts payable was made subsequent to yearend on February 14, 1994.

(b) Au Property:
Pursuant to an agreement dated March 31, 1993, the Company has an option to earn a 70% interest in the Au Property by incurring total expenditures on the property of $150,000 and paying $85,000 in option payments prior to December 15, 1997.

(c) Logan:
Included in other resource properties is a 40% interest in the Logan property, Yukon Territory. Energold Minerals Inc. ("Energold") has earned a 60% interest in the Logan property by incurring total expenditures on the property of $4,500,000 and paying $1,200,000 in option payments ($600,000 to the Company's affiliate, Regional Resources Ltd., prior to the Company's acquisition of the property). Energold is required to fund 100% of exploration expenditures until a production decision is made, at which time the Company may elect to pay its proportionate share of future expenditures after the production decision or convert its property interest into a 15% net profit interest.

(d) Goz Creek:
Included in other resource properties is a 100% interest in the Goz Creek property, Yukon Territory, which is subject to a 5% net profits interest.

4. Fixed assets:

		1994		1993
Office furniture and equipment	$	10,162	$	10,162
Accumulated depreciation		(5,081)		(2,846)
	$	5,081	$	7,316

5. Deposits held for reclamation:

At January 31, 1993 the Company had on deposit $40,000 held for site restoration and reclamation.

6. Capital stock:

The Company is authorized to issue 10,000,000 common shares, without par value.

	Number of shares	Amount
Balance, January 31, 1992	6,143,181	$ 6,372,269
Issued for cash (net of issue costs):		
Private placement	420,000	462,352
Exercise of options	70,000	49,700
Balance, January 31, 1993	6,633,181	6,884,321
Issued for cash (net of issue costs):		
Exercise of options	430,000	305,300
Balance, January 31, 1994	7,063,181	$ 7,189,621

Stock options:

Outstanding options at January 31, 1994 are as follows:

Expiry date	Price	Outstanding Jan. 31,1993	Granted	Exercised	Outstanding Jan. 31, 1994
January 22, 1994	$0.71	430,000	–	(430,000)	–
May 12, 1997	$0.93	70,000	–	–	70,000
July 29, 1997	$1.40	60,000	–	–	60,000
December 29, 2003	$2.73	–	260,000	–	260,000
		560,000	260,000	(430,000)	390,000

The outstanding options expiring December 29, 2003 for 260,000 shares are subject to the approval of shareholders.

Options to purchase 210,000 shares at $2.55 per share were granted subsequent to January 31, 1994. The stock options are subject to the approval of shareholders and expire February 1, 2004.

The Company has reserved 600,000 shares for issue under options granted to directors.

7. Lease commitments:

The following is a schedule of the future minimum lease payments for premises including operating costs under the terms of operating lease agreements:

Year ending January 31

1995	$ 73,194
1996	76,565
1997	39,631
	$ 189,390

8. Income and resource taxes:

The major factors that cause variations from the Company's combined federal and provincial statutory Canadian income tax rates of 45.09% (1993 – 44.84%) are as follows:

	1994	1993
Income tax (recovery) at statutory tax rates	$ 1,433,368	$ (390,562)
Tax effect:		
Resource allowance	(236,610)	–
Write-down of resource properties and other expenses not reflected in the provision	–	324,769
Resource taxes	394,679	–
Other	(184)	65,793
Income and resource tax expense	$ 1,591,253	$ –

Resource properties carried on the balance sheet at $5,051,850 have approximately $200,000 in deductions remaining for income tax purposes and a mining earned depletion base of approximately $150,000.

9. Related party transactions:

A company controlled by the president of the Company conducts all exploration and development work carried out by the Company and provides management, professional and office services to the Company. The Company was charged $161,000 (1993 – $130,000) for management fees, $512,000 (1993 – $428,000) for engineering and geological fees and $48,000 (1993 – $48,000) for office services.

Legal services are provided by a law firm in which one of the directors of the Company is a partner. The cost of these services was $31,023 (1993 – $18,945). Geological consulting services amounting to $5,250 in 1994 were provided by a company controlled by one of the directors of the Company.

GLOSSARY OF MINING TERMS

Bulk Sample: A representative sample, frequently involving thousands of tons.

