

WESTERN CANADIAN GOLD PRODUCTION REPORT
1992-1993
MIDDADY

NO. 158 (1993)
AUGUST 18, 1993

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Fairfield Minerals Ltd.

CROSS SECTION LOOKING WEST

SOUTH

NORTH

5400ft

1992 Open Pit - 2200 Tons
9000 oz Gold

DRILL HOLES

Proposed 1993
Underground Ramp

5000ft

35,000 oz Near Surface
Indicated Reserve

$\frac{1.41 \text{ oz/t}}{2.1 \text{ ft}}$

180,000 oz Additional Indicated
Reserve at Depth

$\frac{11.61 \text{ oz/t}}{2.9 \text{ ft}}$

4600ft

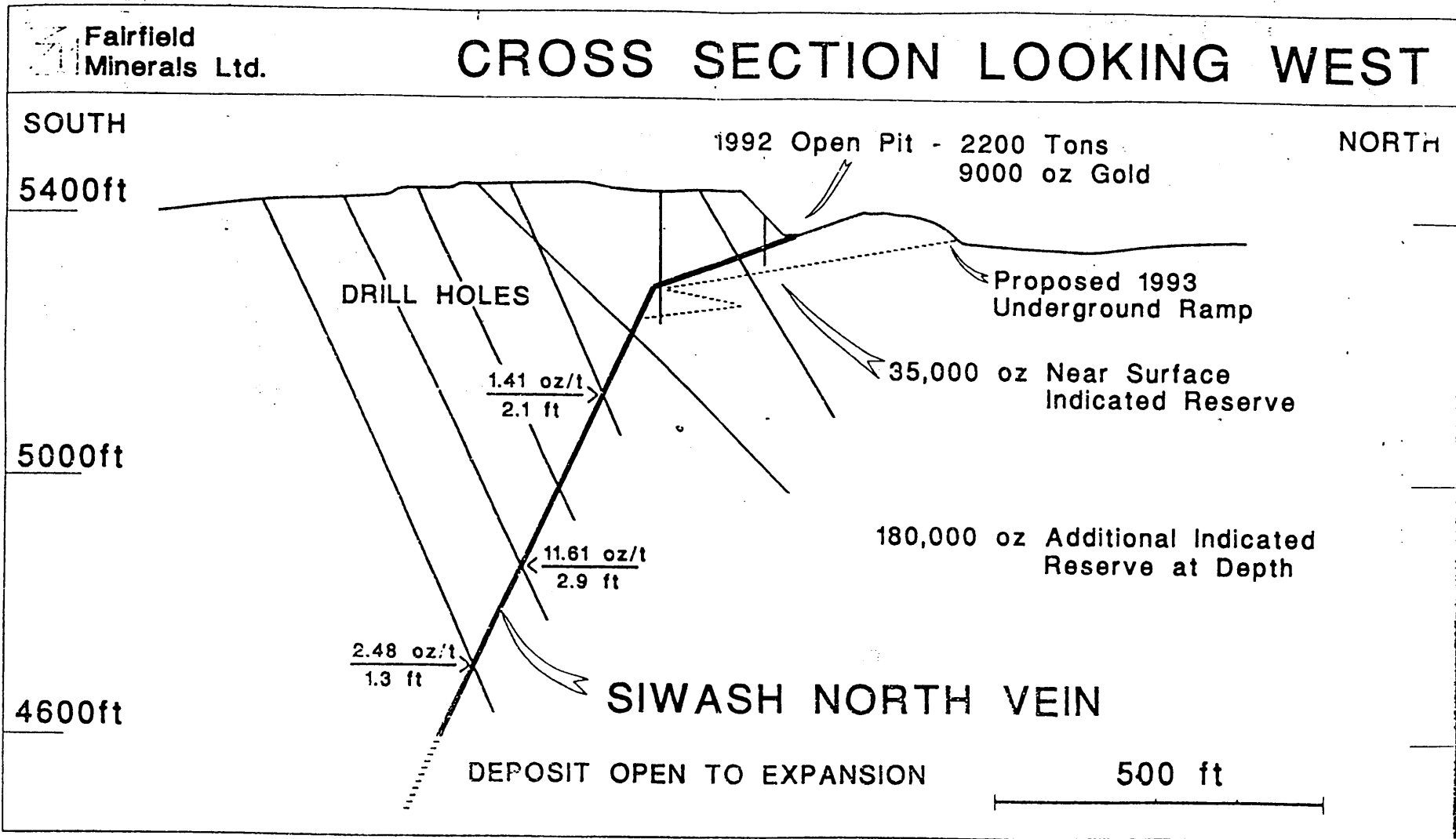
$\frac{2.48 \text{ oz/t}}{1.3 \text{ ft}}$

