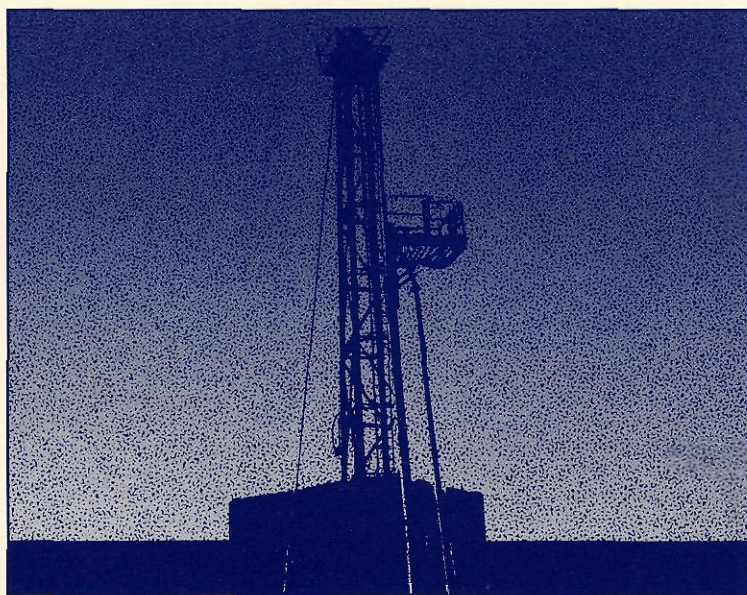


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FAIRFIELD



ESTABLISHING GOLD RESERVES IN THE OKANAGAN AREA OF SOUTHERN BRITISH COLUMBIA



**FAIRFIELD MINERALS LTD.
ANNUAL REPORT 1990**

HIGHLIGHTS

\$1.8 million expended on exploration.

High-grade vein deposit defined on the Elk property in southern British Columbia contains a geological resource of 148,000 ounces of gold open to expansion.

New highway two miles from Elk provides excellent access.

Four other zones at Elk may provide additional gold reserves.

Potential large tonnage copper/gold deposit indicated on the Dill property, south of Elk; a 1969 drill hole returned 0.26% copper over 679 feet.

Eight additional claim blocks in the Elk area provide a total land coverage of 210 square miles.

Several priority gold exploration targets have been outlined and remain to be tested.

Financial position remains strong.

Important Subsequent Event

An agreement has been reached with Placer Dome Inc. which allows your Company to retain 100% interest in the Elk property. Details on this agreement may be obtained from the news release dated March 26, 1991.

Share price history

	High	Low
1990	2.35	.90
1989	1.40	.60
1988	1.35	.55
1987	2.05	.70
1986	1.35	.89

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**REPORT TO
SHAREHOLDERS**

The year 1990 was one of outstanding achievement and progress for your Company.

Our ongoing exploration effort in southern British Columbia continued to focus on gold and copper/gold deposits. Drilling on Elk, our most advanced property, has indicated a gold reserve of 148,000 ounces which remains open to expansion. As evidenced by this, and encouraging preliminary results on our other Okanagan properties, excellent opportunity exists to discover a variety of mineral deposit types. Just as important, the infrastructure provides cost-effective exploration and development benefits.

Fairfield now owns nine properties in the Okanagan area comprising 210 square miles. All are easily accessible by the new Okanagan Connector highway which opened last fall. At fiscal year end, January 31, 1991, Placer Dome Inc. held three of these (Elk, Dill and Bank) under option.

Work to date has outlined several high priority exploration targets which are at various stages of evaluation. A potentially large tonnage copper/gold deposit on the Dill property is detailed later in this report.

Exploration expenditures in 1990 totalled \$1.8 million, of which Placer Dome Inc. contributed \$1,400,000 and Fairfield \$400,000.

During the year no work was undertaken on our Yukon properties which host significant zinc resources. These remain long term investments and are carried at minimal cost to the Company. We will divest our interest in these properties if presented with a favourable proposal. Our 40% share of the Logan zinc project is the most valuable of these assets and Total Energold Corporation, which owns 60%, is actively seeking a buyer.

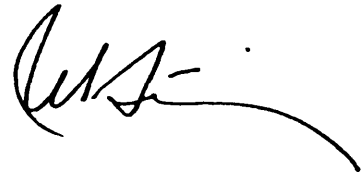
The outlook for Fairfield in 1991 is excellent and we will continue our aggressive property evaluation and prospecting programs in a diligent manner.

