

.....
Minnova Inc.
3rd. Floor
311 Water Street
Vancouver, British Columbia
V6B 1B8
Telephone (604) 681-3771
Telecopier (604) 681-3360

RECEIVED

DEC - 6 1991

December 3, 1991

Fairfield Minerals Ltd.
1980 - 1055 W. Hastings St.
Vancouver, B.C.
V6E 2E9

Attention: John Stollery

Dear John:

Thank you for allowing us to review your Elk property. I have discussed the project with our Mine Manager at Samatosum (now VP-Mining in our Toronto Head Office), John Purkis, and we have come to the following conclusions with respect to milling Elk ore at Samatosum.

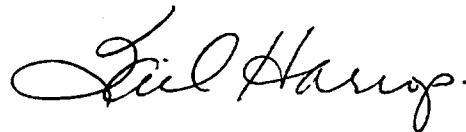
1. The project requires specific data on Elk ore metallurgy. The Samatosum mill is currently set up to handle high sulphide ore by floatation concentration. The Elk mineralization will obviously not be high sulphide, therefore modifications to the Samatosum mill would be required (inclusion of a gravity circuit etc.). For this same reason, Samatosum would not be the best place to do bulk sample testing. A small pilot mill setup would probably be your best bet.
2. In order to justify the costs of modifying the mill, raising the tailings dam, etc. Minnova would have to see increased confidence in the reserve base. Certainly if the 100,000 tonnes of 30 g/t material inferred for the "Mother Shoot" could be upgraded to proven, it would go a long way to accomplishing this. Doing so will require more drilling and/or underground exploration.

Minnova is not prepared to invest risk capital in this venture until the points above have been addressed. We will, however, be happy to provide any advice and direction that we can. Please feel free to contact me at any time or call John Purkis direct at 416 982 7270.

There is no doubt that you have a very exciting project at Elk and we wish you every success with it. If Minnova can at some point provide custom milling services, so much the better.

Incidentally, the current reserves at Samatosum will last until about October, 1992. At that time, if we aren't already custom milling, you may have another option open to you - buying a slightly used mill!

Yours truly,

A handwritten signature in cursive script, reading "Ian D. Pirie".

Ian D. Pirie
District Geologist
Western Canada

IDP/gh



ALBERT F. REEVE LIMITED

904 - 675 WEST HASTINGS STREET
VANCOUVER, B.C.
V6B 1N2
TELEPHONE: (604) 688-3584

MEMORANDUM

DATE: March 12, 1992
TO: John Stollery
FROM: Bert Reeve
RE: Siwash North Development Outlook, March 4, 1992

There is a high level of geological confidence in the Elk resource that has been calculated; however, the only proven mineable ore is the first lift from a pit.

Before any capital or lease commitments are made to any processing facility, it would be prudent to have established six to twelve operating months of proven, mineable reserves including a stockpile. Referring to the CESL study, the cost per ton to develop underground ore is about \$25 so that the cost of developing and proving 50,000 tons would be \$1.25 million (this is a little light in my opinion).

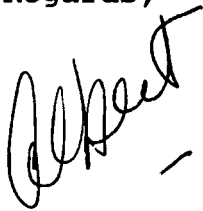
With reference to the 10,000 ton pit it would be wise to create a carefully sampled stockpile before finally agreeing to sell ore to anybody. At this point the project may gain sufficient respect to attract reasonable financing. In this event the stockpile could be used to great advantage at the Brenda Mill site compared with the losses and charges that would be incurred at a custom mill or smelter.

...../2

A mining, milling, and financing schedule along the following lines might be possible:

	<u>COST</u>	<u>CASH BAL.</u>
1. Open pit mining & met testing (stockpile \$4,000,000 no tax, no NPI.)	\$ 500,000	1,900,000
2. Borrow \$2,000,000, stockpile collateral	----	3,900,000
3. Buy mining equipment and develop 50,000T of underground ore	\$2,000,000	1,900,000
4. Borrow \$1,000,000, floating charge	----	2,900,000
5. Install mill at Brenda	\$2,000,000	900,000
6. Begin production with 60,000T of proven and broken ore and \$3,000,000 debt and \$900,000 working capital		
 Gross Revenue 60,000T =	24,000,000	
Mining 50,000T	(5,000,000)	
Milling 60,000T	<u>(2,400,000)</u>	
Net Before Tax, NPI, Interest & Debt	<u>\$16,600,000</u>	

Regards,



AFR/am



Strathcona Mineral Services Limited

12th Floor, 20 Toronto Street, Toronto, Ontario, Canada M5C 2B8

Telephone: (416) 869-0772

Telex: 06-23565

Telecopier: (416) 367-3638

BY FAX AND MAIL

March 25, 1992

Mr. John Stollery
Fairfield Minerals Ltd.
1980-1055 West Hastings Street
Vancouver, British Columbia
V6E 2E9

Dear John:

Elk Property

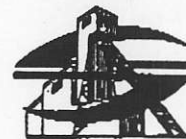
Having reviewed the documentation and information with your thoughts on the future planning for the Elk property, following are a few of our comments that you can add to those you no doubt will receive at the board meeting later today.

