

## **FACT SHEET NIXON FORK MINE**

The Nixon Fork is a shuttered underground gold mine located approximately 35 miles northeast of McGrath, Alaska. Access is by air from Fairbanks, McGrath or Anchorage; the current airstrip is large enough to accommodate C-130 and DC-6 aircraft. St Andrew Goldfields, Ltd., a Canadian mining company headquartered in Oakville Ontario, currently leases the property from Mespelt & Almasy Mining, LLC.

Lode mining occurred on the Nixon Fork claims intermittently from 1918 through 1964. In 1994, Nevada Goldfields, Inc., a wholly-owned subsidiary of Consolidated Nevada Goldfields Corporation (CNGC), developed the current mine consisting of underground workings, conventional gravity separation and flotation circuits, and a lined tailings facility. Nixon Fork operated from 1995 until June 25, 1999, when Real Del Monte Mining Corporation, the successor to CNGC, filed for bankruptcy. The property and all of its surface facilities and equipment returned to the original owners, Ted Almasy and Margaret Mespelt.

### **Property Description**

The Nixon Fork property consists of 95 unpatented federal claims, 15 federal placer claims and 48 state mining claims. Thirty-three of the federal claims are located on land selected by Doyon Ltd. through the Alaska Native Claims Settlement Act. Forty-four of the state claims are “at-risk” claims that overlay the federal claims on BLM land. These will become active only if the federal claims are abandoned and the State of Alaska is conveyed title to the underlying land.

### **Type of Deposit and Resource**

The Nixon Fork deposit consists of at least five identified mineralized zones: the Crystal Garnet, Mystery, J5A, High Grade/Rec and the Southern Cross. Mineralization is vein and skarn type – resulting from the intrusion of quartz monzonite stocks into surrounding Paleozoic sedimentary rocks. Disseminated and vein-hosted gold and copper occur within the stocks as well. Primary sulfides in the deposit include chalcopyrite (copper-iron sulfide), pyrrhotite (iron sulfide), arsenopyrite (iron-arsenic sulfide), minor sphalerite (zinc-iron sulfide) and molybdenite (molybdenum sulfide). Native gold, bismuth, silver and copper oxides are also present.

Currently, there are no resource or reserve figures for Nixon Fork that conform to NI 43-101 (National Instrument 43-10, developed by the Canadian Securities Administrators, governs disclosure of technical information on mineral projects). Indicated resources as previously calculated by Nevada Goldfields stand at 71,900 ounces of contained gold, at an average grade of 0.94 ounces/ton. Additional inferred resources are calculated to contain 64,400 ounces of gold, at an average grade of 0.77 ounces/ton.

### **Past Production**

Nevada Goldfields processed both oxide and sulfide gold ore. Mining occurred mainly in the Crystal Garnet and Mystery zones, with very minor mining in the Southern Cross

and J5A areas. Gold recovery averaged about 83.5% for the oxide ores and 90% recovery for the sulfide ores. Total gold production was 165,150 ounces; the Crystal Garnet produced 128,740 tons grading at 1.27 ounces/ton Au, and the Mystery produced 5,963 tons at 0.28 ounces/ton. Waste rock mined was 134,902 tons of which approximately 35% was backfilled underground. The rest was hauled to the surface and stored.

### **Operating Agreements**

On February 4, 2003, Mystery Creek Resources, Inc., a wholly-owned subsidiary of St Andrew Goldfields, Inc. entered into a 10-year renewable lease with Mespelt & Almas, Inc. There is an advance minimum royalty of \$36,000 per year, with the following work commitments: Year 1, \$300,000; Year 2, \$700,000; Year 3, \$1,000,000. Royalties on precious and platinum group metals are subject to the following sliding royalty scale based on the price of gold:

< \$300/oz = 2% Net Smelter Royalty (NSR),  
\$300 - \$350/oz = 3% NSR,  
\$350 - \$450/oz = 4% NSR,  
> \$450/oz = 5% NSR.

Base metals are subject to a flat 4% NSR.

### **Current Status of Project**

As of September 2003, no exploration has been carried out by St Andrew Goldfields, Inc., although according to company press releases, there is an exploration program scheduled to begin in October 2003. This will consist of 8,000 meters (26,246 feet) of underground drilling to upgrade existing resources to reserve category, and to identify additional resource ounces. Estimated cost of the program is \$500,000.

St Andrew expects to resume gold production during the second half of 2004, at an annualized rate of 50,000 ounces of gold with related silver and approximately 500,000 pounds of copper.

Estimated capital costs for start-up are \$8,938,00 over a 30-month period. A gold resource of 200,000 contained ounces has been determined by the company to be the economic break-point.