

St Andrew Goldfields

**Towards Production
2005**

St Andrew Goldfields Ltd.

Cover Photo:

St Andrew mining and
development activities.

Annual Meeting

The Annual Meeting
will be held on Monday,
June 6th at 4:30 pm
(Toronto time)
at the Sheraton Centre
Toronto Hotel
123 Queen Street West,
Toronto, Ontario.

Table of Contents

IFC	Corporate Profile
1	2004 Highlights
1	2005 Objectives
2	President's Report to Shareholders
6	Mineral Resources
7	Mineral Properties and Projects
8	Near-Term Production Properties and Projects
8	• Stock Gold Complex
9	• Stock Gold Mill
9	• Stock Gold Mine
11	• Taylor Mine Project
12	• Clavos Project
13	• Hislop Mine and Property
14	• Nixon Fork Gold Mine
15	Exploration Properties and Projects
15	• Eskay Creek Properties
18	• Timmins Exploration Properties
18	• East Timmins
19	• Central Timmins
20	Corporate Information

is a gold mining and exploration
company with near-term
gold production expected from its
Stock Gold Complex, Timmins
and Nixon Fork Gold Mine, Alaska.

The Company controls
a large land position in the
Timmins mining Camp and
holds a 64.7% interest
in Heritage Explorations,
the holder of an
extensive land position
at Eskay Creek in northern
British Columbia and property
around Nixon Fork.

St Andrew also owns a 28.3%
interest (20 million shares) in
Geoinformatics Exploration Inc.

2004 Highlights

- At Stock Gold Complex, the Clavos Decline Ramp was driven to 250 vertical metres below surface and level workings developed to access the orebody.
- Stock Mine de-watered, refurbished and reopened. Mining operations commenced with grades and tonnage in line with forecasts.
- Stock Gold Mill refurbished, upgraded and commissioned.
- New metallurgical circuit developed for Nixon Fork Gold Mine.
- Good exploration results from Nixon Fork underground milling.
- Progress towards obtaining, operating and environmental permits for Nixon Fork.

2005 Objectives

- Complete underground exploration program at Stock Gold Complex to define reserves and resources, and delineate sufficient resources to commence production at sustainable and financially viable levels.
- Permit, engineer and plan Stage 2 (Taylor Mine) expansion at the Stock Gold Complex.
- Complete permitting at Nixon Fork.
- Upgrade Gold Mill at Nixon Fork.
- Commence production at Nixon Fork.
- Regional exploration program at East Timmins and Alaska.

President's Report to Shareholders

I am pleased to present my report on the Company's activities in 2004 and to layout our plans for 2005.

Despite 2004 being a positive year for the price of gold, sentiment among both gold producers and investors seemed to wane over the course of the year. No significant gold discoveries were announced, most currencies grew stronger against the U.S. dollar resulting in higher local production and exploration costs, energy, steel and other costs rose, skilled labour was difficult to source and only a few of the producers had a satisfactory production or financial year. Mergers seemed to be more the vogue than exploration and organic growth. Nonetheless, we believe we may be on the cusp of an exciting period for precious metal prices and their producers. Gold and silver prices may be in a longer term uptrend based on certain fundamental factors:

- The unprecedented growth and demand for commodities and services from China, India and other developing countries. We anticipate that this factor will continue to support all commodity prices, including precious metals;
- The increasing demand for gold by China, which resulted in a 13% increase in demand in 2004 on a year-on-year basis. It is expected that demand will rise further following the December 2004 decision by the China Banking Regulatory Commission to permit the marketing of gold investment products through retail banks in China;
- The continued weakening of the U.S. dollar against other currencies. The U.S. current account and budget deficits will likely take years to shrink and could drive the price of gold higher, considering gold's inverse relationship with the U.S. dollar;
- The continuing geopolitical tensions around the world;
- The improvement in investor sentiment towards hard assets. This should result in a higher demand for gold and silver as the price of gold has not kept pace with the prices of energy and commodities generally;
- The declining total supply of gold (from mine supply, dehedging, Central Bank sales and scrap gold), which in 2004 amounted to an estimated 5% decrease in total supply; and
- Limited gold production in the pipeline. This has occurred as a result of reduced exploration activity and lower gold prices over the last few years and is compounded by the long lead-time necessary to bring new production on line.

Against this backdrop, St Andrew continues to implement its strategy, originally formulated in 2001, to consolidate and to prepare for future production which is anticipated to commence in the second half of 2005.

Despite a setback in its recent production startup phase, management believes that the key pieces are in place to unlock and realize the value within St Andrew.



■ **“ Against this backdrop, St Andrew continues to implement its strategy, originally formulated in 2001, to consolidate and to prepare for future production which is anticipated to commence ...second half of 2005.”**

Year 2004

The key components of our strategy, which we continued to implement in 2004, are as follows:

• **Accumulation of quality assets in North America by acquiring and consolidating strategic land positions and gold production assets in three of North America’s most prolific mining camps.**

- St Andrew continued to acquire exploration properties to further enhance the strategic value of its exploration land position, which provides an opportunity to expand our gold resource base through discoveries and extensions to existing known gold resources; and

- St Andrew increased its percentage ownership of Heritage Explorations Ltd., which owns one of the largest landholdings in the Eskay Creek Mining Camp. Heritage controls over 51,000 hectares in the Eskay Camp, which surrounds one of North America’s richest gold mines. Heritage has also continued to accumulate landholdings through a series of staking and acquisition transactions.

• **Expansion of the Company’s gold reserve and resource base by undertaking exploration programs around the existing mine sites and exploration properties.**

- The Nixon Fork Alaska Gold Mine resource base was expanded through an underground drill program which resulted in the discovery of extensions to the existing ore shoots. A revised Reserve and Resource estimate by Roscoe, Postle Associates will be completed on or about April 15, 2005;

- Time - Domain Aeromagnetic/EM geophysical surveys were flown over the Nixon Fork and Heritage exploration properties;

- St Andrew’s Timmins landholdings were flown for both airborne gravity and magnetics as part of a government sponsored program;

- Existing Heritage drill targets were tested. However, the planned 2004 Summer exploration program of Heritage was delayed as a result of the inability of the airborne geophysical contractor to mobilize its equipment until late in the field season (September 2004). This situation prevented the interpretation, modeling and development of new exploration targets for the 2004 season;

- An update and review of all of St Andrew’s exploration and mine site data, including the airborne geophysical surveys referred to above, were commenced by Geoinformatics Exploration, with the objective being to provide a series of exploration and drill targets that have the potential to increase the Company’s gold reserve and resource base.