In closing I would like to thank the people at Placer Dome Inc. for their support and encouragement as well as the professionals

at Cordilleran Engineering Ltd. who very capably managed our projects during the year. This type of support is essential if we are to achieve our major objective of increasing shareholder value.

As in past years our balance sheet reflects a strong financial position with cash of \$2.13 million on hand at year end.

On behalf of the Board



J. W. Stollery, P.Eng.
President
March 22, 1991

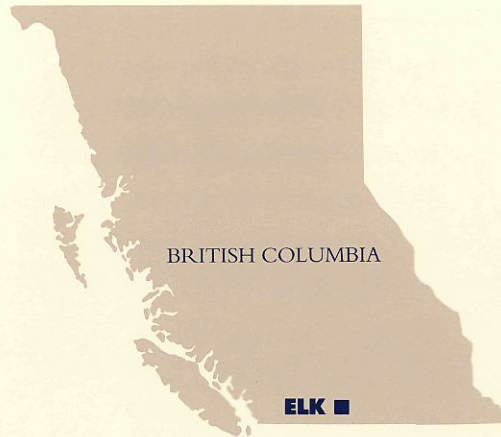
**EXPLORATION
REVIEW 1990**

Elk Property (Gold, Silver)

523 B.C. Claim Units—50 square miles

The Elk property located 35 miles west of Kelowna in southern British Columbia hosts a high grade gold vein deposit. The site is two miles south of the Elkhart exit on the new Okanagan Connector highway, providing excellent access to services, supplies, electrical power and experienced workforce.

The 1990 program focused on the Siwash North vein system with backhoe trenching of 1,800 feet and diamond drilling of 16,960 feet in 58 holes. To date 19,430 feet in 70 holes



have been drilled. Trenching of 2,000 feet in the Lake Zone one half mile to the south of Siwash North revealed a mineralized structure which was drilled with four preliminary test holes totalling 850 feet. In addition, detailed soil sampling and geophysical surveys were undertaken on another favourable target area to the south.

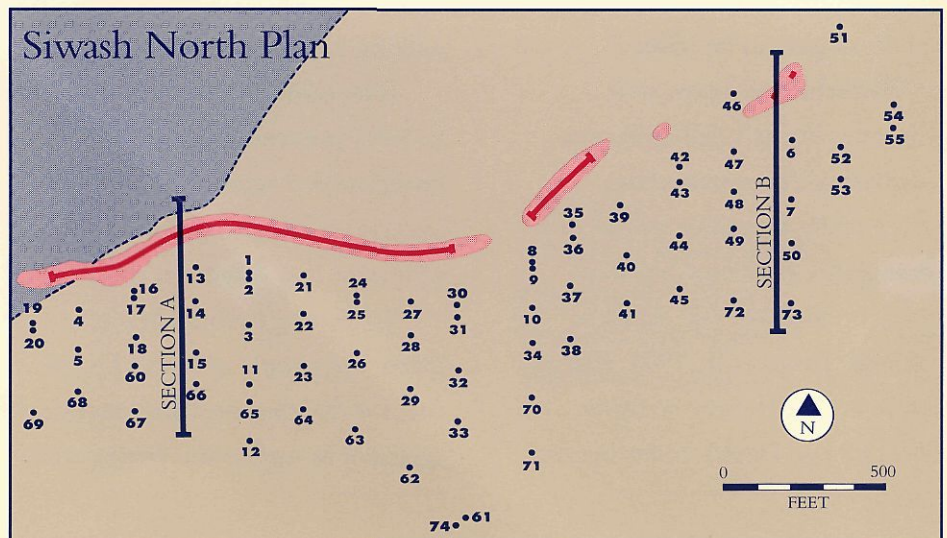
The program was an outstanding success, delineating a geological

resource of 148,000 ounces of gold and similar quantity of silver in the Siwash North zone. This reserve is contained within five distinct shoots represented by 17 drill intercepts above cutoff grade of 0.30 ounces gold per ton over 6.6 feet true width (see plane of vein section). Polygon calculations indicate a total of 234,000 tons averaging 0.633 ounces gold per ton. The shoots remain open to expansion both down dip and along strike.

