

NAME 03 PRESS CLIPPINGS

MINISTRY OF ENERGY, MINES AND  
PETROLEUM RESOURCES  
VICTORIA, BRITISH COLUMBIA

SUBJECT 82FNW071

WILLA  
(ALYWIN)  
(ROCKLAND)

SUB  
FILE NO. 03

PROPERTY FILE  
002230

CORDILLERAN ROUNDUP - SNAP SHOT REVIEWS.  
February 4, 1988

Property/Project

02. F. 071 Name : Willa Project  
 NTS : 82F/14  
 Claims :  
 Acreage: 2925 Ha

Authors: Ken Hicks (Northair Mines Ltd.)

Commodities: Gold, Copper

Names/Numbers

Agreements

70% Northair Mines/30% Rio Algom & BP Minerals

History

Exploration (Techniques) Period	Amount	Type	Cost
1980 - 1984	14,000 m	Diamond Drilling	\$2.8 million
1985 - 1986	9,300 m	" "	
Development Period	883 m	Drifting	\$3.9 million
1986 - 1987	Amount	Type	Cost
	942 m	Drifting	
	7200 m	Drilling	\$2.8 million

Production Period	Tonnage(s)	Method	Grade
N/A			

N/A

Geology

Regional

The Willa property is centered on a pendant of probable lower jurassic Rossland Group mafic volcanics within the Nelson Batholith.

Local

A gold-copper enriched hydrothermal breccia pipe cuts through earlier volcanic and intrusive rocks.

Alteration

The rocks in the vicinity of the project area have undergone lower greenschist facies metamorphism. The mineralized area near the breccia pipe have also been subjected to an earlier hydrothermally developed propylitic and retrograded calcsilicate alteration.

### Current Exploration

The 1987-88 exploration program in progress consists of additional underground work and diamond drilling on the three known areas of mineralization, the West Zone, East Zone and Main Zone. In addition to the existing 1025m access to the West Zone, a second adit is being driven through the Main Zone at the 1100m level to allow approximately 700m of detailed underground diamond drilling of this zone. New drill results in January 1988 have indicated an upward extension of the West Zone above previously known mineralization. A crosscut from the Main Zone is being driven to the south to provide access for approximately 1460m drilling of the higher levels of the West Zone.

<u>Reserves</u>	WEST ZONE:	
	Geological, possible, probable and/or proven	possible 606,000 short tons Au 0.220 oz/st, 1.04% Cu 0.27 oz/st Ag
Number of zones	1	
Number of sample points	-	
Average grade	As above	
Average thickness	Variable	
Cut-off grade	0.1 oz/st Au	

<u>Costs</u>	Recent exploration costs, i.e. this period	\$ 2.8 million 1987
	Projected exploration costs of program to development	<u>\$ 1 million</u>
	Projected development costs given positive economics	<u>\$ 10 million</u>
	Projected operating costs given positive economics approx.	<u>\$ 50/ton</u>

**NORTHHAIR MINES LTD. (NRM-V,T)**

WILLA PROJECT REVIEWED - Donald A. McLeod, president, has reported that the \$2,100,000 exploration program underway at the Willa property 7 miles south of New Denver, B.C. is now about 60% complete. 1,100 feet of underground decline has been cut to provide lower access to the West Zone. 58 underground fill-in diamond drill holes have been drilled on the West Zone in this program to confirm the continuity of the zone. Results have been consistent with previous drilling with values as high as 0.691 oz. gold/ton over 39 feet. New reserves are being re-calculated. Prior to this program, reserves were 606,000 tons grading 0.22 oz. gold/ton, 0.28 oz. silver/ton and 1.04% copper. Two new potential zones have been identified by recent work. Mineralization was encountered in the decline as it progressed to the east of the West Zone. Channel sampling returned values of 0.220 oz. gold/ton over 6.5 feet. Drilling in June returned 46 feet of 0.202 oz. gold/ton in an area 250 feet north and 300 feet higher in elevation than the West Zone. An upper portal is being prepared that will connect with current underground workings, providing drill sites for underground drilling as well as a second entrance and additional ventilation.