• **Commencement of gold production with the goal to grow the gold production profile to over 200,000 ounces per annum.**

- As part of an advanced exploration program at the Clavos Project, which is part of the Stock Gold Complex, the Clavos Decline Ramp was driven to a depth of approximately 250 vertical metres below surface elevation (1,650 metres incline development). Level workings were developed to access the Clavos orebody on the 100, 150 and 200 metre levels below the surface;



“ Our plans for 2005 are buoyed by the continuing strength in gold and silver prices...”

- As part of the advanced exploration program at the Clavos Project, a delineation and definition underground drilling program was undertaken in the Fall of 2004 to further determine the characteristics of the Clavos orebody. Additional underground drilling will be required to adequately define and delineate the more complex Clavos orebody to allow the proper implementation of mine development and stoping operations. This work is currently underway. A bulk sample was produced for testing of the metallurgical characteristics of the Clavos orebody;

- The Stock Mine was successfully dewatered and rehabilitated down to the lowest levels of the mine. Sufficient underground drilling was achieved to allow mining operations to produce underground ore at the grades and tonnage levels in line with forecast and expectations;

- The Stock Gold Mill was successfully refurbished, upgraded and commissioned on schedule to meet the production of ore from underground for bulk testing purposes. Significant progress was achieved to attain the expected recoveries from the various types of mineralization that make up the Clavos orebody. Metallurgical recoveries from the Stock Mine were in line with budgets and expectations;

- The development program at Nixon Fork Mine was dedicated to acquiring the necessary operating and environmental permits to recommence operations and to developing a new metallurgical circuit that is expected to result in higher recoveries of gold and copper and produce a saleable product in the form of gold dore and copper concentrates. Engineering and design were undertaken to implement the refurbishment and upgrade of the existing circuit and the installation of the components necessary for the new metallurgical circuit; and

- An internal study was completed in respect of the potential recovery of approximately 30,000 ounces of gold from the existing tailings dam at Nixon Fork. Plans are underway to implement the treatment of the Nixon Fork tailings as part of the gold production plans, subject to the necessary operating permits being acquired and construction and operating schedules being carried out during the limited “unfrozen” season of the Alaskan climatic regime.

Year 2005

Our plans for 2005 are buoyed by the continuing strength in gold and silver prices and are centred on:

- Establishing sufficient reserves and resources at both the Stock Gold Complex and Nixon Fork Mine to sustain financially viable gold mining operations; and

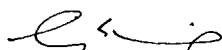
- Ensuring that the financial health of St Andrew is strengthened so as to support the planned development, production and exploration programs.



• **We are planning the following:**

- To complete the underground drill program as part of the advanced exploration program at the Stock Gold Complex to sufficiently delineate the reserve and resource base necessary to support ore production at sufficient grade and tonnage levels on a sustainable and financially viable operating basis;
- To undertake a program of underground development and drilling to define reserves and delineate additional resources at both the Clavos and Stock Mines at the Stock Gold Complex;
- To continue the permitting, engineering design and planning for the Stage Two (Taylor Mine expansion) development of the Stock Gold Complex;
- To complete the permitting process for operations at Nixon Fork;
- To complete the upgrade of the Nixon Fork gold mill to incorporate the new metallurgical process and security systems, part of which will incorporate the metallurgical equipment and processes installed to treat the tailings;
- To commence the treatment of the Nixon Fork tailings as part of the gold production plans, subject to the necessary operating permits being obtained and construction and operating schedules being carried out during the limited "unfrozen" season of the Alaskan climatic regime;
- To establish regional exploration programs in the east Timmins Project to test targets, which will be generated by Geoinformatics Exploration from the Company's 3D databases and 3D models;
- To undertake a number of financing initiatives to ensure that the financial health of St Andrew is strengthened so as to support the planned development, production and exploration programs. In this regard:
 - Outstanding warrants of the Company were repriced to allow for warrant holders to exercise their warrants at a temporary discount price of \$0.10 per share. A total of 35,725,410 warrants were exercised for proceeds of approximately \$3.57 million. The balance of warrants reverted to their original exercise prices;
 - A Rights Offering to existing shareholders has been undertaken. Shareholders will have the right to purchase one additional share at \$0.10 for every four shares currently held. If the entire Rights Offering is taken up, this will raise approximately \$10.7 million; and

In conclusion, I would like to take this opportunity to express my appreciation to the staff and employees of St Andrew Goldfields for another year of hard work and dedicated services. I would also like to thank the shareholders and stakeholders of St Andrew Goldfields for their loyal support, and the directors of the Company for their time, wisdom and guidance.



Glenn Laing
President and
Chief Executive Officer

Oakville, Ontario

March 18, 2005



Mineral Resources



■ Drilling during the winter at the Stock property in the Central Timmins regional gold belt.

	Measured			Indicated			Inferred		
	Tonnes	g/t	Oz	Tonnes	g/t	Oz	Tonnes	g/t	Oz
Stock Gold Complex									
Clavos Deposit				753,000	7.3	177,100	452,000	8.9	129,000
Stock Mine				3,000	8.0	900	32,000	8.1	8,300
Taylor Deposit									
West Porphyry Zone				735,000	9.5	225,000	631,000	9.8	198,000
Shoot Zone				670,000	5.5	118,000	106,000	5.2	18,000
Total				2,161,400	7.5	521,000	1,221,000	9.0	353,300
Nixon Fork Gold Mine	23,400	36.8	27,700	63,000	33.2	67,200	151,000	12.7	61,400

Resource Estimate per Roscoe Postle Associates Inc.

An aerial photograph of a mining or construction site. The site is a cleared area with a network of dirt roads. In the center, there's a large pile of dark material, possibly ore or waste, with a large excavator working on it. To the right, there's a large, shallow pond with greenish water. In the foreground, there are several buildings, including a large white one and several smaller grey ones, along with a parking lot filled with cars and trucks. The background shows a forested hillside.

Towards Production
2005

Mineral Properties and Projects

Background

The St Andrew portfolio of mineral properties and projects is divided into two major areas in line with the Company's corporate strategy:

- **Near-Term Production Properties and Projects**
- **Exploration Properties and Projects**

Near-Term Production Properties and Projects



Stock Gold Complex

The Stock Gold Mill, Stock Gold Mine, Clavos Mine, Taylor Project and the Hislop Mine are collectively known as the Stock Gold Complex, which is centred on the Stock Gold Mill. Ore production is planned from the Stock Gold Mine adjacent to the Stock Gold Mill and from the satellite Clavos Mine and Taylor Project, where ore will be transported by road to the Mill.

The Stock property is located approximately 55 kilometres east of Timmins.