High grade native gold is concentrated in one main vein in the western part of the Siwash North system and in two, or more, parallel structures on the east side (see drill sections). The west half of the vein steepens abruptly at depth and it may do the same to the east. Gold is hosted by quartz veins and silicified granite

**Siwash North Gold Deposit
Summary of Significant Drill Results**

Hole No.	oz./t Gold	True Width (ft)
89-1	0.773	6.6
89-2	0.287	6.6
89-7	0.452	6.6
89-8	0.306	6.6
90-13	0.273	6.6
90-14	1.327	6.6
90-20	0.230	6.6
90-27	0.371	6.6
90-29	0.486	6.6
90-33	1.290	6.6
90-37	0.361	6.6
90-44	0.304	6.6
90-47	0.227	6.6
90-49	0.928	6.6
90-50	0.418	6.6
90-61	0.280	6.6
90-65	0.431	6.6
90-66	1.096	6.6
90-69	0.531	6.6
90-72	0.347	6.6
90-73	0.257	6.6



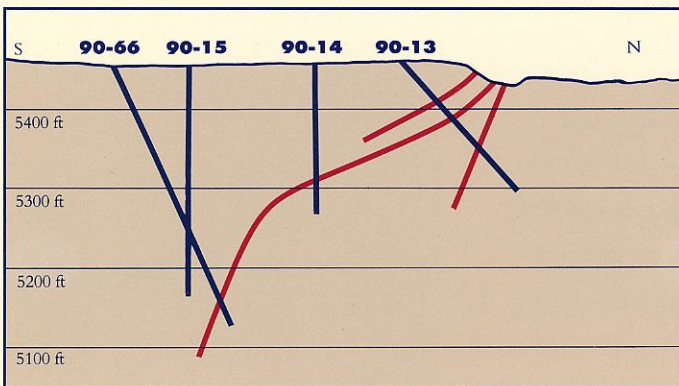
containing several percent pyrite with minor chalcopyrite and galena. Granite wallrocks are fresh and competent outside a narrow alteration envelope surrounding the vein.

Stripping of the Siwash North zone along 2,200 feet of strike extent has provided an excellent opportunity to examine and sample the vein in detail. A 1,280 foot length cut by 73 panel samples at 17 foot intervals averaged 0.507 ounces gold per ton over 6.6 feet true width. Centred

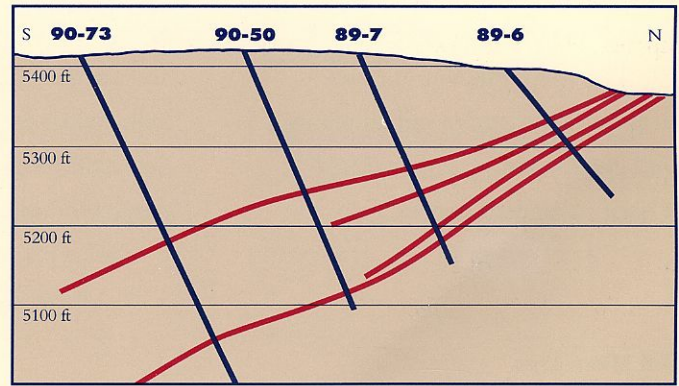
within this section is a very consistent high grade interval averaging 1.012 ounces gold per ton over a 380 foot length by 6.6 foot width. Drilling to depth has intersected high grade gold down dip to 840 feet and the zone remains open.

Four other target areas dispersed over 2.5 miles to the south of Siwash North have excellent potential to provide additional gold reserves. Preliminary drilling of the Lake Zone structure indicated strong continuity

to a depth of 250 feet. Geochemical and geophysical results suggest a possible strike extent of 2,000 feet. Trenching of the North and South showings revealed major structures with lengths in excess of 1,500 feet hosting local high grade gold veins. The Agur Option area contains coincident strong gold geochemical and geophysical anomalies comparable to those seen in the other target areas. All four warrant additional evaluation.