SIWASH NORTH VEIN

DEPOSIT OPEN TO EXPANSION

500 ft

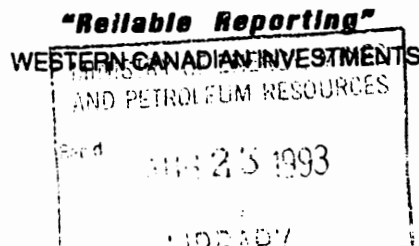
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FAIRFIELD MINERALS LTD. [FFD-V,T]

U/G WORK ADVANCES ON VEIN - J. W. Stollery, P.Eng., president.

Fairfield Minerals reports the advancing underground decline is expected to intersect the exceptionally high grade Siwash gold vein about September 10, 1993, on the Elk property at 5,300 feet elevation, located 25 miles southeast of Merritt, south-central B.C. See cross-section of vein overleaf P.1 and photos of Elk gold project overleaf P.2.

Meanwhile, on surface, both pit preparation and precision mining are taking place. The mineralization of the Siwash vein is such that values as high as 11 oz. gold/ton have been blocked out in a narrow quartz vein in granodiorite, often about 18 inches, or 0.5 meters wide, perhaps averaging about 3.5 oz./ton. In the pit, a backhoe carefully scrapes the crumbly quartz vein down dip into a large "dust bin" like scoop to catch the free gold particles which literally falls out of the vein material. The Elk project recently became self-financing with the receipt of \$3,000,000 from the sale of 9,000 ounces of gold in a 2,030-ton bulk sample grading 4.0 oz. gold/ton which was shipped by rail to Noranda's smelter in Quebec. Fairfield now has about \$4,000,000 in working capital, considered adequate to fund this season's development activities. The ore currently mined on surface is part of another 9,000-ton bulk sample which is being crushed, sample assayed and placed in piles, most of it mined over a 1.5-foot mining width at a cash cost of about C\$250/ounce. This year's Phase 3 work is expected to recover about 12,000 ounces of gold. To advance the planned 1,000-foot decline as fast as possible, drilling, blasting and mucking are carried on around the clock, for a gain of 36 feet per day on two levels. As the property has been extensively drilled, it is expected the underground program will confirm continuity of mineralization. Recent drill indicated reserves are 215,000 ounces of gold in 135,000 tons grading 1.59 oz. gold/t. Equal to 0.03 oz. gold per share on the 6,633,181 shares issued.

As the Siwash vein changes dip to about 70 degrees, underground mining will most likely be by shrinkage stope, depending on local rock conditions. It is known the high grades continue to depth as one hole intersected 11.61 oz. gold/ton over 2.9 feet about 600 feet below surface. Hole 107 cut 2.48 oz. gold/ton over 1.3 feet at a depth of 1,000 feet. These high grades remain consistent enough to block out mineable reserves sometimes valued as much as US \$1,700 per ton. By using a custom designed crushing and sampling plant on site, assaying is within 5% of smelter analyses. It has not been decided where the new bulk sample will be treated and management is considering several options, including the ASARCO smelter at Helena, Montana. One possibility is to construct a 120 ton-per-day plant on site. Metallurgical testing has yielded a 90% gold recovery. Gravity methods returned values in the 80% range. The ore was found to be free of mercury and low in arsenic and antimony. Cordilleran Engineering is the project manager with a crew of 20. The Siwash North deposit could become one of the highest grade gold mines in Canada with an annual production up to 50,000 ounces of gold. The 250 square mile property also hosts a number of other targets yet to be explored. A Phase 4 stage is planned for next year which will enlarge the pit and advance underground development. The project has good infrastructure including a nearby paved highway. (SEE GCNL NO.115, 16Jun93, P.1 FOR PREVIOUS REVIEW)

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