■ **“ The Stock Gold Complex is the cornerstone of St Andrew’s production plans.”**

Stock Gold Mill

The Stock Gold Mill is located 1.6 kilometres north of Highway 101, approximately 55 kilometres east of Timmins, Ontario. The Mill, which utilizes the Carbon-In-Pulp process to recover gold, was built in 1989 with an original capacity of 500 tonnes per day. The mill capacity was increased to 1,300 tonnes per day in 1998 and further upgraded and refurbished in 2004. The fully permitted mill has a tailings capacity of 4 million tonnes with room for expansion to 25 million tonnes.

During 2004, the Stock Gold Mill circuit was further upgraded to eliminate existing bottlenecks within the metallurgical process and to improve overall throughput performance of the gold plant. These upgrades included the installation of a new secondary crushing circuit, an elution and electrowinning circuit and a carbon regeneration circuit. The Mill was also extensively refurbished ahead of recommencement of milling operations on September 1, 2004. The costs to upgrade, refurbish and commission the Stock Gold Mill for production was approximately \$3.5 million.

A further expansion of the Stock Gold Mill to 3,000 tonnes per day has been designed and engineered. The expansion is planned to accommodate the additional ore feed from the Taylor Project and any other mill feed from within the immediate areas surrounding the Stock Gold Complex. Preliminary cost estimates for this expansion have been forecast at \$15 million.

Stock Gold Mine

The Stock Gold Mine is located adjacent to the Stock Gold Mill and comprises a 3-compartment shaft developed to a depth of 275 metres below surface. A production ramp extends from the 140 metre level to approximately 330 metres below surface.

During the twelve-year period from 1988 to December 2000, production of 131,000 ounces of gold from 824,000 tonnes of ore at an average recovery of 5.5 grams of gold per tonne (“g/t gold”) was mined from the N2, West and East Zones of the Mine.

During the period January to April 2004, St Andrew dewatered and rehabilitated the underground workings of the Stock Mine. The Stock headframe was refurbished and the Stock hoist recommissioned.

From April 2004 to September 2004, an underground development and drilling program was undertaken as part of the preparation for underground mining operations, which commenced in September 2004 at a rate of 200-300 tonnes per day. Costs for this program were \$2.5 million.

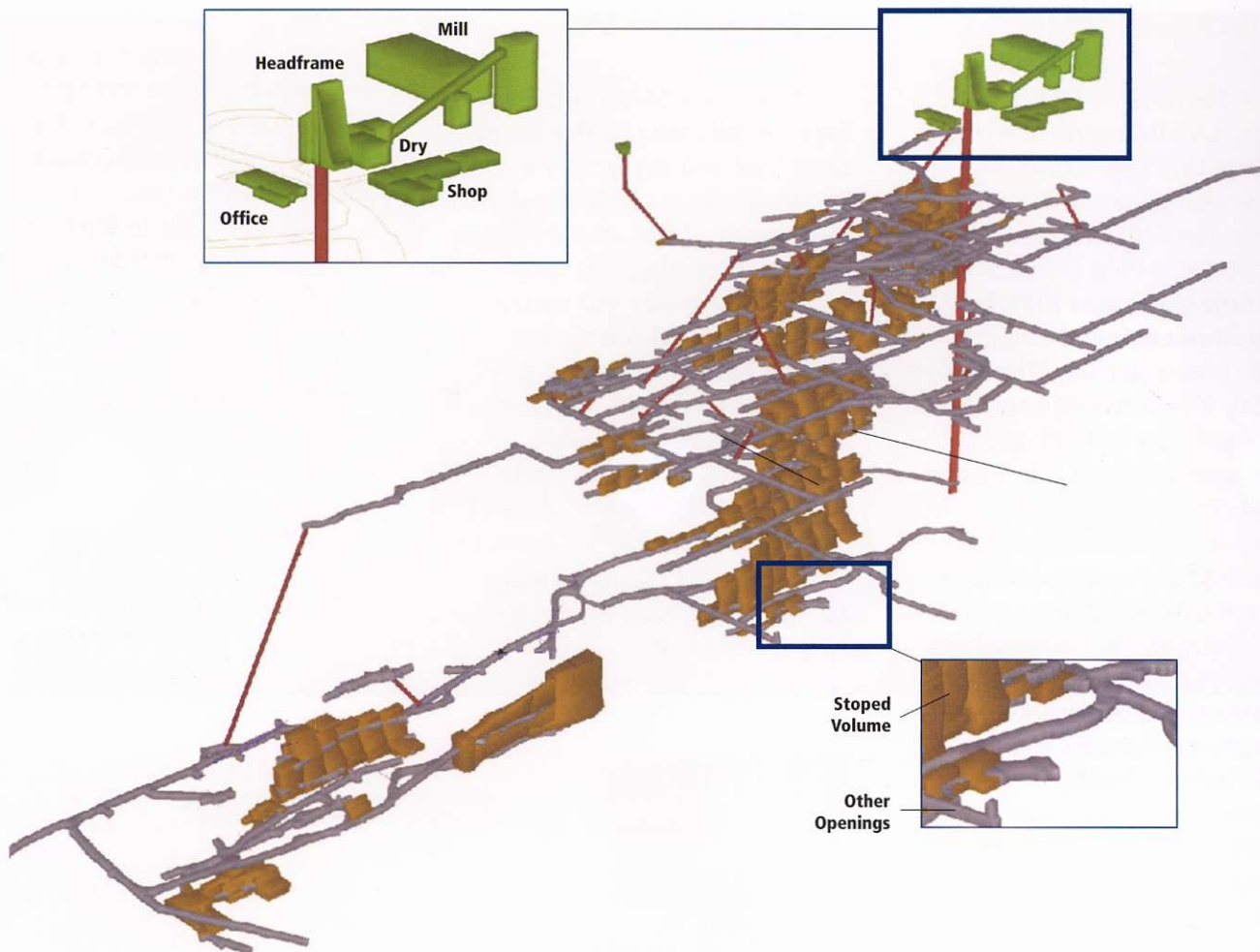
During the period October 2004 to January 2005, the lower workings below level 7 were dewatered and rehabilitated and an underground



■ **The Stock Gold Mill.**



Underground development and drilling are continuing in the deeper portions of the Stock Mine to delineate additional resources.

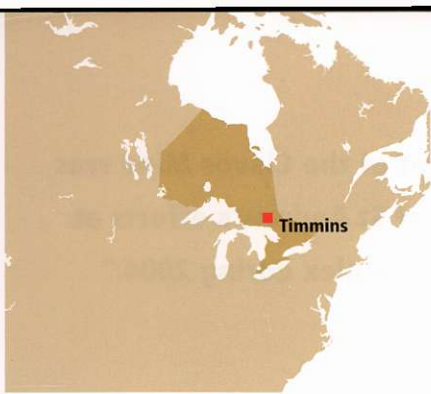


development and drilling program was initiated to develop additional resources for mining in this area.