Underground diamond drilling (approximately 25 holes) will start shortly to test these two new targets to substantially increase mineable reserves. *GCNL*

Northair's 350-ton per day mill at Brandywine, B.C. is now being dismantled for re-location and re-erection at Willa. Northair has received a firm bid of \$1,887,400 for re-erection and upgrading the capacity of the mill from 350 to 500 tons per day. A Stage I report is presently being prepared to allow government permitting. On completion of the currently program, Northair interest in Willa will increase to approximately 68%.

Northair, 35%, has been advised by Joint Venture partner, BP Selco, 65%, that stripping is complete and a drilling program is now in progress on the Long Lake property located near Buchans, Newfoundland. This drilling is in the area of the discovery which returned values as high as 7.00 oz. gold/t.

*SW JUL 13, 87*

Northair Mines Ltd  
Shares issued: 9,015,292 Jul 10 close: \$2.95  
News Release

Mr. Donald McLeod reports:

**WILLA PROPERTY, B.C. *82FNW071***

Joint Venture with BP Selco/Rio Algom (Northair has earned a 57% interest).

A contract has been awarded for the immediate dismantling and transporting of Northair's Brandywine mill to Willa at a cost of \$295,000. A firm bid of \$1,887,400 has been received for re-erection of the mill and upgrading its capacity from 350 to 500 tons per day. The mill, as reported by Wright Engineers, is in excellent condition and has been under a continuous care and maintenance program since suspension of operations.

A \$2.1 million exploration and development program is presently underway. This program consists of an additional 2,500 feet of underground development, 9,000 feet of underground diamond drilling, and a stage I report in preparation for a final feasibility study. Upon completion of the current program, Northair will have earned a 68% interest in the property.

Additional sampling of an underground drill hole completed in 1986 (86-93) has revealed values of 0.349 oz gold/ton over 13.1 feet. A quarter split of the remaining core contained 0.365 oz gold/ton. This intersection is located outside the known West zone and indicates a possible parallel zone, or an offshoot to the existing zone.

Recent surface drilling results on the Main zone include a 10 foot intersection of 0.276 oz gold/ton and in the same hole, a 3 foot intersection of 0.340 oz gold/ton. Together with earlier surface and underground results, this intersection indicates the possibility of an additional mineable zone of similar nature to the West zone.

Both of these new zones will be the target of further underground and/or surface diamond drilling as they represent the opportunity to substantially increase mineable reserves at Willa.

## Northair completing exploration on Willa

VANCOUVER — Northair Mines says the \$2.1-million exploration program at its Willa property in southeastern B.C. is now over 60% completed. The 1,100-ft underground decline has reached the lower portion of the West zone where continuity has been confirmed by a 58-hole infill drilling program.

According to Donald A. McLeod, president, results are consistent with previous drilling and values as high as 0.69 oz gold per ton over 39 ft have been noted. Before the drill program, West zone reserves were 606,000 tons grading 0.22 oz gold, 0.28 oz silver and 1.1% copper. *82FNW071*

Two new potential zones were recently identified. Mineralization was encountered in the decline and channel sampling returned values of 0.22 oz gold over 6.5 ft. A surface drilling program in June returned 46 ft of 0.2 oz gold 250 ft north and 300 ft higher than the West zone.

An upper portal is being driven to reach this area. The portal will connect to existing mine workings and provide stations for more un-

derground drilling plus a second escape way and ventilation route. Underground drilling will get under way shortly to test these new targets. *9/28/87*

The 350-ton Northair mill near Squamish, B.C., is being dismantled for installation at the Willa property. The company has received a firm bid of \$1.89 million to re-erection and upgrade the mill to 500 tons per day. Preparation of a

stage one report is also under way which is a prerequisite to mine permitting and final development. After the current program is completed, the project will be 68% Northair with BP-Selco and Rio Algom holding the remainder. *N.M.*

Separately, Northair is awaiting a comprehensive field report from the Long Lake property in Newfoundland which is being drilled by BP Selco.