Siwash North Diamond Drill Section A



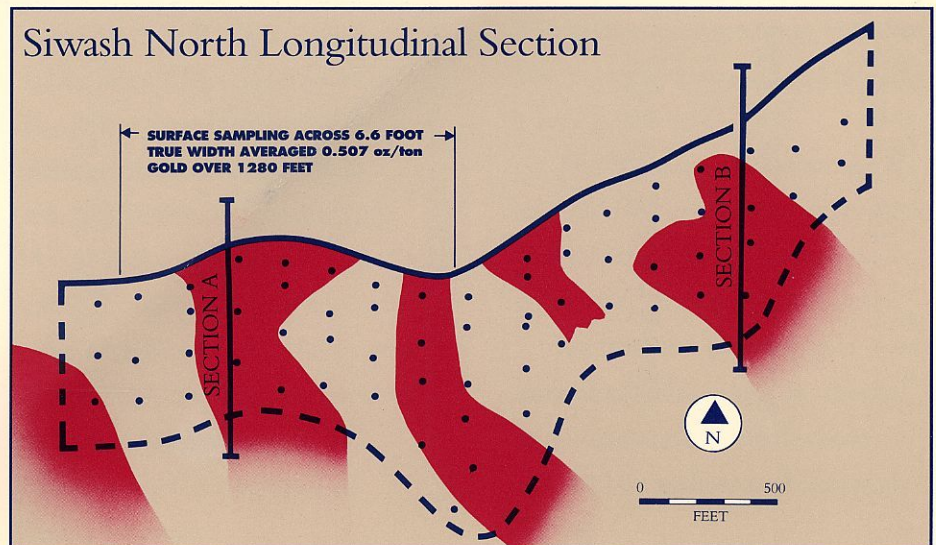
Siwash North Diamond Drill Section B

Siwash North Gold Deposit Longitudinal Section in Plane of the Vein (right)

- Diamond drill hole—vein pierce point
- Gold-rich shoots currently defined by drilling remain open to expansion at depth and along strike.

Plan Map (opposite page)

- Diamond drill hole collar
- Volcanic
- Intrusive
- Stripped area
- Vein exposure



**EXPLORATION
REVIEW 1990**

Dill Property (Copper/Gold)

289 B.C. Claim Units—28 square miles

The Dill property, south of Elk, straddles the contact of a granitic batholith and Nicola Group mafic volcanic rocks—a very similar setting to the Similco copper mine located 30 miles to the south.

The 1990 program of claim acquisition, extensive soil sampling and geophysical surveys outlined a large coincident copper/gold

geochemical and I.P. chargeability anomaly near the western property boundary.

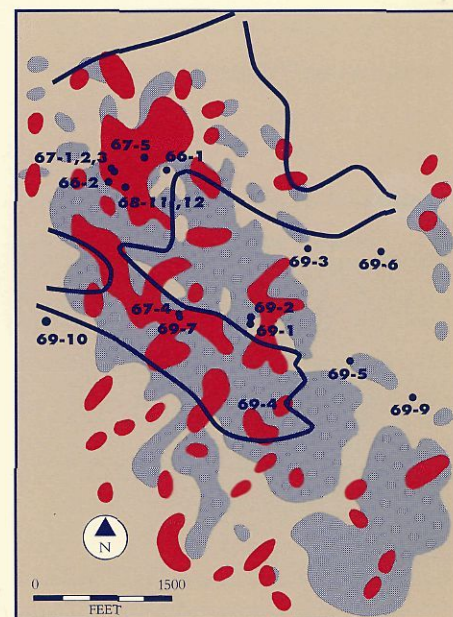
Drilling conducted within this area in the 1960's revealed widespread copper mineralization occurring as disseminations and fracture-fillings in andesitic volcanics and diorite. Several of the holes were located within the 1990 anomaly but tested only a small portion of its extent (see Dill West Area Compilation).

All intersected copper mineralization, many from top to bottom. One hole averaged 0.17% copper over 971 feet and another 0.26% copper over 679 feet, including 130 feet of 0.40%.

Some of the core samples were assayed for gold returning several

values of 0.01 to 0.02 ounces per ton. Overburden depths range from one to eighty feet (see Dill West Area Diamond Drill Hole Summary).

Elsewhere on the property, linear gold geochemical anomalies in areas of granitic rocks may represent gold-bearing vein structures.