Cash Costs/Total Costs: Generally include depreciation, amortization, overhead, head office costs and the cost of capital, as well as production/operating costs.

Crosscut: A horizontal opening driven across the course of a vein or structure.

Custom Milling: The processing of ore at a plant which accepts feed from a number of different sources for a negotiated fee.

Cut-off Grade: The lowest grade of mineralized material considered economic; used in the calculation of ore reserves in a given deposit.

Development: Underground workings required to access a mineral deposit.

Diamond Drill: A type of rotary drill which cuts a core of rock in long cylindrical sections for geological examination and sampling.

Dilution: The amount of waste or low grade mineralized rock which will be taken with the ore during the mining process

Dip: The angle at which a vein, structure or rock bed is inclined from the horizontal.

Drift: A horizontal passage underground that follows along the length of a vein or rock formation.

Feasibility Study: A definitive engineering estimate or calculation of all costs, revenues, equipment needs and production likely to be achieved when a mine is developed. The study is used to define the economic viability of a project and to support the search for project financing.

Flotation: A recovery process by which valuable minerals are separated from waste in a liquid medium.

Flux: A chemical substance such as silica which reacts with waste minerals in smelter furnaces to form slag. This slag is usually skimmed off leaving high purity metal.

Grade: The amount or weight of metal or mineral present in the host rock. Often expressed as percent, ounces per ton, grams per tonne or parts per million (ppm).

Gravity Separation: The separation of materials on the basis of density (specific gravity). This is usually done by employing mechanical means such as a jig, sluice box or shaking table.

Metallurgy: The science of extracting metals from ores and preparing them for use.

Mill/Concentrator: A plant in which ore is treated to recover valuable metals or to concentrate the valuable minerals into smaller bulk for shipment to a smelter or refinery.

Mine Development Certificate: A certificate issued by government which allows a company to proceed with mine development according to an approved plan.

Mining Lease: A government issued renewable lease granting certain mineral production rights within the area of a legally-surveyed lot.

Mining Width: The minimum width that can be mined safely and commercially in an open pit or underground mining environment.

Open Pit: A surface working, open to daylight such as a quarry.

Ore: A mixture of minerals from which at least one of the constituents can be extracted at a profit.

Portal: The surface entrance to a tunnel or adit.

Process/Beneficiate: To concentrate or enrich through the separation of waste material by mechanical and/or chemical techniques.

Raise: A vertical or inclined opening (mine shaft) driven upward from a lower to a higher underground level.

Ramp/Decline: An underground haulage road inclined to surface.

Recovery: The percentage of valuable metal in ore that is recovered by metallurgical treatment.

Reserve (Indicated): A reserve for which tonnage and grade are computed partly from specific measurements, samples or production data and partly from projection for a reasonable distance on geological evidence; and for which the sites available for inspection, measurement and sampling are too widely spaced to outline the material completely or to establish its grade throughout.

Resuing: A method of stoping wherein wall rock on one side of a vein has been extracted separately from the vein. It is usually employed in narrow veins and permits optimum recovery with minimum dilution.

Reverse Circulation Drill: A large diameter rotary percussion drill which is designed to recover rock cuttings circulated up the drill pipe by air pressure.

Shoot: A concentration of mineral values, usually elongated, within a continuous structure; that part of the vein or zone carrying values of ore grade.

Short Dry Ton (SDT): An amount of solid material weighing 2,000 pounds after deduction of the weight of all contained moisture.

Siliceous: Containing a high content of silica (SiO_2)

Smelting: The reduction of ore by fusion in a furnace to produce metals.

Stockwork(s): Numerous small veins intruding a rock mass in which the mining of any ore-bearing veins requires extraction of the whole, as in large bulk-mineable deposits.

Stope: An excavation in a mine from which ore is being or has been extracted.

Strike: The direction (course or bearing) of a vein or rock formation measured on a horizontal surface.

Stripping Ratio: The tonnage of waste material which must be removed to allow the mining of one ton of ore in an open pit.

Vein: A tabular shaped body of minerals that has been deposited in a fissure, fault or crack in the host rock by fluids that have travelled upwards from some deep source.

Waste: Mineralized or unminealized rock that is not economic.

