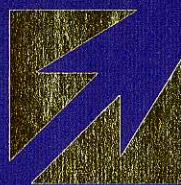


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**Fairfield
Minerals Ltd.**

ANNUAL REPORT 1992

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Notice of Annual General Meeting

The Annual General Meeting of the Company will be held on Wednesday May 5, 1993 at 10 a.m. in the Conference Room, Lower Main Level, Guinness Tower, 1055 West Hastings Street, Vancouver, B.C.

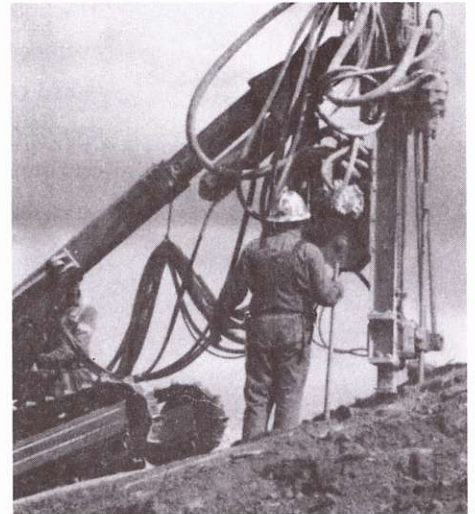
CORPORATE PROFILE

Fairfield Minerals Ltd. is a Vancouver-based exploration company with precious and base metal properties in southern British Columbia and the Yukon Territory. The Company was incorporated in 1984 and its shares are listed on the Toronto and Vancouver Stock Exchanges under the trading symbol FFD.

The Company is concentrating its efforts on the Elk Gold Project near Merritt, B.C. where a 1992 bulk sampling program in the Siwash North zone yielded approximately 9,000 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 50,000 ounces.

1992 HIGHLIGHTS

- *9,000 ounces gold from open pit bulk sampling of Siwash North zone.*
- *Ore averages 4.25 ounces gold per ton with minimal mining dilution.*
- *Remarkable consistency of grade and excellent mineability.*
- *Low total cost of about \$C250 per ounce.*
- *\$4 million in working capital and no debt.*
- *Indicated reserve of 215,000 ounces gold open to expansion.*
- *1992 program supports decision for underground mining test.*



The initial phase of advanced exploration on our core asset, the Siwash North gold deposit located on the Elk property, exceeded our most optimistic projections. Indeed, 1992 was a year of incredible accomplishment and has laid the foundation for underground exploration in 1993, the next step toward full production.

The 1992 bulk sampling program tested the near-surface portion of one of the high grade ore shoots in the Siwash North vein deposit. This yielded some 9,000 ounces of gold of which 8,700 ounces were sold. The bulk sample contained a relatively modest 2,200 tons of ore which averaged over 4.0 ounces gold per ton. We originally estimated that it would consist of 10,000 tons of lower grade material, however careful extraction minimized dilution providing higher grade and considerable cost savings. The next phase of our proposed step-by-step strategy will be to test mine the vein at depth.

Our internal financing capability has allowed the Company to remain debt free with little dilution of shareholder's equity, a policy we will continue to emphasize. In addition, working capital is expected to grow to \$4 million with receipt of smelter payments from 1992 gold output. The financial statements in this annual report reflect net proceeds from the sale of 2,085 ounces gold at a price of \$C426 per ounce. Payment for an additional 6,615 ounces, expected to be priced at over \$C400 per ounce, will be included in the first quarter statements of 1993. Fairfield now has the capacity to fund the next critical phase of the project which will involve underground test mining and bulk sampling. Significant gold output may be realized from this program which will help meet capital requirements.

The Siwash North deposit could become one of the highest grade underground gold mines in Canada, with annual production of up to 50,000 ounces. Our conceptual mine design indicates that this production may be generated with modest capital cost, suggesting a highly profitable operation. The current indicated reserve of 215,000 ounces gold has excellent potential to be expanded.

A number of options are available with respect to future development of the project, including contract mining with custom milling carried out nearby. Internal studies are also addressing the feasibility of on-site milling with mining and management handled in-house.

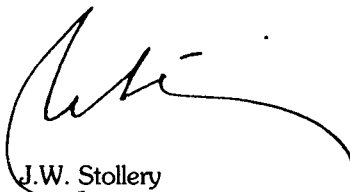
The Siwash North ore is environmentally friendly thereby helping to streamline the permitting process and we are currently collecting baseline data required for a mine development certificate.