First of all we would expect the grade of the Elk deposit is going to be less than what has been indicated on the basis of the widely-spaced drilling results to date. How much less, is a good question but there is no doubt in our minds that with the pronounced nugget effect in this deposit there will be areas of lower grade that will bring down the average for the deposit from that which one can calculate using selected high-grade samples.

Our guess at this time would be that the overall Mother Shoot may average about 18 grams per tonne, or 0.5 ounces per short ton, over a 2-metre mining width.

We believe a bulk sampling program is the next logical step for the Elk property, perhaps following the underground layout that we sent on Friday last week and also perhaps including a surface bulk sample as such would appear to be readily accessible, but one does have to be careful about the treatment of bulk samples from surface because of oxidation and perhaps not being representative of the main bulk of the deposit, which would have to be mined underground.

Strathcona Mineral Services Limited



We would suggest that any bulk samples from the program be crushed on site in a single campaign at the end of the program with all material put through a sample tower with each drift round treated individually. Once all of the bulk sample has been so treated and a good accounting available of the gold content, then it would be appropriate to either sell the ore as is to recover some revenue or to have it processed through a custom mill on a per-tonne basis.

We do not believe it would be prudent at this time for Fairfield to make a major investment in milling facilities whether it would be purchasing the Black Dome mill or putting a small installation in at the Brenda site. In the last six years too much of our consulting business has been reviewing projects where the mill has been built before the existence of the orebody has been confirmed and we would not like to see the Elk property added to what is already a lengthy list.

The Elk property is undoubtedly a very interesting project but we would encourage you to advance the project one logical step at a time rather than taking one too big a jump as the next step and being left with insufficient gold in the ground to justify the investment made by the Fairfield shareholders.

If there are any further comments required, I should be in the office at the time of your board meeting later today.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Farquharson'. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

G. Farquharson

GF:al

cc: R. Sutherland



ALBERT F. REEVE LIMITED

904 - 675 WEST HASTINGS STREET
VANCOUVER, B.C.

V6B 1N2

TELEPHONE: (604) 688-3584

FAX # (604) 688-0378

TO: John Stollery

DATE: July 2, 1992

FAX # _____

FROM: Bert Reeve

PAGE 1 OF 1

INCLUDING THIS PAGE.

SUBJECT: _____

MESSAGE:

Dear John:

Re: Elk

Since my trip with Haig to the property on June 29th, we have not had much of a chance to talk about the operation at Elk. The results to date are excellent, with a good high-grade stockpile being accumulated.

There will probably be 2,000 ounces, more or less, by the time the current phase of the pit is completed. This material will be easy to sell, or hold on the property as inventory until the larger Phase II pit is well advanced. At this time ore selling or financing options might be more apparent.

I believe that your plan to custom mill the ore is still the best business proposition. We still don't have enough mined and mineable ounces to consider putting up capital or committing lease payments to our own plant. We will not be in that position until we can see 40 - 50,000 ounces proven and stockpiled, which will require underground development on at least two levels on the mother shoot and take four months to complete.

The good results to date have produced a certain amount of "gold fever" which should not be allowed to interfere with a sound business plan.

Best regards

Jeff Lowe

Jan 4/94

- Test stoping conventional method
- exp 3 meters, 4 lifts. Average
grade .25 no ore developed!!
- Drilling just started on ring
method. changed it to horizontal
holes and raises up ore. Jeff says
he wouldn't do it in tight grade ore.
- Permit for mill by the end of
year. Design includes back
fill plant. Worried about
putting pyrite back into mine!
- Plan to do lots of drilling this
year. Did not talk about doing
any etc work.



ALBERT F. REEVE LIMITED

904 - 675 WEST HASTINGS STREET
VANCOUVER, B.C.
V6B 1N2
TELEPHONE: (604) 688-3584
FAX: (604) 688-0378

MEMORANDUM

DATE: July 18, 1994
TO: John Stollery
FROM: A.F. Reeve
RE: Siwash North Gold Mine

It is important for Fairfield's management to provide the company's board of directors with a written MINE PLAN AND BUDGET, in the near future, that contains the following information:

1. Estimate of high grade ore to be mined in 1994 and planned gold sales.
2. Estimated 1994 operating costs including taxes payable.
3. Estimated ore reserves upon completion of open pit mining in the following categories:
 - Broken ore
 - Proven, mineable reserves
 - Probable reserves
 - Possible reserves
4. A Plan and budget for late 1994 and 1995 that sets out capital and operating costs for a programme to develop new mineable ore reserves.
5. An estimate of ore to be mined and gold sales in 1995.