Northair Mines Ltd **VSWMAYZZ** (NRM)  
 Shares issued: 8,197,494 May 25 close: \$5.75  
 News Release

Mr. Donald McLeod reports:

WILLA, SE B.C. **82FNW071**  
 Northair 57%/BP Selco-Rio Algom 43%

Consulting geologist, Dr. P. Richardson, P.Eng., has submitted his report to the company on the underground program completed March 15, 1987 on the Willa property.

Dr. Richardson has calculated geological reserves in the West zone of 606,000 tons of 0.22 oz gold/ton, 0.28 oz silver/ton and 1.04% copper, a slight increase in tonnage and a 22% increase in gold grade over previously reported reserves. The confidence level of the reserves has been substantially increased by the recent program and based on these results, an exploration program in excess of \$2 million has been recommended.

The program is now underway and will consist of 5,000 feet of surface diamond drilling, 8,000 feet of underground diamond drilling, 2,000 feet of drifting, decline, crosscutting and raising and a feasibility study.

The object of the present program on the West zone is to generate sufficient data in order that proven mineable reserves can be calculated. Considering that the West zone now appears to be emerging as a significant gold deposit, further exploration is recommended for several other indicated zones including the East zone and the higher grade portion of the Main zone.

In 1983 a surface drill hole by BP Selco encountered 27.0 feet of 0.368 oz gold/ton within the Main zone. In early 1987, an underground hole drilled by Northair (U-87-173) encountered 59.0 feet of 0.287 oz gold/ton (including 26.2 feet of 0.431 oz gold/ton) in the area of the surface hole. 3,500 feet of surface drilling in 12 holes has recently been completed to investigate these encouraging intersections. Assay results are awaited, however, early indications are positive and further surface drilling is planned.

The company anticipates that the Brandywine mill located 70 miles north of Vancouver will be utilized for production at Willa. Accordingly, studies have been undertaken and it is expected that the 300 ton per day mill could be dismantled, transported, re-erected and modified at Willa at a reasonable cost. Further metallurgical testing on the ore at Willa has resulted in gold and copper recoveries in excess of 90% and confirmation that the Willa ore is amenable to treatment by the Brandywine mill. With additional crushing and grinding capacity, throughput can be increased to at least 500 tons per day.

Northair's interest in the property is currently 57% and should the joint venture partners elect not to participate in the current program, Northair's interest will increase to about 68%.

**LONG LAKE, NEWFOUNDLAND**

Northair 35%/BP Selco 65%

The Long Lake property is under exploration by BP Selco near Buchans, Newfoundland. The

property was purchased extremely attractively for gold.

In late 1986, a 4.1 anomaly was discovered. The subject of the work has been conducted on surface samples, and gold, have returned. Numerous other anomalies and the potential deposit of better

A major program is being implemented which includes detailed surface diamond drilling.

**BRANDYWINE,**

Northair 100%

The company has entered into a principle with Falconbridge Ltd. for the development of the Brandywine mine (excluding the Northair share) on production from excess of \$60 million per period.

Falconbridge will invest \$500,000 in the mine, a 51% interest in the mine, committed to be completed by December 31, 1989. Upon completion of exploration, Falconbridge's option to acquire an equivalent interest in the mine. The Brandywine equipment is expected to be sold.

**STEWART OPT**

Northair 37.5%  
 62.5%

A \$187,500 program is underway on the Stewart property, near Thunder Bay, Ontario. The program includes geochemical and drilling.

A drilling program in 1986 produced results which indicate values and the program is intended to better define the previous grab sample of 0.72 oz gold/ton and a sample assayed 0.43 oz gold/ton.

In a news release dated May 20, 1987, Northair reiterated its intention to acquire the property. No further details are available. Quest and Northair are currently offering an amusing offer to acquire Northair's news. Stockwatch data indicates the well financed well positioned and all completely funded.

