
EASTFIELD RESOURCES LTD.

110-325 Howe Street, Vancouver, B.C. Canada V6C 1Z7 Office: (604) 681-7913

June 14, 1989

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Dear Shareholder/Investor:

The INDATA Project, north of Ft. St. James, B.C., has now been underway for over two weeks and is progressing well. The initial phase of work being carried out involves fill-in geophysical surveying and geochemical sampling in areas where previously discovered anomalies needed further definition. A D-3 bulldozer was mobilized to the property in early June and is being utilized for back-hoe trenching in the numerous geophysical and geochemical targets in the main grid area, as well as preparing drill sites and access trails. The drilling program is slated to begin the first week of July and will focus initially in the area of hole 88-11 where 20 feet of 0.92 oz/ton gold was intersected last year. The Indata Project is expected to be completed in early to mid August with a budget of \$600,000.00. At that time, the data will be reviewed and a decision made to execute a late summer phase two program.

The SWAN Project, also north of Ft. St. James, is underway as well. The field crew is presently constructing the camp facility and will begin putting in control grids shortly. This project, which is funded by joint venture partner Northair Mines, entails a re evaluation of a low-grade copper deposit that was partially drill tested in the 1960's and early 1970's. Recent sampling of this property suggests that it should be reclassified as a copper-gold porphyry deposit. A geophysical survey and sampling program is being carried out to confirm and detail old surveys. Previous sampling by the company and prospectors has returned values as high as 0.06 oz/ton gold and in excess of 1% copper. Four separate target areas are being explored and these are defined by existing geophysical anomalies and significantly mineralized showings and trenches. Upon review of the Phase 1 program, a drilling program to extend and locate higher grade mineralization is expected. The Phase 2 program should begin in early to mid August.

The area surrounding the Pinchi Fault, which transacts the Indata and Swan properties, is experiencing an unusually high level of exploration interest this year. Several major companies are actively reviewing prospects and claim staking has been hectic. Success at the Mt. Milligan porphyry copper-gold deposit at the southern end of this belt has created much of the interest, while the Indata Project continues to show the potential for gold deposits in the region. Eastfield is well situated with four properties totalling over 31,000 acres.

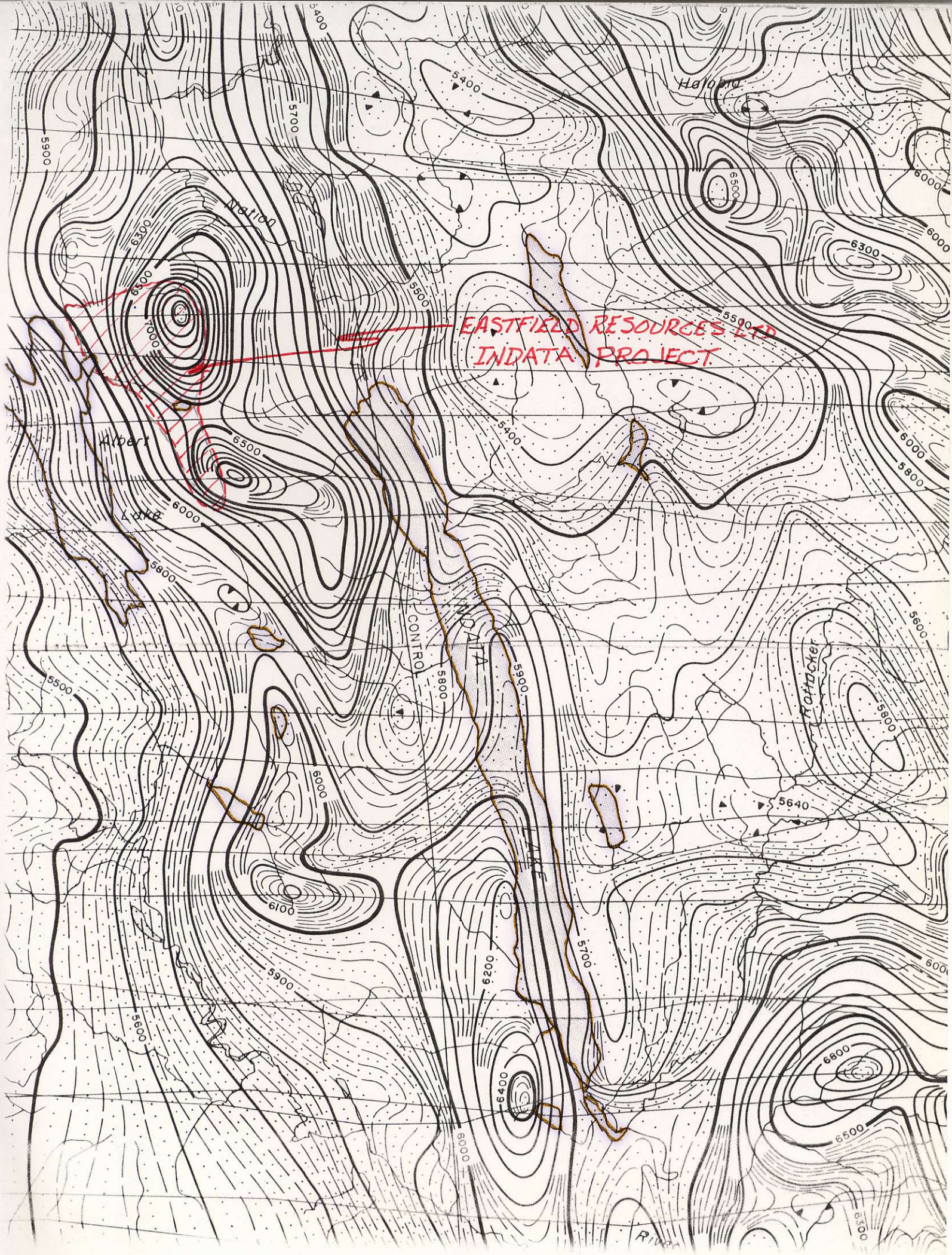
The company is continuing to review new projects for acquisition and is seeking joint venture participation on several properties already held.

Yours sincerely,



J. W. Morton, President

G. L. Garratt, Vice President,
Corporate Secretary



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