In January 2005, underground mining operations were suspended at the Stock Mine. The Company decided to extend the period of the Advanced Exploration Program at the Clavos mine, and as daily production levels from the Stock Mine alone were insufficient to satisfy the critical tonnages required for the Stock Gold Mill to operate at profitable levels,

this resulted in mining operations at the Stock Mine being suspended.

Underground development and drilling are continuing in the deeper portions of the Stock Mine to delineate additional resources. Mining operations are expected to recommence in the second half of 2005.



“ ...estimated a total cost of \$40.7 million to place the Taylor Project into production at a forecast annual rate of 350,000 tonnes, with estimated production to be in the order of 90,000 ounces per annum.”

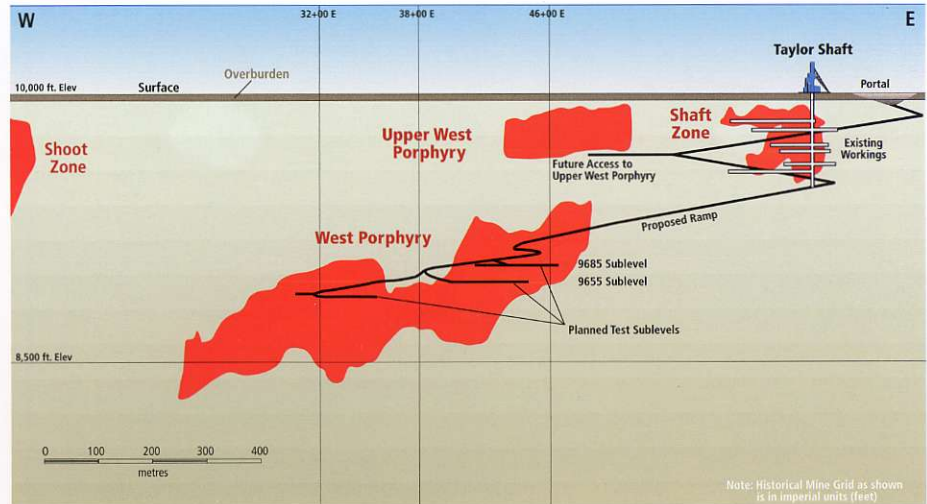
Taylor Mine Project

The Taylor Project is located 12 kilometres east of the Stock Gold Mill. To date, 461 surface diamond drill holes and 254 underground drill holes totaling 158,000 metres have been drilled, resulting in the delineation of a 2.4-kilometre long, 600 metre wide gold system, with over 20 mineralized zones including the Shaft, Shoot and West Porphyry Zones.

Exploration has indicated that the Taylor gold system is open to depth and along strike.

A 170-metre vertical 3-compartment shaft and an underground exploration program were completed on the Shaft Zone in 1985. The headframe and surface infrastructure remains in place.

Following the anticipated recommencement of underground mining operations from the Stock and Clavos Mines, expected in the second half of 2005, it is planned to commence an Advanced Stage Exploration Project with the construction of a 3,300 metre decline ramp at the Taylor Deposit. The decline ramp will be used to access the Taylor Shaft, Upper Porphyry and West Porphyry Zones for underground delineation, underground drilling and metallurgical testing.



During 2004, engineering and design activities were carried out for the installation of surface facilities, the establishment of the surface box cut and the decline portal and the development of the decline ramp. The existing Advanced Exploration permits are being modified to accommodate the revised construction and development plans for the Taylor Project.

An internal study conducted by management was completed in September 2003 and included the Taylor Project as part of the Stock Gold Complex production scheduling. This study estimated a total cost of \$40.7 million to place the Taylor Project into production at a forecast annual rate of 350,000 tonnes, with estimated production to be in the order of 90,000 ounces per annum.



The Taylor Project headframe at the Stock Gold Complex.

“ The development of the Clavos Mine was the main focus of St Andrew’s efforts at the Stock Gold Complex during 2004.”



Clavos Project

The Clavos Property is located approximately 10 kilometres northwest of the Stock Mine and Mill.

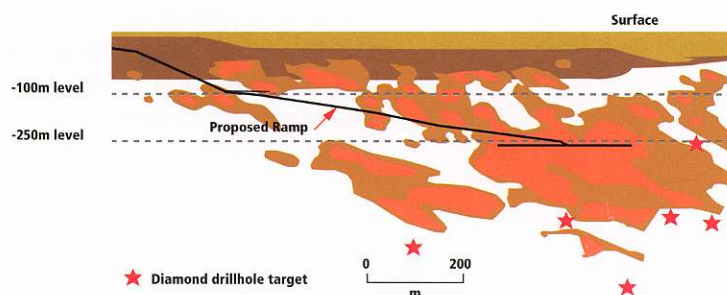
Exploration on the Clavos Property dates back to 1939 with over 500 holes totaling more than 115,000 metres having been drilled to date. The mineralized zones are typical quartz-vein lode gold deposits comprising a series of tabular quartz vein bodies situated within a steeply dipping alteration envelope striking roughly east-west.

Exploration to date has indicated that the Clavos gold system is open to depth and along strike.

The development of the Clavos Mine was the main focus of St Andrew’s efforts at the Stock Gold Complex during 2004. Construction commenced in November 2003 on the surface infrastructure and facilities at the Clavos Project. In January

2004, development of the decline commenced and by the beginning of February 2005, the decline ramp had reached the 250 metre level below surface (a total of 1,600 metres of incline development).

During 2004, over 2,000 metres of drifting were carried out at the Clavos mine on the 100 metre level (756 metres), the 150 metre level



A total of approximately 9,500 metres of drilling has been carried out to delineate the Clavos mineralization.

(863 metres) and the 200 metre level (497 metres) to provide access for drilling, geological mapping and trial stoping operations and to ascertain the continuity and characteristics of the Clavos mineralization. A total of approximately 9,500 metres of drilling has been carried out to delineate the Clavos mineralization.

The drifting, mapping, sampling, drilling and trial stoping operations on the 100 and 150 metre levels, have shown that the structure and nature of the Clavos mineralization is more complex than initially indicated. To achieve sustainable levels of production, additional exploration drilling, mapping, sampling and development on the 100, 150 and 200 metre levels and further development, mapping, sampling and exploration drilling of the 250 metre level will be required.

In order to complete the required additional exploration drilling, mapping, sampling and development, the period of the Clavos Advanced Exploration Program will be extended until June 30, 2005. This extended Program is intended to increase the understanding, delineation and evaluation of the Clavos mineralization so that requisite stope planning and layouts to achieve sustainable production can then be made to accommodate the structure and nature of the delineated Clavos mineralization.