**SCN 133 NORTHAIR MINES LTD. (NRM-V,T) July 13, 87**  
**SHAREHOLDERS SUPPORT MANAGEMENT IN PROXY VOTE - Donald McLeod, 82FNW071**

president has reported 90% of the shareholders at the July 9, 1987 annual meeting voted in support of management in the proxy battle with Nor-Quest Resources.

A contract has been let for the dismantling and transporting of the Brandywine concentrating plant to the Willa property in southeastern B.C. at a cost of \$295,000. A firm bid of \$1,887,400 Canadian has been received for re-erecting the mill and upgrading its capacity from 350 to 500 tons per day. A \$2,100,000 exploration and development program is underway at the property consisting of 2,500 feet of underground development, 9,000 feet of underground diamond drilling, and a stage one report in preparation for final feasibility study. Upon completion of the current program, Northair will have earned a 68% interest in the property.

Additional sampling of a 1986 drill hole revealed 0.349 oz.gold/t across 13 feet, outside of the Main zone, and indicates a possible parallel zone, or an offshoot of the existing zone. Recent surface drilling results on the Main zone included a 10-foot intersection of 0.276 oz.gold per ton and, in the same hole, a 3-foot intersection of 0.34 oz.gold/t. Together with earlier surface and underground results, this intersection indicates the possibility of an additional mineable zone of a nature similar to the West zone. Both of these zones will be drill tested.

A \$187,000 diamond drilling program is underway on the Stewart property, near Thunder Bay, Ontario, which is a joint venture with Noranda where Northair may earn a 37.5% property interest. Assays from four of the 11 holes assayed to date show:

Hole No.	Length	Oz.Gold/T	Hole No.	Length	Oz.Gold/t
S-17	19.6 ft.	0.07	S-22	19.6	0.08
including	6.6	.14	including	3.3	.16
S-18	19.6	.25	also	3.3	.13
including	6.6	.48	S-24	13.1	.06
				3.3	.12

The current program is designed to extend the surface trace of the mineralized zone. The mineralization has been extended to a minimum 575-foot strike length, is estimated to average 30 to 50 feet in width and is open in both directions and to depth. Several earlier surface grab samples ran as high as 0.72 oz. gold/t and a previous drill intersection of 13.1 feet assayed 0.43 oz.gold/t.

In Newfoundland, on the Long Lake property, in a joint venture with BP Selco, Northair can earn a 35% interest. In 1986, BP discovered a large gold soil geochemical anomaly. No drilling has yet been conducted but surface samples, hand cobbled to avoid visible gold, have returned values of up to 7 oz.gold per ton. A major program is now underway with a 16-man camp on the property. Large portions of the discovery area have been stripped by cat and backhoe, and detailed sampling is underway. Surface diamond drilling is scheduled for early August.

Apr 14, 87 NORTH AIR MINES LTD. (NRM-T,V)  
NOR-QUEST RESOURCES LTD. (NQT-V) GCNL 73

HOSTILE TAKEOVER OFFER TO BE OPPOSED - Raynard B. Carson, president of Nor-Quest has announced a formal takeover offer will be made shortly to acquire any or all of the issued shares of Northair Mines on the basis of one share of Nor-Quest plus \$1.00 cash for each two shares of Northair. On April 13, 1987, Nor-Quest shares were trading in the \$5.25 to \$5.38 range with, at last report, 8,700,000 shares issued. Northair shares traded April 13, at \$2.80 each with 8,720,292 shares issued.

82 FNW 071  
Nor-Quest intends to make plans to bring Northair's Willa mine at New Denver, B.C. into production using the H.B. concentrator 80 km to the southeast at Salmo, B.C. On Jan. 22, 1987 Nor-Quest reported acquisition of the H.B. concentrating plant with a rated capacity of 1,200 tons per day for \$300,000. Kilborn Engineering (B.C.) Ltd. valued the concentrator at \$11,457,000, replacement value. Mr. Carson stated that, based on engineering studies, both the mill and the Willa mine can be brought into production within this calendar year. The Willa mine is owned 56% by Northair, 44% B.P. Selco and Rio Algom. In Nov. 1986, reserves were reported as 546,500 tons drill indicated, grading 0.182 oz. gold/t, 0.28 oz. silver/t, 0.87% copper. Since then, the company has reported a series of good grade drill hole intersections which have added to reserves. New reserve calculations are in preparation.

