

PROPERTY FILE

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MinFUE:

082FNV071 "Willa"



## NORTHAIR MINES LTD.

Northair Mines continues its reputation as "The Mine Makers" and plans production again in '88 at the new Willa property.



## THE COMPANY

Northair Mines Ltd. brought the Brandywine Mine to commercial production in 1976, the first new gold mine in British Columbia in over 40 years. Today, Northair is poised to bring its second gold mine onstream - The Willa Mine, located in southeastern British Columbia.

## THE WILLA PROPERTY

Northair has been exploring and developing the Willa property since April 1985 when Northair was invited to join with BP Selco (a division of British Petroleum) and Rio Algom Exploration to manage further exploration and development. Since Northair's involvement, over \$6 million has been spent on underground and surface diamond drilling and extensive underground workings. This expenditure has earned Northair a 68% interest in the property, which can increase through additional expenditures. Northair retains the right to purchase the joint venture partners' remaining interests.

Northair has completed over 4,950 feet of underground workings, 46,000 feet of underground diamond drilling and 6,000 feet of surface diamond drilling. This extensive work has outlined reserves of 606,000 tons grading 0.22 ounces of gold per ton, 0.27 ounces of silver per ton and 1.04% copper, suitable for underground mining. There is excellent potential for defining additional tonnage and geologists believe the mine may have an 8 to 10 year life.

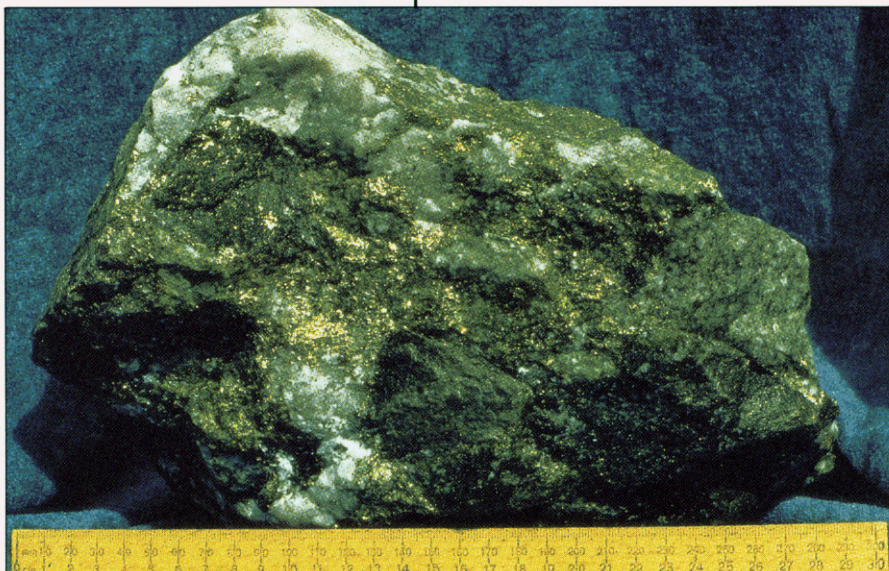
Northair's 350 ton per day Brandywine mill has been relocated at Willa and will be re-erected and expanded to a 500 ton per day capacity. Total capital costs are estimated at \$10 million, including working capital.

Commencement of production is scheduled for August of 1988 at the rate of 500 tons per day. This rate is expected, at current metal prices to generate over \$22 million in annual revenues and over \$7 million in pre-tax earnings for Northair (should the present property interest not be increased) with payback of capital in less than one year.

Costs of mining and milling are estimated at about \$50 per ton, reflecting not only the property's excellent location and ready access, but also management's experience in achieving low operating costs. Translated to "costs-per-ounce", Willa should produce one ounce of gold for less than US \$200.

## MANAGEMENT

Northair's management is a highly motivated team of professionals ex-



*Willa gold-copper mineralization*

perienced in all aspects of the mining industry.

**DONALD A. McLEOD**, President, has over 42 years of experience in mine management and exploration. During his 20 year tenure with Northair, McLeod has earned the respect of professionals in the mining and financial industries alike. Under his guidance, Northair opened its first mine, the Bran-