The Company holds a land position of 250 square miles surrounding the Elk property with the potential to host additional gold deposits. In fact, preliminary exploration has identified at least 20 targets which require follow-up work and possibly drilling. Fairfield will therefore maintain these claims in good standing and continue their evaluation as time and finances allow.

Again this year, Fairfield is indebted to the skilled and knowledgeable staff of its consulting group, Cordilleran Engineering Ltd., in particular J.D. Rowe, E. A. Balon and W.J. Jakubowski, whose contributions were outstanding. Our metallurgical consultant, R.M. Samuels provided extremely valuable advice. Also, the special efforts of W. D. Dobbin, our prime contractor, have helped advance the project one step closer to production.

During the year our stock price more than doubled and has consistently maintained a trading level near its high. Fairfield is steadily developing into a growth company with the potential to further reward its shareholders.

In closing, I would like to acknowledge the input of the Board of Directors who provided both their counsel and financial support during the year and thank our shareholders whose commitment has made this progress possible.



J.W. Stollery

President

March 25, 1993

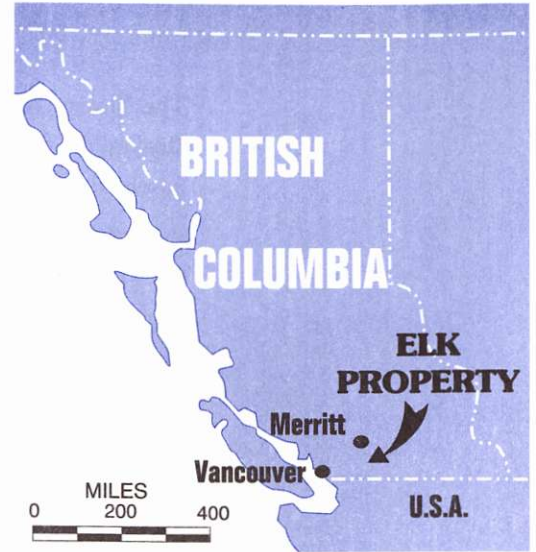
The Company's 1992 program on the Elk gold property near Merritt in south-central British Columbia represented a major departure from past activities. The shift in focus from basic exploration to aggressive open pit bulk sampling underscored the principal objective of developing the Siwash North deposit into a significant gold producer.

The open pit program dramatically increased confidence in the indicated gold reserve and provided important new data for the design and implementation of further testing. In addition, some of the accumulated data will be incorporated into a submission to the Provincial government as a prerequisite to mine permitting. Fairfield has been granted a 30-year mining lease and is presently authorized to extract 11,000 tons of bulk sample material, of which only 2,200 tons were mined in 1992.

The mining process involved drilling and blasting a large volume of waste rock overlying the zone. This material was carefully removed to expose the vein which was then mined and placed into stockpiles for sampling and assaying. This ore extraction procedure successfully recovered the high grade vein with minimal dilution. Waste rock removal was a substantial element in open pit mining costs but will represent a much smaller proportion in future underground programs.

The average grade of the mined ore was considerably higher than anticipated, reflecting the technical success of the program. Fairfield's original grade estimate of 1.50 ounces per ton was based on a mining width of 3.3 feet whereas the actual mining width was approximately 1.5 feet averaging 4.25 ounces gold per ton. The Siwash North gold deposit, as represented by the area of test mining, has proven to be extremely consistent. Confirmation of this grade continuity to depth could have profound reserve implications for the project.

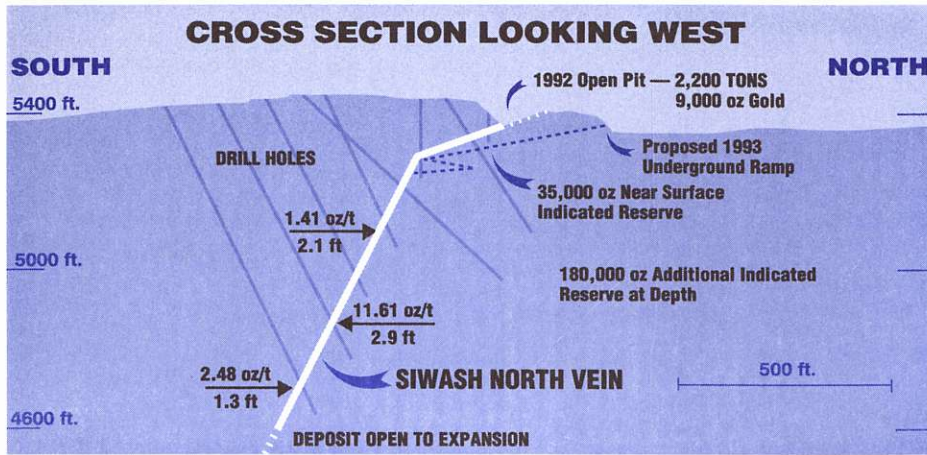
The 1992 program was not designed to increase indicated reserves but to determine mineability and metallurgical characteristics. However, reserve calculations have been revised to reflect narrower anticipated underground mining widths of 2.0 to 2.6 feet which would reduce dilution and have a very positive impact on unit costs. These mining widths may be attainable using established mining techniques successfully employed by other gold producers in Canada. The current total drill indicated reserve, based on open pit and