D.A. McLeod, president of Northair, said, "This attempt at a 'property grab' is an insult to the intelligence of our shareholders. No shareholder of Northair should accept their offer. Management will oppose this bid with every means at its disposal.... The over-inflated price of their shares would result in a devastating dilution of Northair's shareholder equity in the Willa as well as our other projects.... Our company is in sound financial position and production financing can be readily arranged when required. We're not looking for a partner, and if we were, it certainly wouldn't be with these guys." Northair also holds significant share positions in Calnor Resources Ltd., Newhawk Gold Mines Ltd., Vital Pacific Resources Ltd. and Scottie Gold Mines Ltd. and has a management team with many years of successful mine operating experience.

On Sept. 12, 1986, Nor-Quest issued 304,000 shares to Galt Resources, Ltd. for a 15% working interest in the Gladiator, War Eagle and Fairview properties at Crown King, 80 miles north of Phoenix, Arizona, to increase Nor-Quest's interest to 77.5%. The mine was brought into production in Jan. 1986 at 100 tons per day when reserves were estimated at 110,000 tons grading 0.58 oz. gold/t, 3.72 oz. silver/t. Mine reserves are estimated at 320,000 tons grading 0.32 oz. gold/t, 6.2 oz. silver/t.

On Jan. 16, 1987, regulatory approval was received for the transfer of 500,000 shares of Nor-Quest from Bio-Dynamics Ltd. to Carbonnages d'Amercoeur.

Aug. 29, 1986, Nor-Quest Resources sold 1,293,423 units by private placement at \$1.31 chiefly to Bio-Dynamics Ltd. and Placer Investments Ltd. with warrants attached to buy a further 1,293,423 shares at \$1.56. Nov. 28, 1986, received final approval for the sale of 905,000 shares to Murax S.A. by private placement at \$2.29 per unit with warrants for 12 months at \$2.54 each. Nov. 21, 1986 Nor-Quest issued 46,371 shares to Temple Investment Finance Co. Ltd. for services rendered. In Nov. 1986 Nor-Quest increased authorized capital from 10,000,000 to 20,000,000 shares. Oct. 31, 1986 sold by private placement 85,700 shares to Petro-Lewis Corp. to settle debt of \$197,110. Aug. 8, 1986 sold 100,000 shares to Raynard Resources by private placement at \$1.31 with warrants to purchase 100,000 shares at \$1.56 for one year. 82 FNW 071

XGCNL 112 NORTH AIR MINES LTD. (NRM-V,T) JUNE 12, 87  
GOOD GOLD VALUES IN - Donald A. McLeod, president, has WILLA DRILL PROGRAM reported Northair Mines Ltd. is 82 FNW 071 the target of a hostile takeover bid launched by NorQuest Resources Ltd. of Nanaimo, B.C. As a result, Northair has taken the following actions: Yorkton Securities Inc., Toronto, has been retained to prepare a fairness opinion. Watts, Griffis, McQuat, consulting geologists and engineers, Toronto, have completed a geological evaluation of all Northair mineral properties for use by Yorkton. Wright Engineers is preparing an evaluation of Northair's 300 ton per day mill, located near Whistler, B.C., and reviewed the quotation for dismantling, transporting and re-erecting the mill at Northair's Willa property, near Revelstoke, B.C.

He recommends shareholders await Northair's directors recommendations prior to making a decision on the NorQuest offer.

The recent surface drilling at the Willa has confirmed earlier drill holes intersecting higher grade material in the Main Zone. Nine of 11 surface holes intersected gold. Seven of the nine holes reported intersections above 0.10 oz. gold/ton. These results correlate to the earlier higher grade intersections. Excellent potential exists for additional tonnage, as this area is 300 feet higher in elevation and 250 feet north of the West Zone where tonnage has been defined as 606,000 tons grading 0.22 oz. gold/ton, 0.28 oz. silver/ton and 1.04% copper.