Dill West Area Compilation

- Diamond drill hole (drilled 1966–69)
- IP chargeability high
- Gold geochemical anomaly
- Copper geochemical anomaly

Dill West Area

Diamond Drill Hole Summary (1966–1969)

Hole No.	Dip	Length (ft)	Overburden (ft)	% Copper	Mineralized Length (ft)
66-1	45	418	30	.22	388
66-2	38	410	19	.15	265
67-4	90	620	16	.24	394
67-5	45	309	6	.23	301
68-11	90	52	1	.24	51
68-12	90	128	4	.33	124
69-1	45	813	132	.26	679
69-2	90	403	84	.14	316
69-3	54	246	165	.05	81
69-4	54	343	43	.02	300
69-5	70	813	83	.07	729
69-6	90	598	55	.05	543
69-7	54	1,001	30	.17	971
69-10	45	573	41	.05	532

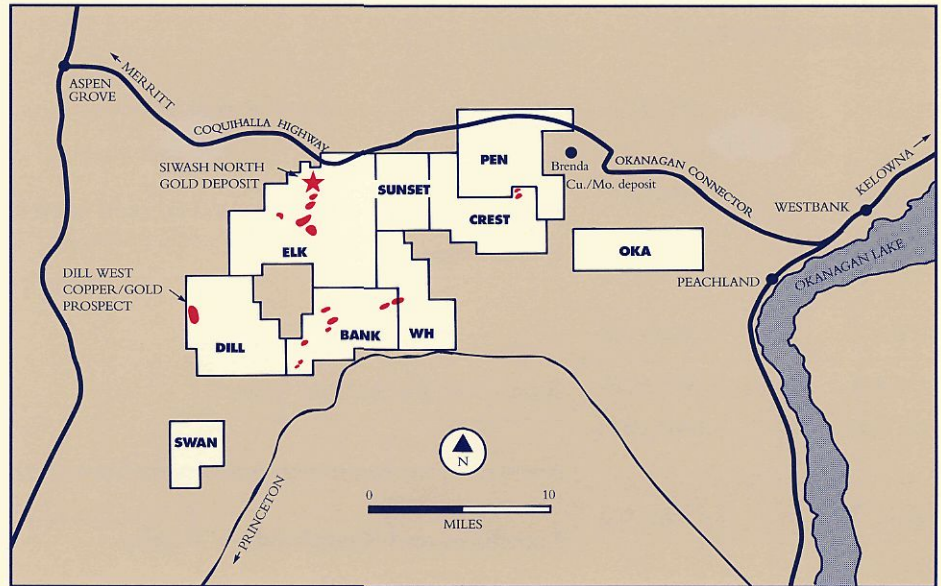
Other Okanagan Properties

Bank, WH, Swan, Sunset, Crest, Pen, Oka (Gold, Silver) 1,388 B.C. Claim Units—134 square miles

Near the Elk and Dill properties, within similar geological environments, are seven additional claim blocks owned by Fairfield.

During 1990 more than 16,000 soil samples were collected from these claims. A number of significant gold geochemical anomalies were defined, some comparable to the one overlying the Siwash North deposit. Most of these targets remain to be tested.

On the WH property two trenches totalling 880 feet were excavated. Fractured, altered granite with minor quartz veining was exposed but gold values were low. Prospecting at Oka confirmed the potential for vein-type



as well as skarn-hosted gold mineralization.

The Pen claims were staked during 1990 to cover favourable geology and known gold showings. This large property has yet to be evaluated by grid soil sampling.

Property Location Map Southern B.C.

- Priority Gold or Copper/Gold exploration targets

Northern Properties

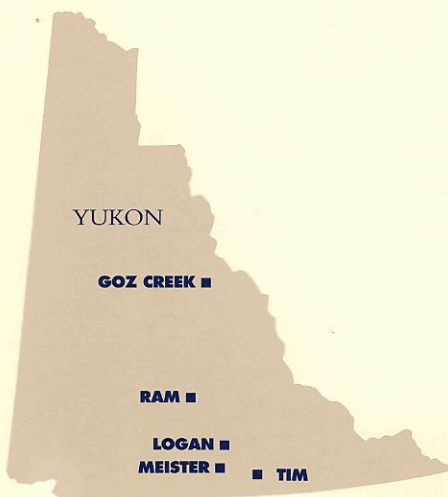
Logan, Goz Creek, Meister, Tim, Ram (Zinc, Lead, Silver, Gold) 1,238 Yukon Claims—100 square miles

The Logan deposit located in southern Yukon contains a drill indicated geological inventory of 13.6 million tons grading 6.17% zinc and 0.77 ounces silver per ton, with a higher grade core of 5 million tons at 10.2% zinc and 1.12 ounces silver per ton. A large portion of this deposit is amenable to open-pit mining methods.