Upon completion of the Advanced Exploration Program, it is anticipated that sufficient resources may be developed and delineated at the Clavos Mine to support the previously planned production rates of 700 tonnes per day.

Hislop Mine and Property

The Hislop Mine and property lies approximately 90 kilometres east of Timmins or 35 kilometres east of the Stock Mill. Between 1990 and 2000 production amounted to 49,618 ounces of gold.

St Andrew has identified a number of exploration targets over the Hislop Property. During the drilling of 20 of these exploration targets, 15 have intersected gold mineralization. Among the best results was at 460 metres below surface where 22.3 g/t gold was intersected over 3 metres, indicating the depth potential of the property.

St Andrew has plans to continue exploring and developing the Hislop Property.



Nixon Fork Gold Mine - Alaska

The Nixon Fork gold property is located approximately 56 kilometres northeast of McGrath in west central Alaska and consists of 110 unpatented federal claims and 106 state mining claims.

Production facilities at Nixon Fork include a 140 tonne per day gold mill and two underground gold mines. Mine infrastructure includes mining equipment, workshops, office facilities, a 50-man camp and a 1,280 metre long landing strip capable of accommodating D6 and Hercules aircraft. Production between 1995 and 1999 under previous operators has been reported as 137,750 ounces of gold at a recovered grade of 42 grams of gold per tonne with related silver plus 950 tonnes of copper.

In September 2003, St Andrew personnel carried out a Study and Roscoe Postle and Associates carried out a resource estimate. Based on the resource estimate and the Study which estimated a cost of \$10 million to recommence mining operations, St Andrew embarked on a program to return the Nixon Fork Mine to production.

Activities in 2004 were focused on four fronts:

- An underground development and delineation drilling program successfully discovered the extensions to existing orebodies. Underground drilling activities have continued on two new ore zones and continue to

Production facilities at Nixon Fork include a 140 tonne per day gold mill and two underground gold mines.



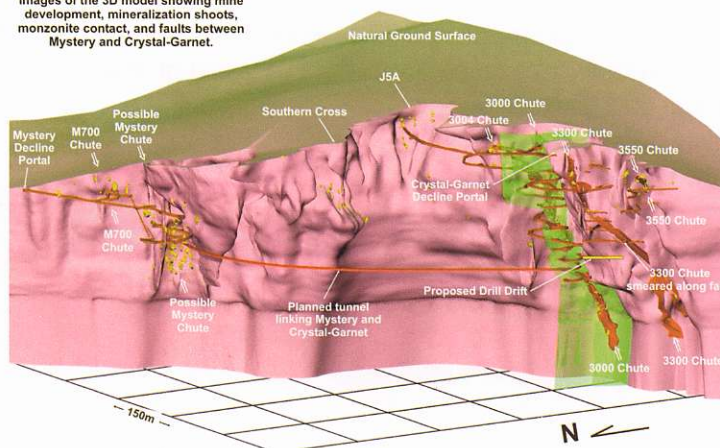
delineate mineralization in these two areas. A revised Reserve and Resource estimate by Roscoe, Postle Associates will be completed on or about April 15, 2005 and will subsequently be filed on SEDAR;

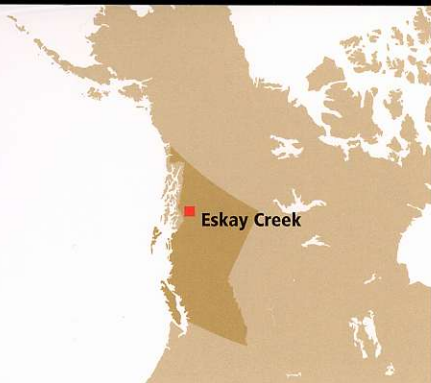
- Permitting for the plan of operations, water and air quality permits continued all year. It is

anticipated that these permits will be issued in the first half of 2005;

- The existing metallurgical circuit was extensively revised through metallurgical test work and engineering to permit the production of gold dore and saleable copper products on site with improved metallurgical recoveries; and

Images of the 3D model showing mine development, mineralization shoots, monzonite contact, and faults between Mystery and Crystal-Garnet.





Exploration Properties and Projects

- The re-treatment of the existing mine tailings was designed and engineered using portions of the new metallurgical circuit. A total of 128,000 tons at an average grade of 0.25 ounces gold per ton at a metallurgical recovery of 85% has been identified by management for re-treatment.

Engineering and design commenced in 2004 on the upgrade and modifications to the existing gold mill circuit to accommodate the new metallurgical circuit. Subject to permitting, it is planned to commence construction and refurbishment activities in Summer 2005 with a view to commencing gold production during the second half of 2005.

Subject to permitting and financing, equipment availability and posting by the Company of the required bonds, underground development and stope preparation are planned to start in the second half of 2005. Mining operations are planned at an annual rate of 60,000 tonnes, with an estimated 50,000 ounces of gold production per annum.



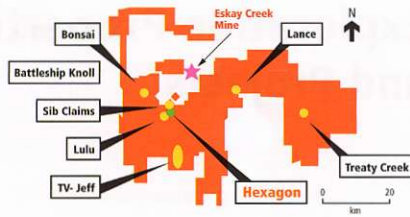
Eskay Creek Properties

St Andrew Goldfields owns and operates its Eskay Creek Mining Camp exploration properties through a 64.7% interest in Heritage Explorations Ltd. ("Heritage"). Heritage is listed on the TSX-Venture Exchange.

The mineral properties in which Heritage owns an interest total approximately 51,000 hectares. They are located in northwestern British Columbia near the Eskay Creek Gold Mine, located about 70 kilometres northwest of Stewart, British Columbia.

The mineral properties in which Heritage owns an interest total approximately 51,000 hectares.