The \$2,100,000 exploration currently underway includes an additional seven surface diamond drill holes to test the Main Zone along strike and to depth.

Northair has advised the joint venture partners will not participate in this program and Northair's interest in Willa will be increased to approximately 68%.

Northair Mines Ltd NRM  
 Shares issued: 7,893,902 Apr 10 close: \$2.84  
 Apr 14, 87 Stockwatch News Release  
 Mr. Donald McLeod reports: 82FNW071

Northair Mines Ltd. confirmed that it has been advised of a proposed hostile takeover offer by Nor-Quest Resources Ltd. Says McLeod, this attempt at a property grab is an insult to the intelligence of our shareholders. No shareholder of Northair should accept their offer. Management will oppose this bid with every means at its disposal.

Says McLeod, this supposed \$11,457,000 mill was acquired by Nor-Quest three months ago for \$300,000 and in my opinion isn't worth 1 cent more today than it was then. Without an overbody to back it up, what's it really worth?

For Nor-Quest to talk about production on the Willa property with less information available to them than we have, just demonstrates how little they know about mining. The over-inflated price of their shares would result in a devastating dilution of Northair's shareholder equity in the Willa as well as our other projects.

The company is in sound financial position and production financing can be readily arranged when required. We're not looking for a partner, and if we were, it certainly wouldn't be these guys.

This offer is most certainly not in the best interest of Northair shareholders, although I guess I can understand why Nor-Quest thinks it's in the best interest of their shareholders. Just look at their company.

Mr. McLeod further advised that all necessary steps would be taken to oppose this offer.

Symbol: TSE-NRM, VSE-NRM  
 Current Price: C\$2.70  
 US\$2.03

Price Ranges: C\$ (US\$0.75)

	High	Low
1987	2.70	.75
1986	2.30	.65

Capitalization:  
 Shares Authorized: 15,000,000  
 Shares Outstanding: 8,314,491  
 Fully Diluted: 10,674,174

#### Introduction

Northair Mines Ltd. is a Vancouver, British Columbia-based natural resource company, with a long and successful history in the exploration, development, and production phases of precious metals mineral properties in Canada. It was incorporated in 1966 by the present president.

In 1978 Northair put into production the Brandywine Mine, a gold, silver, and lead/zinc mine near Squamish, British Columbia. This mine profitably operated for six years until 1982, when production ceased after the ore body was exhausted. Attention now is directed to bringing a new mine into production.

The current focus of Northair's efforts are on the very promising Willa gold property in British Columbia. Recent underground drilling there has revealed encouraging results that point to mine-making potential. Work this year should substantially add to drill-indicated reserves and bring the project to the feasibility stage with production possible by mid-1988.

Among the numerous other Canadian mineral properties Northair holds are three relatively recent acquisitions: the Long Lake property in Newfoundland, the Stewart property in Ontario, and the Platinor in Ontario.

Our analysis of the Willa property alone merits a strong buy recommendation of Northair Mines Ltd. stock at present levels. Shares of the company represent an attractive speculative opportunity for the growth-oriented investor who wishes to benefit from the company's emphasis on precious metals.

## The Willa Property

The Willa property has nearly a century of mineral exploration history. The property's gold potential came to light in 1980 following years of intermittent exploration. Northair optioned the property in 1985 and diamond drilling programs conducted by Northair to date testify to the company's shrewd decision to acquire the property.

The Willa is a joint venture project between Northair (50%) and partners BP Selco/Rio Algom (50%). A C\$850,000 exploration and development program on the property is being conducted by Northair. Upon completion, Northair's working interest in the Willa will increase to 56%. The company will continue to act as operator as long as it continues to propose work programs.

#### Location

The Willa property is located in the Slocan Mining District in south-central British Columbia. It is comprised of two groups of mineral claims, the Willa and Rockland, that cover an area approximately three by three miles square.