Right: Excavators removing ore and waste from open pit.

Below: Sample preparation plant used to maintain grade control and establish gold content of stockpiled vein material.





underground mining widths of 1.3 to 2.6 feet with a 0.60 ounce per ton cut-off grade, is 135,000 tons averaging 1.59 ounces gold per ton. This represents 215,000 ounces of gold which may be significantly increased by further exploration. This reserve compares with 1991 published figures of 220,000 ounces gold contained in 340,000 tons averaging 0.65 ounce per ton based on a very conservative 6.6 foot mining width.

A small plant, designed and constructed for on-site sample preparation, proved to be a valuable asset for maintaining grade control and establishing the gold content in stockpiled vein material. Indeed, the grade assessment on site was within 5% of that determined by smelter sampling. This plant will continue to be utilized in subsequent phases of advanced exploration.

The bulk sample mined in 1992 contained 9,000 ounces of gold of which 8,700 ounces were sold. The high silica ore was shipped by rail to Noranda, Quebec where it was used as smelter flux. The contained gold values were credited to Fairfield's account after deduction of smelter charges, generating a substantial cash flow.

During the year, 8,800 feet of reverse circulation drilling was undertaken to assess the continuity and grade of the vein system near surface. These holes, all of which intersected the zone, helped define an estimated 35,000 ounces of gold in a flat-dipping portion of the vein which can be at least partially recovered by additional surface mining.

The total cost per ounce including corporate overhead, contract mining, shipment of bulk sample ore a distance of 2,300 miles and related smelter charges, was about \$C250. This compares favourably with the present average gold production cost in Canada. A new two-mile road has been built from the deposit to a nearby highway which will provide additional savings.

The Company has identified a number of potential processing sites nearby in anticipation that a full feasibility study will lead to a production decision. Construction of a processing plant on the property is also an option. Metallurgical test work completed in 1992 confirmed that the gold ore is environmentally safe and amenable to simple gravity-flotation separation techniques, yielding a high recovery.



PROJECT OUTLOOK

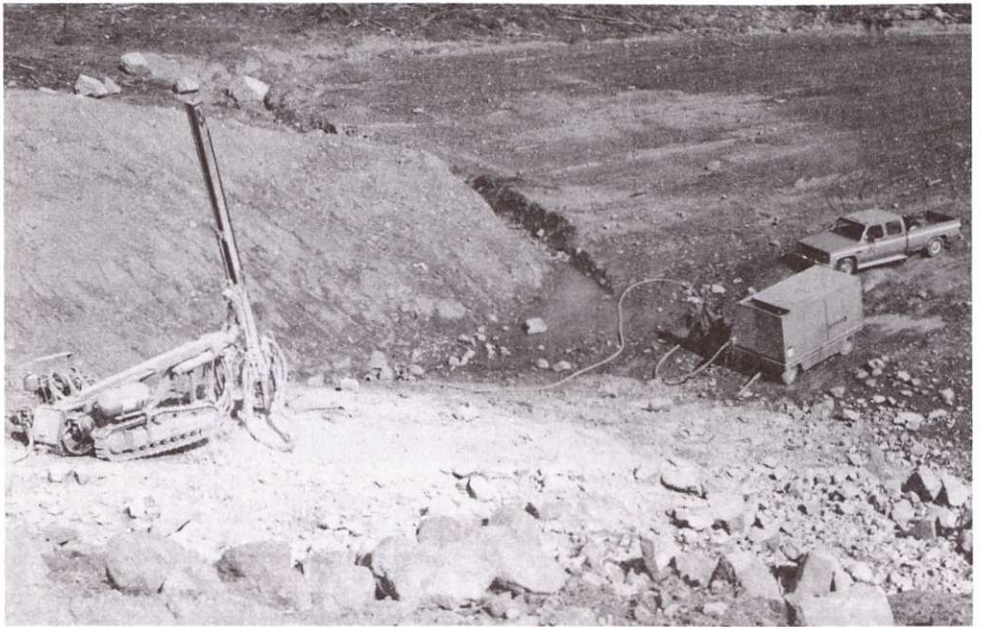
Future programs at Siwash North are expected to include both underground test mining and an expanded open pit to remove near-surface ore at low cost. An additional 4,500 tons of high grade ore containing an estimated 10,000 ounces gold is readily available for extraction along strike from the existing pit down to the presently mined level.