The Goz Creek deposit in central Yukon has a near-surface reserve of 2.75 million tons averaging 11% zinc. The potential to expand this inventory is very good.

The Meister and Tim prospects have received preliminary exploration and hold considerable promise to define zinc, lead and silver deposits.

On the Ram property gold mineralization in quartz-pyrrhotite vein systems and skarns has been indicated by wide-spaced diamond drilling.



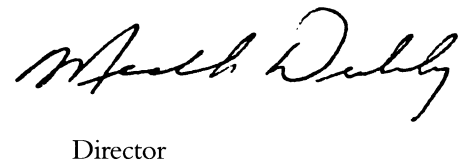
BALANCE SHEETS

January 31	1991	1990
Assets		
CURRENT ASSETS		
Cash including term deposits and accrued interest	\$ 2,132,458	\$ 2,189,825
Prepaid expenses	4,074	2,970
	2,136,532	2,192,795
RESOURCE PROPERTIES (note 1)	1,909,399	2,111,750
	\$ 4,045,931	\$ 4,304,545
Liabilities and Shareholders' Equity		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 12,290	\$ 31,243
SHAREHOLDERS' EQUITY		
Capital stock (note 2)	5,345,904	5,345,904
Deficit	1,312,263	1,072,602
	4,033,641	4,273,302
	\$ 4,045,931	\$ 4,304,545

See accompanying notes to financial statements.

Approved by the Board:


Director


Director

**STATEMENTS OF
DEFERRED
EXPLORATION,
DEVELOPMENT AND
ADMINISTRATION
EXPENDITURES**

Years ended January 31	1991	1990
Exploration and development expenditures	\$ 334,838	\$ 291,270
Administration expenditures		
Management and office expense	122,680	146,237
Shareholders' information and transfer fees	56,460	45,793
Legal and audit	26,729	21,265
	205,869	213,295
	540,707	504,565
Interest income	(280,869)	(256,111)
General exploration and related administration expenditures written off	(239,661)	(274,282)
	20,177	(25,828)
Balance, beginning of year	802,832	828,660
Balance, end of year	\$ 823,009	\$ 802,832

See accompanying notes to financial statements.

**STATEMENTS OF
INCOME AND DEFICIT**

Years ended January 31	1991	1990
General exploration and related administration expenditures written off	\$ 239,661	\$ 274,282
Loss for the year	239,661	274,282
Deficit, beginning of year	1,072,602	798,320
Deficit, end of year	\$ 1,312,263	\$ 1,072,602
Loss per share	\$ 0.05	\$ 0.05

See accompanying notes to financial statements.

AUDITORS' REPORT

To the Shareholders of Fairfield Minerals Ltd.

We have audited the balance sheets of Fairfield Minerals Ltd. as at January 31, 1991 and 1990 and the statements of deferred exploration, development and administration expenditures, income 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 misstatements. 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, 1991 and 1990 and the result 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 British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.

Vancouver, Canada
March 15, 1991

Leat Marwick Thorne.
Chartered Accountants

**STATEMENTS OF
CHANGES IN
FINANCIAL POSITION**

Years ended January 31	1991	1990
CASH PROVIDED BY (USED FOR):		
FINANCING		
Receipt of option payments		
on resource properties (note 1)	\$ 235,000	\$ 350,000
INVESTMENTS		
Interest income	280,869	256,111
Acquisition of resource properties	(12,473)	(16,024)
Exploration, development and administration expenditures	(540,707)	(504,565)
	(272,311)	(264,478)
Changes in non-cash operating working capital	(20,056)	21,050
	(292,367)	(243,428)
Increase (decrease) in cash	(57,367)	106,572
Cash, beginning of year	2,189,825	2,083,253
Cash, end of year	\$ 2,132,458	\$ 2,189,825

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

Years ended January 31, 1991 and 1990

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.

Significant Accounting Policies

(a) *Resource properties*

The Company is in the development stage. Acquisition, exploration, development and administration expenditures less interest income and recoveries relating to resource properties are deferred until such time as the properties are put into commercial production, sold or abandoned. Acquisition costs and deferred exploration, development and administration expenditures on resource properties abandoned are written off. Exploration expenditures which do not relate to specific resource properties (general exploration) and related administration expenditures are written off in the year incurred.

