

FAX - 631-3232 P.1  
ATTN. R.G.H. 4  
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February 6, 1992

Mr. M. P. Lipkewich  
Vice President Mining  
Teck Corporation  
600 - 200 Burrard St  
Vancouver, B.C.  
V6C 3L9

Fax 640-5381

Copy to: Mr. D. E. Wyatt  
Materials Management Supervisor  
Teck Corporation  
PO Box 1500  
Tumbler Ridge, B.C.  
V0C 2W0

Fax 242-3580

Dear Mr. Lipkewich:

Re: BEAVERDELL MILL

This letter is to express our interest in acquiring the use of your Beaverdell Mill. It is presently my understanding that this facility is for sale.

Fairfield is the owner of a gold deposit located half way between Merritt and Westbank on the Okanagan Connector Highway about 100 miles from Beaverdell. Drill indicated reserves are 340,000 tons grading 0.647 oz/ton gold and 0.72 oz/ton silver. Initially head grades may average 30% more than drill indicated. Your exploration people, i.e., Bill Meyer, Wayne Spilsbury and Fred Daley are familiar with our deposit and can confirm my comments.


It is our intention to commence open cut mining this year with production of up to 10,000 tons. This would be accelerated in 1993 to include both surface and underground production and we would expect at least a four year mine life producing up to 40,000 oz Au per year.

We are presently considering our options with regard to a mill facility. Mr. Rod Samuels is our metallurgical/milling consultant and will be available to help us evaluate the available facilities later this month.

Would you please consider Fairfield as seriously interested in your Beaverdell facility and if our "ore" and your mill are adaptable we would wish to discuss a mutually beneficial arrangement.

Yours very truly

FAIRFIELD MINERALS LTD.

  
J. W. Stollery, P.Eng.  
President.

JWS/z