With regard to the planned underground program, the portal site has been established and only minor preparatory work will be necessary before commencing the

main underground decline. Miners will ramp down to high grade sections of the gold zone, drift along the vein and commence test mining. The access ramp will be proportioned to accommodate trackless mining equipment and related services.

This underground test program will help establish ore grade, ore continuity, mining techniques and ground conditions, all pre-requisites to full production. Special attention will be paid to dilution, although initial indications suggest this will not be a significant problem. Different selective mining techniques will be employed on various sections of the vein for cost comparison purposes. Fairfield will carefully examine a stoping method called "resuing" where the wall rock adjacent to the vein is removed separately from the ore. Resuing has been employed successfully in narrow vein deposits and allows for the extraction of ore with minimum dilution. The boundaries of the Siwash North vein are clearly defined and significant gold values do not generally extend into the wallrock, therefore this technique is very applicable. The test mining is expected to yield some 4,000 tons of vein material which will be sampled and stockpiled for processing.

Strong potential for additional high grade reserves exists in the deeper reaches of the Siwash North deposit as indicated by several diamond drill holes, one of which returned 11.61 ounces gold over a width of 2.9 feet, 835 feet down dip in the main shoot. This high grade shoot, which yielded the 1992 open pit sample, has a 650 foot surface exposure and has been traced by drilling to 1,000 feet down dip where it remains open to further



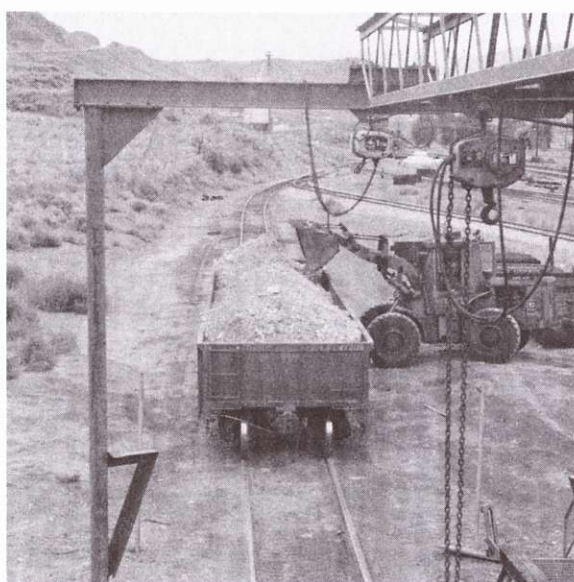
expansion. Drilling has also identified additional shoots along strike in the vein system.

The Siwash North deposit has similarities to several gold mines in Canada where narrow, high grade veins have been profitably extracted. Some of these are listed in the accompanying table.

With good road access, extensive infrastructure nearby, additional open pit reserves, underground services in place, and favourable underground test mining results, full scale production can be successfully achieved.

Left: Portal site preparation for underground access.

Right: Loading high grade ore into rail cars at Ashcroft, B.C. for shipment to Noranda, Quebec.



Gold Production from Canadian narrow vein deposits similar to Siwash North

Mining Operation	Location	Vein thickness (feet)	Average Mined Grade (ounces/tons)	Production (ounces)
Leitch	Beardmore, Ont.	1.0	0.96	863,600
Pickle Crow	Pickle Lake, Ont.	2.0	0.47	1.5 million
Golden Patricia	Pickle Lake, Ont.	1.0	0.58	330,000 (520,000 reserve)
Erickson	Cassiar, B.C.	2.5	0.41	250,000
Siwash North (Fairfield)	Merritt, B.C.	1.0	1.59 (estimated)	215,000 indicated reserve

FINANCIAL STATEMENTS

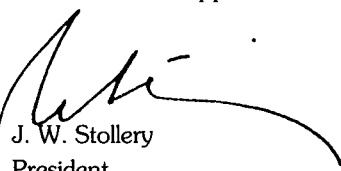
January 31, 1993 and 1992

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.