The costs deferred at any time represent costs incurred to date and do not necessarily reflect present or future values. The Company does not accrue the estimated future costs of maintaining its resource properties in good standing.

1. Resource Properties

	1991	1990
Acquisition costs	\$ 2,221,390	\$ 2,208,918
Less option payments received	1,135,000	900,000
	1,086,390	1,308,918
Deferred exploration, development and administration expenditures	823,009	802,832
	\$ 1,909,399	\$ 2,111,750

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

(a) *Logan property*

Total Energold Corporation ("Total") 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 (\$600,000 to the Company's affiliate, Regional Resources Ltd., prior to the Company's acquisition of the property) in option payments. Total 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.

(b) *Elk property*

Under the terms of an agreement dated March 11, 1988, Placer Dome Inc. ("Placer") has earned a 50% interest in the property by making total option payments to the Company of \$500,000, of which \$250,000 was received subsequent to January 31, 1991, and by incurring total expenditures of \$2,000,000. Placer may earn a further 20% interest in the Elk property by paying the Company an additional \$500,000 and incurring total expenditures of \$4,000,000 on or before the second anniversary date of the election to earn the further 20% interest.

(c) *Dill/Bank properties*

Pursuant to an agreement dated April 25, 1989, Placer has an option to earn a 50% interest and a second option to earn a further 20% interest in the Dill/Bank properties. Under the terms of the agreement, Placer may earn the 50% interest in the property by making total option payments of \$350,000 on or before February 28, 1992, of which \$215,000 has been received, including \$100,000 subsequent to January 31, 1991, and by incurring total expenditures of \$1,000,000 on or before February 28, 1993. At January 31, 1991, Placer has expended approximately \$590,000 in exploration. Placer may earn the further 20% interest in the Dill/Bank properties by paying the Company an additional \$250,000 and incurring additional expenditures of \$500,000, on or before the first anniversary date of the election to earn the further 20% interest.

(d) *Other properties*

On November 14, 1990, Placer surrendered its right to earn an interest in the WH property after expending approximately \$212,000.

NOTES TO FINANCIAL STATEMENTS*continued*

The recovery of the costs of resource properties is dependent upon the discovery of a sufficient quantity of ore of economic value and obtaining adequate financing for the development and mining of the ore body.

2. Capital stock

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

(a) Issued

	Number of shares	Amount
Balance, beginning and end of year	5,143,181	\$ 5,345,904

(b) Stock options

A total of 500,000 common shares are reserved for issue under stock options granted to directors of the Company exercisable until January 22, 1994 at \$0.71 per share.

3. Income taxes

Resource properties carried on the balance sheet at \$1,909,399 have \$38,000 in deductions remaining for income tax purposes and Mining Exploration Depletion Allowance of \$147,000.

The Company has not recognized the income tax benefits of differences in timing between the treatment for income tax and accounting purposes of option payments received, interest income and exploration, development and administration expenditures. As at January 31, 1991, such timing differences amounted to approximately \$1,320,000 (1990—\$1,080,000).

4. Related party transactions

A director is the president of the engineering company which was engaged for exploration work. This company received \$60,000 (1990—\$48,000) for management fees, \$120,400 (1990—\$112,400) for consulting fees and \$72,000 (1990—\$72,000) for office space and services. The engineering company was also engaged by Placer to carry out exploration on the Elk, Dill/Bank and WH properties for which it received additional management and consulting fees from this company.

**CORPORATE
INFORMATION**

Officers

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

Directors

Michael F. Dubensky
Graham Farquharson
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 common shares
Issued: 5,143,181 common shares

Registrar and Transfer Agent

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

Geological Consultants

Cordilleran Engineering Ltd.

Legal Counsel

Russell & DuMoulin

Auditors

Peat Marwick Thorne

The Annual General Meeting of the Shareholders of the Company will be held Monday, May 13, 1991, at 10:00 a.m. in the offices of Russell & DuMoulin, Suite 1500, 1075 West Georgia Street, Vancouver, British Columbia.

Fairfield Minerals Ltd.

Suite 1980

1055 West Hastings Street

Vancouver, B.C. V6E 2E9

(604) 669-3398