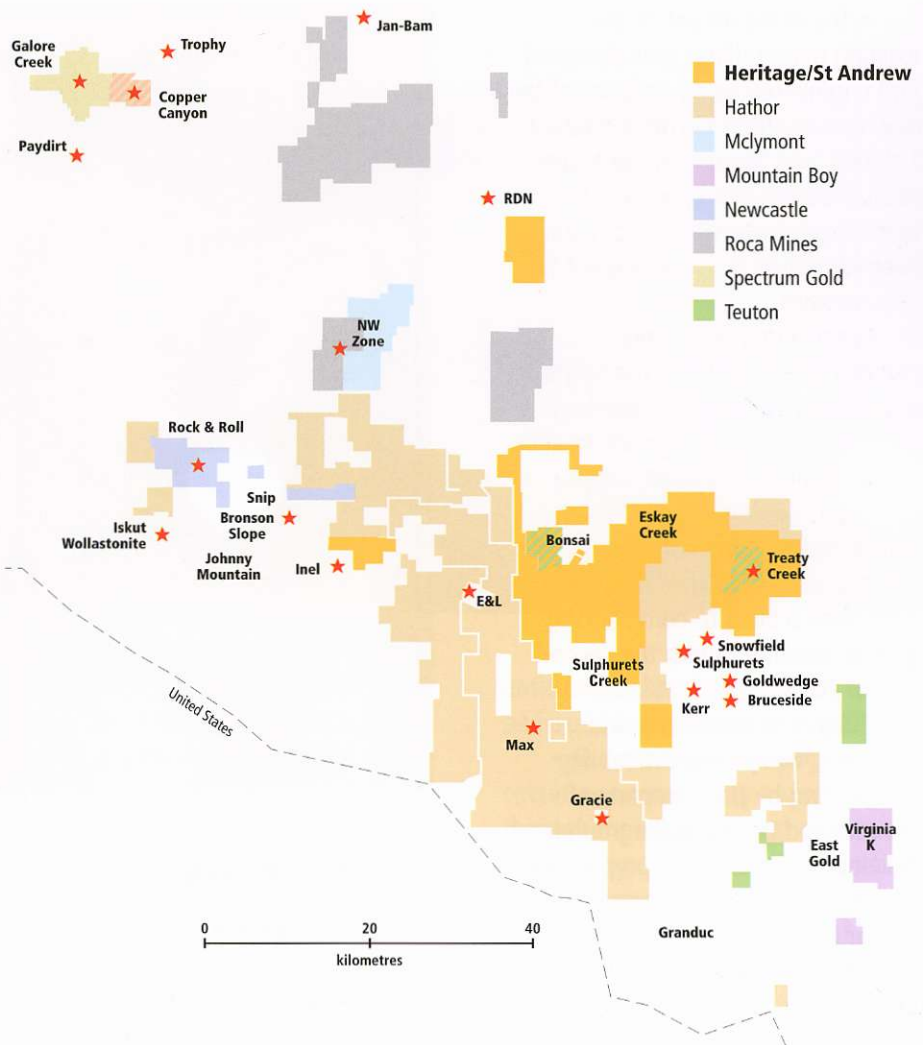


Mineral Property Description

The contiguous mineral properties of Heritage and its percentage ownership are described below by historical groupings:

- **SIB Claims (100%)** are adjacent to and contain the along strike extensions of the stratigraphic units present at the Eskay Creek Gold Mine property which is to the north. From 1989 to 2002, 113-drill holes were completed on the SIB Claims. Numerous encouraging intersections were encountered including the Lulu and Battleship Knoll zones;

- **Glenfred Claims and Leases (100%)** cover a total of 108,000 acres of stratigraphically favourable landholdings over the Hazelton Group Sequence. The Hazelton Group Sequence rocks are considered favourable to host gold mineralization. Exploration has been carried out on these claims and leases to identify the location of the Hazelton Group Sequence rocks. The Hexagon Zone, discovered in 2003, lies within the Glenfred Groupings;



- **Teuton Joint Ventures (50%)** comprise two separate joint venture areas:
 - Bonsai Joint Venture Area
 - Treaty Creek Joint Venture Area;

- **Heritage Claims (100%)** comprise the Polo, Megan, Skookum, Rambo, Fog, Sto, John and Lance Claims. Based on the exploration that has been carried out on these claims, the majority are regarded as prospective for gold mineralization; and

- **Snip Claims (100%)** comprising the Kut Claims. These claims are in the vicinity of the now defunct SNIP Gold Mine and are considered prospective for Snip type gold mineralization.

■ **“ Heritage is planning to integrate results of the 2004 airborne geophysical data and data from other sources into the existing Geoinformatics models to form a basis for developing targets...”**

Summer/Fall 2004 Exploration Program

- Heritage planned a Spring 2004 Time - Domain Aeromagnetic/ EM geophysical survey. The rationale for this approach was that exploration targets would be generated from the integration of the geophysical survey data into Heritage's existing 3D databases and models and that these targets would then be explored as part of a Summer/Fall 2004 Exploration Program, which program was to include drill testing of the more highly ranked targets. The airborne geophysical contractor selected to conduct the Spring 2004 Time-Domain Survey experienced numerous delays and problems in mobilizing the necessary geophysical equipment and aircraft, with the net result that the airborne geophysical survey was only completed in the Fall 2004. This situation prevented any interpretation and integration of the geophysical data into the Heritage 3D databases and the subsequent generation of exploration targets in a time span that could be followed up during the 2004 season; and

- The planned Summer 2004 program was modified to a short drill program to test targets in the Treaty Creek area that were remaining from the early curtailment of the 2003 program due to inclement weather. The program was also used to meet our exploration commitments in the Bonsai area to our Joint Venture Partners.



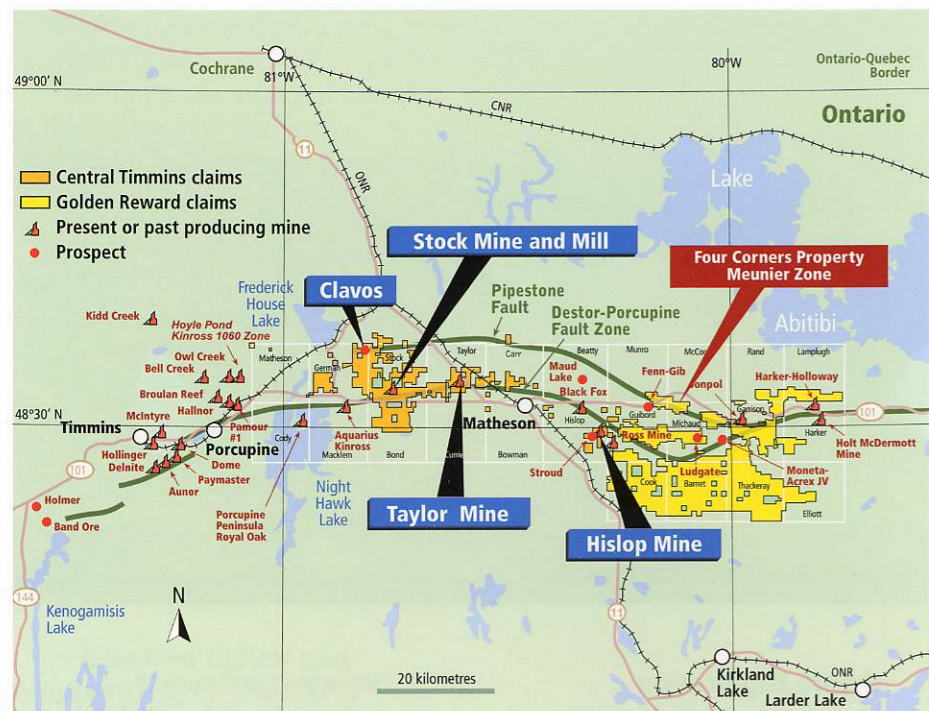
Future Exploration

Heritage considers that in addition to the Hexagon Zone, there are other favourable areas previously not explored in the Eskay Creek Mining Camp with the potential to host a number of large orebodies. Based on the initial size of the mineralized system at the Hexagon Zone and the possibility of additional favourable areas, a significantly more extensive program will be required to develop the potential of the Heritage landholdings.

