

EASTFIELD RESOURCES LTD. (ETF-V)

SPANISH MOUNTAIN CLAIMS OPTIONED - J.Morton, president, reports Eastfield Resources Ltd. has signed a letter of intent to option the CPW gold deposit located in the Cariboo Mining Division of central B.C. The claim is located on Spanish Mountain about seven miles southeast of the town of Likely. The terms require Eastfield to issue the owners 50,000 shares at regulatory approval, a further 100,000 shares on the first anniversary and a final 50,000 shares on the second anniversary. The owners will be entitled to a 10% production royalty on the first 2,000 ounces of gold production and a 2.5% royalty on production in excess of 12,000 ounces. The 2.5% production royalty can be reduced to 1.5% anytime by making a payment of \$1,000,000.

The option is subject to regulatory approval and a finders fee of 20,000 shares has been agreed upon.

The property has been extensively explored in the past by several groups for low grade bulk tonnage gold mineralization (Mt. Calvary Resources Ltd. - Welcome North Mines Ltd. - Teck Explorations Ltd. and Pundata Gold Corporation). All these companies have attempted to define the grade and tonnage of this bulk tonnage (open-pit table) resource. Estimates have included 400,000 tons grading 0.100 oz. gold/ton, 924,000 tons grading 0.056 oz. gold/ton, 2,750,000 tons grading 0.021 oz. gold/ton and 85,000 tons grading 0.200 oz. gold/ton. Erratically distributed free gold has made accurate estimates of grade difficult. Several zones of much smaller tonnage yet higher grade oxidized material have been identified. Metallurgical testing of this material indicates that about 80% of the gold can be extracted by gravity methods.

Numerous quartz veins containing coarse visible gold occur on the property. These veins are generally narrow although they can be as wide as 12 feet. By and large, they have been ignored by previous operators. One vein, intersected below an oxidized surface zone, returned a 25-foot intersection with a true thickness of 12.5 feet assaying 1.07 oz. gold/ton. Another intersection included 3.05 oz. gold/ton over seven feet. Grab samples from various veins on the property have included assays of 14.70, 13.40 and 8.53 oz. gold/ton.

The Spanish Mountain area has historically been a major placer mining area. The famous Cedar Creek placer deposit which was discovered in 1922 and which yielded 37,000 ounces of gold prior to 1945 occurs approximately three kilometers west of the CPW claim. Several active placer gold deposits are currently being worked in the area. No source has yet been identified for this placer gold. The 1992 program will focus on defining the extent and continuity of the high grade veins and will include a pilot scale test of gold recovery from the oxidized zones. (SEE GCNL No.15, 22Jan92, P.2 FOR OTHER PROJECT INFORMATION)

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