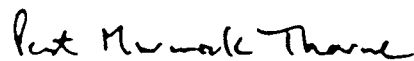
J. W. Stollery
President
March 5, 1993

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the balance sheets of Fairfield Minerals Ltd. as at January 31, 1993 and 1992 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, 1993 and 1992 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.



Peat Marwick Thorne
Chartered Accountants
Vancouver, Canada
March 5, 1993

BALANCE SHEETS

January 31, 1993 and 1992

	<u>1993</u>	<u>1992</u>
ASSETS		
Current assets:		
Cash and term deposits	\$ 1,863,361	\$ 2,446,884
Marketable securities	9,500	9,500
Prepaid expenses	9,547	10,778
	<u>1,882,408</u>	<u>2,467,162</u>
Resource properties (note 3)	3,122,349	2,865,862
Fixed assets (note 4)	7,316	9,146
	<u>\$ 5,012,073</u>	<u>\$ 5,342,170</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable and accrued liabilities	\$ 48,913	\$ 20,050
Shareholders' equity:		
Capital stock (note 6)	6,884,321	6,372,269
Deficit	(1,921,161)	(1,050,149)
	<u>4,963,160</u>	<u>5,322,120</u>
Commitments (notes 6 and 7)		
Subsequent event (note 10)		
	<u>\$ 5,012,073</u>	<u>\$ 5,342,170</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

STATEMENTS OF OPERATIONS AND DEFICIT

Years ended January 31, 1993 and 1992

	<u>1993</u>	<u>1992</u>
Revenue:		
Interest and other income	\$ 126,966	\$ 230,912
Expenses:		
Administrative expenditures	254,413	231,060
General exploration expenditures	19,280	145,811
Write-down of marketable securities	—	7,892
Write-down of resource properties	724,285	—
	<u>997,978</u>	<u>384,763</u>
Loss for the year	871,012	153,851
Deficit, beginning of year	1,050,149	896,298
Deficit, end of year	<u>\$ 1,921,161</u>	<u>\$ 1,050,149</u>
Loss per share	<u>\$ 0.14</u>	<u>\$ 0.03</u>

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN FINANCIAL POSITION

Years ended January 31, 1993 and 1992

	<u>1993</u>	<u>1992</u>
Cash provided by (used for):		
Operations:		
Loss for the year	\$ (871,012)	\$ (153,851)
Items not involving cash:		
Write-down of resource properties	724,287	—
Write-down of marketable securities	—	7,892
Depreciation	1,829	1,016
Change in non-cash working capital	30,094	(16,336)
	<u>(114,802)</u>	<u>(161,279)</u>
Financing:		
Issue of common shares	512,053	1,026,365
Investing:		
Acquisition of fixed assets	—	(10,162)
Additions to resource properties	(1,731,868)	(932,890)
Receipt of cash option payments	—	375,000
Mineral recoveries	751,094	—
Receipt of option payments in kind	—	17,392
	<u>(980,774)</u>	<u>(550,660)</u>
Increase (decrease) in cash	(583,523)	314,426
Cash and term deposits, beginning of year	2,446,884	2,132,458
Cash and term deposits, end of year	<u>\$ 1,863,361</u>	<u>\$ 2,446,884</u>

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Years ended January 31, 1993 and 1992

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 Company is in the development stage and has not, as yet, achieved commercial production. 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) Resource properties:

Property acquisition costs and exploration and development expenditures are deferred until the property 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 principal property 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 options and mineral recoveries prior to commercial production whereby proceeds received are credited against expenditures on the related resource properties.

(c) Fixed assets:

Fixed assets are recorded at cost and are depreciated over their estimated useful lives on a straight-line basis.

(d) Loss per share:

The loss per share is computed on the basis of the weighted average number of shares outstanding during the year. Fully diluted loss per share is not presented when it is anti-dilutive.