Heritage is planning to integrate results of the 2004 airborne geophysical data and data from other sources into the existing Geoinformatics models to form a basis for developing targets for an extensive exploration program.

The proposed Summer 2005 Exploration Program will comprise an initial exercise of validating and “ground truthing” these new exploration targets followed by the drill testing of the more highly ranked targets.

The Company is in the heart of the Timmins Gold Belt.



Timmins Exploration Properties

St Andrew is one of the largest mineral rights landholders in the Timmins camp with exploration activities divided into green fields (East Timmins) and mine site/brown fields (Central Timmins).

East Timmins

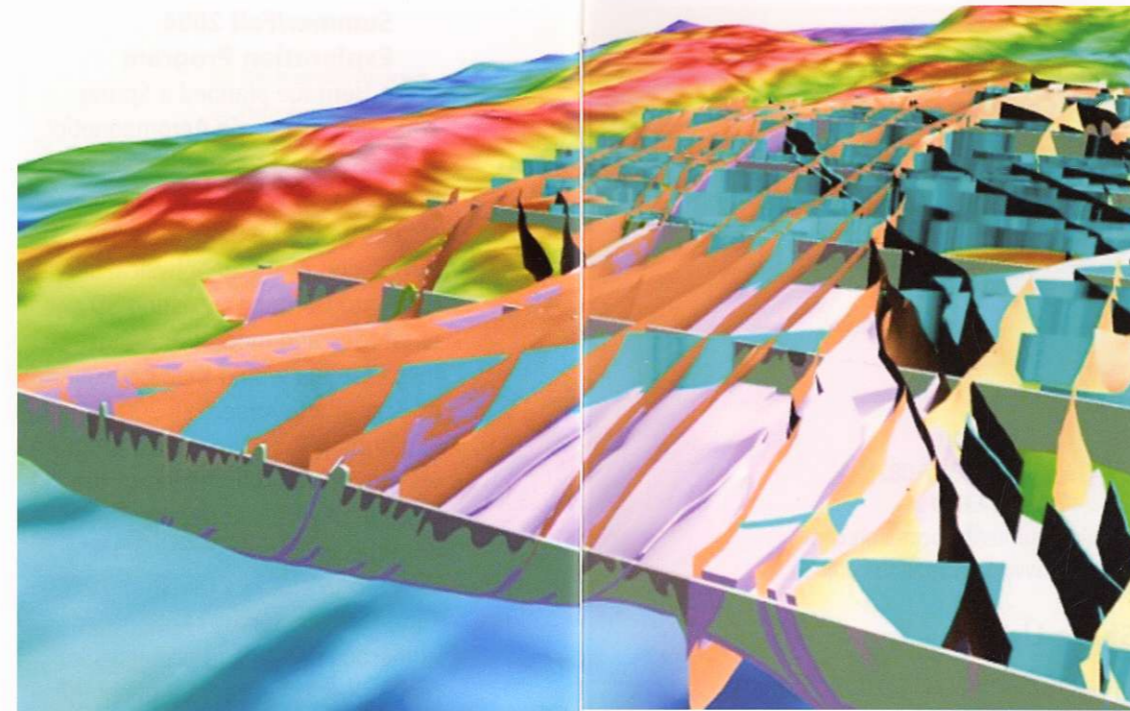
The East Timmins exploration properties are located in close proximity to the Porcupine-Destor Fault Zone, which is the main structural feature that hosts most of the gold deposits in the Timmins Mining Camp.

The East Timmins project mineral properties are located between 80 and 120 kilometres east of Timmins, Ontario, and 25 to 65 kilometres east of the Stock Gold Mill. These properties currently consist of over 34,000 hectares of land located in eight townships.

The 2004 exploration program provided additional information towards the generation of new targets.

Geoinformatics Exploration Inc. ("Geoinformatics"), which is 28.3% owned by St Andrew, has been engaged to integrate all the available results from the 2004 Discover Abitibi Airborne Geophysical Gravity and Magnetic Surveys, and the results from St Andrew's 2002, 2003 and 2004 exploration programs into the existing 3D databases and 3D models. Geoinformatics will apply its targeting and other proprietary tools to interpret and develop a new generation of exploration targets for St Andrew's East Timmins land position.

Geoinformatics 3D model of Timmins Mining Camp.



The new Geoinformatics targets will form the basis of St Andrew's ongoing exploration program. Geoinformatics will receive a 0.5% Net Smelter Royalty interest on all new targets generated by Geoinformatics.

A \$400,000 exploration program of property maintenance, drilling and ground geophysics is expected to be completed at the end of the winter 2005 exploration season.

"The Porcupine-Destor Fault Zone is the main structural feature that hosts most of the gold deposits in the Timmins Mining Camp."

Central Timmins

The St Andrew mineral properties in the Central Timmins Mining Camp are located between 50 and 80 kilometres east of Timmins, Ontario, in close proximity to the Porcupine-Destor Fault Zone and centred by the Stock Mill. The Porcupine-Destor Fault Zone is the main structural feature that hosts most of the gold deposits in the Timmins Mining Camp.

St Andrew significantly increased its mineral property position in the Townships of German, Stock and Taylor and currently holds a group of 300 contiguous patented, leased and staked claims joining the Clavos, Taylor and Stock gold deposits. The total area is in excess of 15,000 hectares.

The Hislop, Beatty, and Carr Township mineral property position along the Porcupine-Destor Fault was increased and now consists of 52 leased or patented claims (2,400 hectares referred to above) and includes the Hislop mine on the eastern end of the project area.

Additional Central Timmins Mineral Properties are located in German and Bond Townships. Limited exploration has been carried out on these properties.

During 2005, it is planned to integrate all the new 2002, 2003 and 2004 exploration data into the existing 3D databases and models and generate new targets to follow with a view to adding additional resources to the Stock Gold Complex reserve and resource base.

Kuskokwin-Tintina Belt-Nixon Fork

The St Andrew properties in the Kuskokwin-Tintina Belt are located around the Nixon Fork Mine and consist of 110 Federal Claims covering 918.7 acres.