c.c. K. Hanna
J.H. Farris
O. Hairsine



A.F. Reeve



ALBERT F. REEVE LIMITED

904 - 675 WEST HASTINGS STREET
VANCOUVER, B.C.
V6B 1N2
TELEPHONE: (604) 688-3584
FAX: (604) 688-0378

November 10, 1994

CONFIDENTIAL

Mr. John W. Stollery
Cordilleran Engineering Limited
1980 - 1055 West Hastings Street
Vancouver, B.C.
V6E 2E9

Dear John:

Re: Visit to Siwash Gold Mine, November 8, 1994

I toured the surface with Mike Ross and Jeff Rowe to look at potential sites for a concentrator and tailings pond. There are two mill sites near the mine that might be suitable; one on the hanging wall side of ore trend which would be close to the proposed shaft, if a shaft is needed. The second site is to the west on the footwall side.

There are a number of possibilities for tailings disposal in the area located generally north of the mine; however, the lack of a good topographic map makes specific selection of the best site impossible at this time.

A diamond drill hole is making water at a location southeast of the mine. This aquifer should be explored as a water source by drilling several test wells. This would be more environmentally sanitary than putting a pumping station at the lake and might eliminate the need for a water licence.

We also visited two test stopes in the mine in company with Norm Green and Brad Thiele. At the 1589 stope, the backs are being taken down into a small scraper drift along the vein. The plan is to break a panel of ore in this fashion then extract it through footwall draw points to test "conventional shrinkage stoping". The first bit of breasting looks a little rough but the work is just beginning. This method will produce quite a bit of dilution from the walls, but the lateral extent of the stope panel can be controlled by detailed sampling of the back and breast faces, as the stope advances.

At the 1584 stope location a small scraper drift has been driven along the vein and 5,000 feet of long blast hole drilling up the dip of vein, from 2 sub-levels has been planned. These holes will be shot, a level at a time, and the broken muck extracted through footwall drawpoints. I am not certain what advantage this has over the "conventional" shrinkage method; however, it has one serious disadvantage. In addition to an uncertain amount of dilution from the walls there can be serious lateral dilution along strike and up dip because the actual continuity of the ore is unknown and cannot be checked and controlled as the stope progresses. This method is highly experimental as no one at the mine including Norm Green seems to have had any experience applying this to narrow veins. However, it is early and we won't know much until waste starts to hit the draw points 6 or 8 weeks from now.

Most of your effort seems to be focused on shrinkage stope mining because the book says its cheaper than cut and fill. It might be cheaper by the ton; but not necessarily by the ounce. The most expensive muck you can put in a mill is waste!

If you find that the present test program is "shrinking" your grade too much, you might want to try the following procedure:

1. Make small sized cross cut entries into the vein.
2. Confirm the continuity of highgrade ore along strike by driving small scraper drifts on the vein.
3. Confirm the continuity of high grade ore up dip by driving raises in the vein, (1-3 will provide proven ore and some high grade development muck that you can sell to the smelter).
4. Develop a cut and fill mining procedure using tight hydraulic back fill.

The most important suggestion I can make at this time is for you to hire, forthwith, someone with a strong background in mining narrow veins.

Yours very truly,

ALBERT F. REEVE LIMITED



Albert F. Reeve
President

AFR/am



ALBERT F. REEVE LIMITED

904 - 675 WEST HASTINGS STREET
VANCOUVER, B.C.
V6B 1N2
TELEPHONE: (604) 688-3584
FAX: (604) 688-0378

COPY

January 17, 1995

CONFIDENTIAL

Mr. John Stollery
Fairfield Minerals Ltd.
1980-1055 West Hastings St.
Vancouver, B.C.
V6E 2E9

Dear John:

Further to my letter report dated November 10, 1994

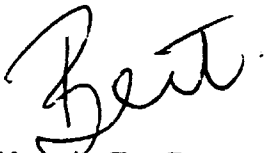
I spoke to Jeff Rowe on January 4th about the test mining program at the mine. It was disappointing to hear from Jeff that both of the test stopes are being developed in drill indicated sub-ore sections of the vein. This is a waste of valuable time and money when the company should be focusing its efforts on developing reserves of mineable high grade ore.

To sustain further production, the mine will need 6 to 12 months of mineable reserves with as many working faces, in ore, as possible.

I can only repeat my recommendation that the company hire an experienced project manager and begin a serious mine development program as soon as possible.

Yours very truly,

ALBERT F. REEVE LIMITED



Albert F. Reeve
President

AFR/am