3. Resource properties:

	1993	1992
Balance, beginning of year	\$ 2,865,862	\$ 2,325,364
Current year expenditures	1,731,868	932,890
Less:		
Option payments	—	(375,000)
Mineral recoveries (note 3(a))	(751,094)	—
Write-downs	(724,287)	(17,392)
Balance, end of year	<u>\$ 3,122,349</u>	<u>\$ 2,865,862</u>
Balance, end of year represented by:		
Elk (note 3(a))	\$ 1,966,144	\$ 1,019,406
Oka	511,933	511,933
Meister	—	444,496
Crest	136,648	136,648
Sunset	101,152	101,152
Dill/Bank	67,465	67,015
Ram	—	253,466
Other (notes 3(a) and (b))	339,007	322,746
	<u>\$ 3,122,349</u>	<u>\$ 2,856,862</u>

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

(a) Elk:

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 Company has agreed to pay Placer 10% of the cumulative net proceeds, after recovery of all costs, to a maximum of \$2.5 million from future production. The Company may purchase from Placer the net proceeds interest for \$1.3 million any time prior to December 31, 1993. During the year the Company received \$751,024 net of smelter charges in respect to shipments of ore. The payment has been applied as a mineral recovery (see also note 10).

(b) 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 15% net profit interest.

(c) 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:

	<u>1993</u>	<u>1992</u>
Office furniture and equipment	\$ 10,162	\$ 10,162
Accumulated depreciation	(2,846)	(1,016)
	<u>\$ 7,316</u>	<u>\$ 9,146</u>

5. Deposits held for reclamation:

At January 31, 1993 the Company had on deposit \$25,000 held for site restoration and reclamation.

6. Capital stock:

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

	<u>Number of shares</u>	<u>Amount</u>
Balance, January 31, 1991	5,143,181	\$ 5,345,904
Issued for cash (net of issue costs):		
Common shares	500,000	513,182
Flow-through common shares	500,000	513,183
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	<u>6,633,181</u>	<u>\$ 6,884,321</u>
	<u>560,000</u>	

Stock options:

The Company has reserved 560,000 shares for issue under options granted to directors.

Outstanding options at January 31, 1993 are as follows:

<u>Expiry date</u>	<u>Price</u>	<u>Outstanding January 31, 1992</u>	<u>Granted</u>	<u>Exercised</u>	<u>Outstanding January 31, 1993</u>
January 22, 1994	\$ 0.71	500,000	—	(70,000)	430,000
May 12, 1997	\$ 0.93	—	70,000	—	70,000
July 29, 1997	\$ 1.40	—	60,000	—	60,000
		<u>500,000</u>	<u>130,000</u>	<u>(70,000)</u>	<u>560,000</u>

Value

$$200,000 \text{ sz} \times (\$100/\text{sz net of Taxes}) = \$20,000,000$$

7,193,181

x 2.75

\$19,781,247.75

Warrants:

In conjunction with the issuance of common shares and flow-through common shares during July 1991, the Company issued 1,000,000 warrants for the purchase of 500,000 common shares, exercisable until July 3, 1992 at \$1.16 per share. All of the warrants expired.

Fully diluted capital stock:

If all outstanding stock options are exercised there would be 7,193,181 common shares outstanding.

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	
1994	\$ 72,519
1995	73,194
1996	76,565
1997	39,631
	<u>\$ 261,909</u>

8. Income taxes:

Resource properties carried on the balance sheet at \$3,122,349 have \$1,349,992 in deductions remaining for income tax purposes and mining earned depletion base of \$146,762.

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 professional and office services to the Company. The fees to the president's company were \$130,000 (1992 - \$102,000) for management fees, \$428,000 (1992- \$287,000) for engineering and geological fees and \$48,000 (1992 - \$54,000) 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 \$18,945 in 1993.

10. Subsequent event:

Subsequent to year end the Company received \$1,024,000 net of smelter charges in respect to shipments of ore and expects to receive approximately an additional \$1,200,000 in April 1993.

GLOSSARY OF MINING TERMS

Blast Hole: A hole drilled for purposes of loading explosives.

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

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.

Exploration: Prospecting, drilling and other work involved in searching for ore.

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: 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.

Mineral: A naturally-occurring homogeneous substance having definite physical properties and chemical composition.

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 the wall rock on one side of the vein has been extracted before the vein itself. 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.

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.

Underground Mine: A mine where ore is extracted beneath the surface.

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 unmineralized 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
Vancouver Stock Exchange

Capitalization

Authorized: 10,000,000
Issued: 6,633,181 common shares

Registrar and Transfer Agent

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

Geological Consultants

Cordilleran Engineering Ltd.

Metallurgical Consultants

R.M. Samuels Consulting, Inc.

Legal Counsel

Hanna, Heppell & Bell

Auditors

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