Surface trenching and sampling for the Whalen area in the summer of 2004 showed intercepts and grades ranging from 0.4 metres assaying 0.96 g/t gold to 1.0 metres assaying 19.65 g/t gold and 2.6% copper and 1.2 metres assaying 10.55 g/t gold and 2.38% copper. Samples taken from old workings in the Whalen Glory Hole assayed from 0.35 metres assaying 20.1 g/t gold and 14.4 g/t silver to 0.4 metres assaying 44.8 g/t gold and over 100 g/t silver.

During October and November 2005, Aeroquest Ltd. of Milton, Ontario conducted a Time - Domain Aeromagnetic/EM survey over the Nixon Fork area. Adverse weather conditions prevented the entire survey from being completed.

St Andrew has engaged Geoinformatics to integrate all the available results from last year's Aeroquest Time - Domain Aeromagnetic/EM survey and all the results from the 2003 and 2004 underground and surface exploration programs into the existing 3D databases and 3D models.

Geoinformatics will apply its targeting and other proprietary tools to interpret and develop the next generation of exploration targets for St Andrew's Nixon Fork underground and surface landholdings.

These new targets will form the basis of the 2005 exploration program.



Corporate Information

Board of Directors

Herbert Abramson^{1,2,4}
Chairman and CEO
Strategic Capital Partners Inc.

Stephen Burns¹
Vice-Chairman
Avenue Financial Corporation

Glenn Laing^{2,3,4}
President and Chief Executive Officer
of the Company

Paul C. Jones³
Executive Vice-President
of the Company

Warren Seyffert²
Counsel to Lang Michener

Bernard Kraft¹
Senior Partner
Kraft, Berger, Grill, Schwartz,
Cohen & March LLP

1 Audit Committee

2 Compensation Committee

3 Environment and Ore Reserve Committee

4 Executive Committee

Officers and Senior Management

Herbert Abramson
Chairman

Glenn Laing
President and Chief Executive Officer

Paul C. Jones
Executive Vice-President

Bruce Ramsden
Vice-President of Finance
and Chief Financial Officer

Mary Quinn
Corporate Secretary

Corporate Office

1540 Cornwall Road, Suite 212
Oakville, Ontario
L6J 7W5

Tel: (905) 815-9855
Fax: (905) 815-9437

Investor Relations

Toll Free: 1 (800) 463-5139

Email:
investor@standrewgoldfields.com

Website:
www.standrewgoldfields.com

Stock Mine/Mill Office

R.R. #2
Matheson, Ontario
POK 1N0

Tel: (705) 273-2525
Fax: (705) 273-3333

Nixon Fork Mine Office

1600 A Street, Suite 310
Anchorage, Alaska
99501-5148

Tel: (907) 743-0451
Fax: (907) 743-0489

Auditors

KPMG LLP
Chartered Accountants
Toronto, Ontario

Legal Counsel

Lang Michener
Toronto, Ontario

Bank

**Canadian Imperial Bank
of Commerce**
Oakville, Ontario

Registrar and Transfer Agent

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario
M5C 2W9

Tel: (416) 643-5500
Toll Free: 1 (800) 387-0825
Fax: (416) 643-5660
Email: inquiries@cibcmellon.com
Website: www.cibcmellon.com

Share Listing

Toronto Stock Exchange
Trading Symbol "SAS"

Issued and Outstanding

394,934,615 common shares
(461,023,540 fully diluted)
at December 31, 2004

430,660,094 common shares
(456,452,442 fully diluted)
at March 31, 2005

Conversion Factors

1 foot	=	.3048 metres
1 mile	=	1.6093 kilometres
1 sq. mile	=	2.59 sq. kilometres
1 sq. mile	=	640 acres
1 acre	=	.4047 hectares
1 troy ounce	=	31.1035 grams
1 ton	=	.90718 tonnes
1 ton	=	2000 pounds
1 pound	=	.4536 kilograms
1 ounce/ton	=	34.2857 grams/tonnes

Printed in Canada on recycled paper using
vegetable based inks.

Production: Walter J. Mishko & Co. Inc.

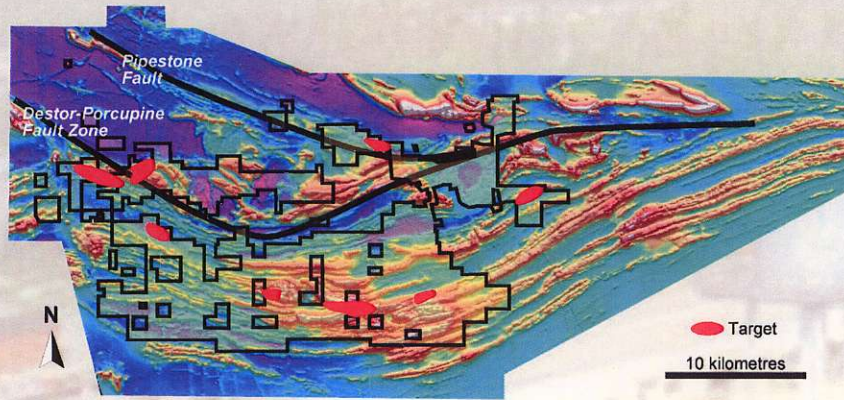
Design: Goodhoofd Inc.



EXPLORATION

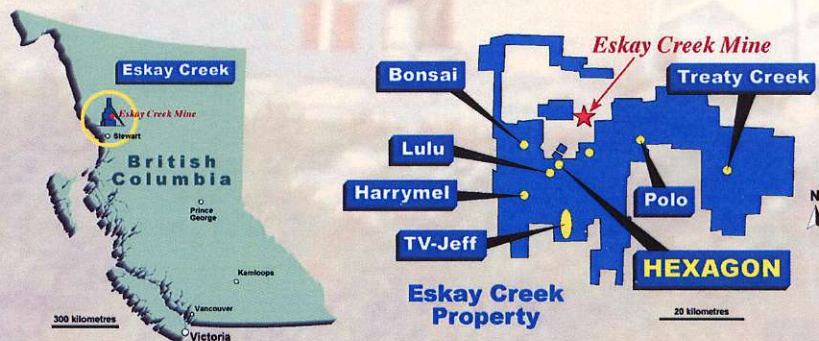


EAST TIMMINS PROJECT, ONTARIO



- 11 TARGETS SLATED FOR WORK
- \$2,000,000 IN EXPLORATION 2006
- 15,000 METRES OF DRILLING
- BULK TONNAGE AND HIGH GRADE

ESKAY CREEK, BRITISH COLUMBIA



- \$500,000 EXPLORATION PLANNED IN 2006
- SCARN DISCOVERED IN 2005, HARRYMEL CREEK
- SALMON RIVER MASSIVE SULPHIDES, POLO AREA





St Andrew Goldfields Ltd.



www.standrewgoldfields.com