CORPORATE INFORMATION

Officers

John W. Stollery, President
Kenneth G. Hanna, Secretary

Directors

Graham Farquharson
J. Haig deB. Farris
Owen S. Hairsine
Kenneth G. Hanna
Albert F. Reeve
John W. Stollery

Shares Listed (FFD)

Toronto Stock Exchange

Capitalization

Authorized: 10,000,000
Issued: 7,063,181 common shares

Registrar and Transfer Agent

Montreal Trust Company of Canada
510 Burrard Street
Vancouver, B.C. V6C 3B9

Geological Consultants

Cordilleran Engineering Ltd.

Legal Counsel

Hanna, Heppell, Bell & Visosky

Auditors

KPMG Peat Marwick Thorne

Corporate Address

Fairfield Minerals Ltd.
Suite 1980
1055 West Hastings Street
Vancouver, B.C. V6E 2E9
Telephone: (604) 669-3398
Fax: (604) 669-3308

FAIRFIELD MINERALS LTD.

INFORMATION CIRCULAR
As at March 31, 1994

SOLICITATION OF PROXIES

THIS INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF FAIRFIELD MINERALS LTD. (THE "COMPANY") FOR USE AT THE ANNUAL GENERAL MEETING OF THE MEMBERS OF THE COMPANY TO BE HELD ON WEDNESDAY, MAY 18, 1994 AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE NOTICE OF MEETING. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or employees of the Company at nominal cost. **THE COST OF THIS SOLICITATION WILL BE BORNE BY THE COMPANY.**

ADVANCE NOTICE OF ANNUAL GENERAL MEETING

Advance notice of the meeting was published in The Vancouver Sun newspaper on March 9, 1994 pursuant to the requirements of Section 135 of the Company Act of British Columbia.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying Form of Proxy are nominees of the Company's management. **A MEMBER DESIRING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A MEMBER) TO REPRESENT HIM AT THE MEETING MAY DO SO, EITHER BY:**

A. STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY; OR

B. BY COMPLETING ANOTHER PROPER FORM OF PROXY.

The completed proxy must be deposited at the office of Montreal Trust Company of Canada, 4th Floor, 510 Burrard Street, Vancouver, British Columbia, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the meeting or before the time that the meeting is to be reconvened following any adjournment thereof.

A member who has given a proxy may revoke it by an instrument in writing delivered to the office of Montreal Trust Company of Canada, 4th Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, or to the registered office of the Company, 1100 - 1055 West Hastings Street, Vancouver, British

Columbia, V6E 2E9, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or to the chairman of the meeting or any adjournment thereof, or in any other manner provided by law.

VOTING OF PROXIES

If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted on any poll and where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted on any poll in accordance with the specification so made. **IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE FORM OF PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR.**

The Form of Proxy accompanying this Information Circular confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the meeting. As of the date of this Information Circular, the management of the Company knows of no such amendment or variation or matters to come before the meeting other than those referred to in the accompanying Notice of Meeting.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

On March 31, 1994, 7,063,181 common shares without par value of the Company were issued and outstanding, each such share carrying the right to one vote at the meeting. The record date as of which members are entitled to receive notice of and to vote at the meeting is April 6, 1994.

To the knowledge of the directors and senior officers of the Company, the following are the only persons beneficially owning, directly or indirectly, equity shares carrying more than 10% of the voting rights attached to all equity shares of the Company:

Name and Address	Number of Shares	Percentage of Issued Shares
Regional Resources Ltd. 12th Floor 20 Toronto Street Toronto, Ontario M5C 2B8	1,419,701	20.1%

ELECTION OF DIRECTORS

The persons named in the following table are proposed by management for election as directors of the Company. Each director elected will hold office until the next Annual General Meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company or he becomes disqualified to act as a director.