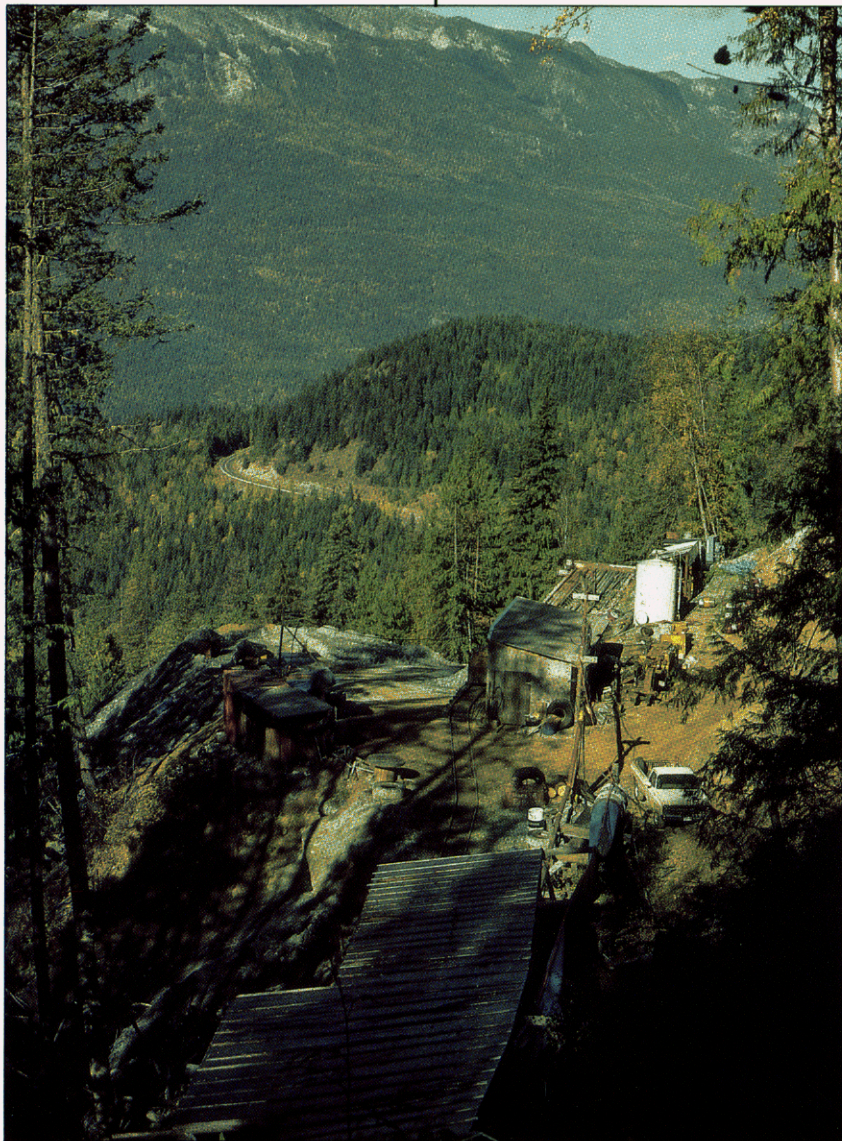
*Cover:*

*Willa Property - Working on the upper adit, September 1987*



dywine, in 1976, on time and on budget. During six years of operations, the mine generated over \$76 million in revenues.

**FRED G. HEWETT, P.Eng.**, Vice President and Exploration Manager, joined Northair in 1981 after nearly 20 years of senior mining experience. He was senior explora-



*View from above main adit with Highway 6 in view*

tion geologist with Brinco Mining, chief engineer with Cassiar Asbestos and exploration geologist with Placer Development. Hewett is responsible for property acquisitions as well as all field programs underway on Northair's properties.

**EDWARD W. CRAFT, P.Eng.**, Man-

ager of Mining, is responsible for mining and development programs. Craft is the former manager of Taurus' gold mine near Cassiar, B.C. and former production superintendent of Cominco's Pine Point open pit mine.

#### **FINANCES**

Northair has maintained a strong balance sheet since the days of production at Brandywine. Mr. McLeod enjoys an enviable reputation in the Canadian financial community as well as in mining circles. Northair is regularly approached by investment bankers, facilitating necessary financings. Current working capital stands at \$1.4 million with all exploration funding being provided by flow-through private placements, leaving working capital intact.

#### **THE FUTURE**

In the near term, management is committed to bringing Willa to production in 1988 and to developing



*Underground diamond drilling*

the full potential of the property from future cash flow. It is not unreasonable to expect Willa to generate revenues of over \$120 million during its mine life.

Northair also has a commitment to future growth. The recent involvement with BP in the exploration of the Long Lake gold property in Newfoundland is a case in point.



This large, and very new discovery, has the potential to become a large low-grade open pit mine. Work commenced in the fall of 1986, and early indications are positive. Further work will be required to fully delineate this target.

Another major consideration for the management team, is the continuing search for attractive property acquisitions. There is an ongoing appraisal and acquisition program in place, and although stringent parameters are placed on all possible properties, Northair receives numerous proposals - from the prospector to the major mining company. It is from these sources that the next "Willa" could appear in the portfolio.

## Corporate Information

### Directors and Officers

Donald A. McLeod,  
President and  
Chief Executive Officer  
Albert H. Manifold, P.Eng.,  
Director  
James B. Magee, P.Eng.,  
Director  
Henry G. Ewanchuk, P.Eng.,  
Director  
Reginald J. Stranks,  
Director  
Gail M. Sharp,  
Secretary

### Executive and Head Office

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Vancouver, British Columbia  
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### Operations

Fred G. Hewett, P.Eng.  
Exploration Manager  
Edward G. Craft, P.Eng.  
Manager, Mining

### Consultants

Dr. Paul Richardson, Ph.D.,  
P.Eng.  
Geological Consultant  
Rescan Environmental Services  
Ltd.  
Environmental Consultants  
Watts, Griffis, McQuat  
Geological/Mining Consultants

### Annual Report

Copies of the Annual Report of the Company are available by writing to Investor Relations, Northair Mines Ltd., Suite 860 - 625 Howe Street, Vancouver, British Columbia, Canada V6C 2T6

### Trading

The Company's shares trade on the Toronto Stock Exchange and the Vancouver Stock Exchange under the trading symbol NRM. The Company maintains filings with the U.S. Securities and Exchange Commission under an exemption for certain foreign securities under Regulation 240.12g3-2.

### Shares Issued & Outstanding

9,514,718 common shares

*Upper adit,  
September  
1987*



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