The following information concerning the respective nominees has been furnished by each of them:

Name of Nominee and Present Position with the Company	Director Since	Shares Beneficially Owned	Present Occupation
J. Haig deB. Farris Director	May 11, 1992	70,000	President, Fractal Capital Corp.
Owen S. Hairsine Director	January 17, 1986	17,800	Realtor, Sutton Group
Kenneth G. Hanna Director, Secretary and Chief Financial Officer	October 23, 1984	206,500	Partner, Hanna Heppell Bell & Visosky, Corporate Finance Lawyers
Albert F. Reeve Director	January 17, 1986	79,500	Geologist, President, Laramide Resources Ltd. (natural resource company)
John W. Stollery President, Director and Chief Executive Officer	October 30, 1984	200,000	President, Cordilleran Engineering Ltd. and the Company

All of the nominees are ordinarily resident in Canada.

Members of the Company's audit committee are J. Haig deB. Farris, Kenneth G. Hanna and Albert F. Reeve.

The Company does not have an executive committee.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this statement "executive officer" of the Company means the Chairman and any Vice-Chairman of the board of directors, where that person performs the functions of such officer on a full-time basis, the President, and any Vice-President in charge of a principal business unit such as sales, finance or production, and any officer of the Company or of a subsidiary who performs a policy-making function in respect of the Company, whether or not such officer is also a director of the Company or the subsidiary.

There is one executive officer of the Company.

No cash compensation was paid to the Company's executive officer by the Company during the financial year ended January 31, 1994, apart from remuneration referred to under "Interest of Insiders in Material Transactions".

There is no pension, stock option or other plan pursuant to which cash or non-cash compensation was paid or distributed to the executive officers of the Company during the financial year ended January 31, 1994 or is proposed to be paid or distributed in a subsequent year. However, during the financial year ended January 31, 1994, the Company granted the following incentive stock options referred to below under "Stock Options".

During the financial year ended January 31, 1994 the executive officer of the Company exercised stock options in respect of 190,000 common shares of the Company. Particulars of the exercise of such options are as follows:

Number of Shares Purchased	Exercise Price Per Share	Date of Exercise	Aggregate Net Value (*)
64,200	$0.71	December 29, 1993	$107,856
70,000	$0.71	January 14, 1994	$133,000
55,800	$0.71	January 21, 1994	$107,412
190,000			$348,268

* "Aggregate Net Value" means the market value less the exercise price at the date of exercise.

The Company has established a policy of paying its outside directors, excluding John W. Stollery and Kenneth G. Hanna who are officers of the Company, a fee of $250 for each meeting of the directors or a committee thereof attended by the directors. During the fiscal year ended January 31, 1994 the Company paid $3,250 in aggregate remuneration to the directors.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

Other than routine indebtedness, no director, senior officer and proposed nominee for election as director of the Company, or any associate or affiliate of such director, senior officer or proposed nominee is indebted to the Company since the beginning of the last completed financial year of the Company.

INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's last completed financial year no insider of the Company, proposed nominee for election as a director of the Company, or any associate or affiliate of such insider or proposed nominee has been materially interested in any transaction of the Company, nor is any such person interested in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries, except as disclosed below.

By agreements dated March 1, 1993 the Company engaged Cordilleran Engineering Ltd. ("Cordilleran") to conduct an exploration program on the Company's Elk property and various properties in the vicinity of the Elk Property. The Company expended $3,092,294, not including $516,802 in smelter charges, pursuant to such engagement agreements during the fiscal year ended January 31, 1994, including fees and expenses paid to Cordilleran.

Cordilleran, which is controlled by John W. Stollery, the President, Chief Executive Officer and director of the Company, received $161,000 for management fees, $512,000 for engineering and geological fees and $48,000 for office services during the financial year ended January 31, 1994.

APPOINTMENT OF AUDITOR

The management of the Company proposes to nominate Peat Marwick Thorne, Chartered Accountants, as auditor of the Company to hold office until the next Annual General Meeting of members, at a remuneration to be fixed by the directors.

Peat Marwick Thorne have acted as the Company's auditor since January 17, 1986.

STOCK OPTIONS

On December 29, 1993, the Company granted the following incentive stock options to directors and employees of the Company to purchase 260,000 shares of the Company, exercisable on or before December 29, 2003 at $2.73 per share as follows:

Name of Optionee	Number of Shares Optioned
John W. Stollery	120,000
Kenneth G. Hanna	35,000
Albert F. Reeve	25,000
Owen S. Hairsine	25,000
Jeffrey D. Rowe	15,000
Edward A. Balon	20,000
Wojtek J. Jakubowski	20,000

On February 1, 1994, the Company granted the following incentive stock options to directors and employees of the Company to purchase 210,000 shares of the Company, exercisable on or before

February 1, 2004 at $2.55 per share as follows:

Name of Optionee	Number of Shares Optioned
John W. Stollery	120,000
Kenneth G. Hanna	50,000
Jeffrey D. Rowe	40,000

By the terms of the stock option agreements and in accordance with the policy of the Toronto and Vancouver Stock Exchanges, the options are subject to the approval of the members of the Company. Accordingly, management will place the following proposed resolutions before the members:

"RESOLVED THAT:

1. the granting of options to purchase 260,000 shares of the Company to four directors and three employees of the Company, such options being exercisable on or before December 29, 2003 at the price of $2.73 per share, be ratified, approved and confirmed and that the actions of the directors of the Company in granting such option and executing, on behalf of the Company, the appropriate stock option agreement be ratified, approved and confirmed; and

2. the granting of an option to purchase 210,000 shares of the Company to two directors and one employee, such option being exercisable on or before February 1, 2004 at the price of $2.55 per share, be ratified, approved and confirmed and that the actions of the directors of the Company in granting such option and executing, on behalf of the Company, the appropriate stock option agreement be ratified, approved and confirmed."

The price range of the Company's shares on The Toronto Stock Exchange for the 30 day period prior to the grant of the options on December 29, 1993 was $2.45 to $2.70 and for the 30 day period prior to the grant of the options on February 1, 1994 was $2.60 to $3.05.

SHARE OPTION PLAN

On March 23, 1994 the Board of Directors adopted a Share Option Plan (the "Share Option Plan"), subject to approval by the members. The text of the Share Option Plan is set out in Schedule "A" to this Information Circular. The description of the Share Option Plan set forth below is qualified in its entirety by reference to the text of the Share Option Plan.

The following are the principal terms of the Share Option Plan:

1. Options may be granted to purchase shares of the Company not exceeding the maximum number of shares permitted under the rules of any stock exchange or other regulatory body having jurisdiction, presently 10% of the shares outstanding with the maximum number of shares optioned to any one optionee not exceeding 5% of the outstanding shares.

2. The only persons eligible to be granted options are directors, officers and employees of the Company or its subsidiaries.

3. Options granted under the Share Option Plan will have a term not exceeding 10 years from the date of grant.

4. The option price will be fixed by the Board of Directors when options are granted, but not less than the closing price on any stock exchange on which such shares are listed on the day prior to the date of grant less the permissible discount permitted by the rules of such stock exchange.

5. Options will not be transferable other than by will or the laws of descent and distribution and will be exercisable only by the persons to whom they are granted or their heirs or personal representatives. Options are subject to early termination if the optionee ceases to be a director, officer or employee of the Company or its subsidiaries.

Pursuant to the requirements of The Toronto Stock Exchange, the Share Option Plan will not become effective unless it is approved by a resolution passed by a majority of the votes cast at the meeting. Management will place the following resolution before the members:

"Resolved that the Share Option Plan as set forth in Schedule "A" to the Information Circular dated April 11, 1994 is hereby approved."

LEGAL MATTERS

Legal matters in connection with the Annual General Meeting and this Information Circular have been passed upon for the Company by Hanna, Heppell Bell & Visosky, Corporate Finance Lawyers, Vancouver, British Columbia.

Kenneth G. Hanna is a partner of Hanna, Heppell Bell & Visosky and the Secretary and a director of the Company. He beneficially owns, directly or indirectly, 206,500 shares of the Company also holds a director's option to purchase 85,000 shares of the Company.

OTHER MATTERS TO BE ACTED UPON

It is not known that any other matters will come before the meeting other than as set forth above and in the Notice of Meeting, but if such should occur the persons named in the accompanying form of proxy intend to vote on them in accordance with their best judgment exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the meeting or any adjournment thereof.

BOARD APPROVAL

The contents of this Information Circular have been approved and its mailing has been authorized by the directors of the Company by resolutions passed on March 23, 1994.

DATED at Vancouver, British Columbia this 6th day of April 1994.

CERTIFIED

Kenneth G. Hanna,
Secretary