#### Geology

A massive volcanic breccia structure predominates on the property with millions of tons of very low-grade gold mineralization present. Contained within this structure and associated with chalcopyrite are three known, vertical-trending lenses of gold/copper mineralization. Silver is also present. The lenses, or zones, are very wide; drilling has revealed widths of 30 to 120 feet.

The West Zone, which has the most economic potential so far, is a distinct zone

## NORTHAIR MINES LTD.

located on the western margin of the breccia. All fragments of this breccia contain disseminated pyrite and are sometimes associated with gold and silver. The zone may be cut by a fault to the south; if not, it would continue southward. The West Zone is cut to the north by a fault. The zone is unexplored at depth and the grade increases with depth, two factors that further add to the reserve potential of this zone.

Directly above the West Zone is the near-surface Main Zone. Surface and underground diamond drilling on this zone revealed a low economic potential, but small, higher-grade zones could be developed within its boundaries.

The Adit Zone was cut in 1984 by the adit made to permit drilling on the West Zone. At that time it was assumed to be part of the West Zone, but recent work indicates it is a separate, faulted zone. Drilling on the Adit Zone is planned for this year.

#### History

Records show that in 1893 prospectors, attracted by rusty cliffs and showings of malachite, staked claims over the present property. By 1898 three tunnels had been driven with appreciable gold values reported.

Cominco then Amax Exploration conducted drilling programs in the 1960s, respectively encountering minor gold/copper mineralization and copper/molybdenum anomalies. In 1969, a diamond drilling program took place to test the downward extension of the Willa-Rockland zone over 200-foot intervals along strike. All five holes hit the zone, with two intersecting good mineralization. At this point it was suggested there existed a large main zone that could be mined by open-pit or underground caving methods.

Riocanex, the exploration arm of Rio Algom Ltd., examined the property, optioning it in 1979 to examine the molybdenum potential and stake additional claims. At the same time BP Minerals Ltd. staked nearby claims and the holdings of both companies were consolidated under an agreement. A deep diamond drilling program began in 1980 to investigate the possibility of a buried molybdenum porphyry system. Sulphide mineralization was encountered in the upper part of one hole and assayed 0.182 ounces of gold, 0.551 ounces of silver per ton, and 1.31% copper over 39 feet. Due to these results, the property's gold potential became the main focus of all subsequent exploration efforts.

Additional drilling programs were conducted by the BP/Rio Algom Exploration Inc. joint venture each year until 1985, when Northair optioned the Willa property. At this time the property already had drill-indicated reserves, but not sufficient to warrant mining. To increase knowledge of the deposit Northair drove an adit that gave access to the West Zone, previously discovered by surface drilling. Two programs of underground diamond drilling from this adit helped outline the zone in more detail and also revealed zones west of the West Zone and east of the andesite breccia.

A November 1986 report on the Willa by an independent geologist stated drill-indicated reserves totaled 546,500 tons averaging 0.182 ounces of gold per ton, 0.28 ounces of silver per ton, and 0.87% copper over widths ranging from 30 to 120 feet. These reserves were reported to be accessible from present underground workings. The evaluation stated the likelihood of additional tonnage is substantially increased with the discovery of linear features of the gold-bearing breccia zone.

#### Present and Future Activity

The current exploration and development program, the end of the 1986 program, is encompassing 7,800 feet of underground diamond drilling in 49 holes. This work is expected to increase the reserves stated in the November 1986 evaluation. Moreover, the grade will probably increase too as previous bulk samples of material from underground

work returned higher gold values than did diamond drilling.

As of February 9, 1987, assays from eight of the 22 holes drilled in the program had been reported. Drill core results so far indicate extremely favorable values over good widths: 59.0 feet grading 1.437 ounces of gold per ton (uncut) and 14.1 feet assaying 1.350 ounces of gold per ton on re-assay pulp and 1.842 ounces of gold per ton on re-assay reject

#### Present and Future Activity

The current exploration and development program, the end of the 1986 program, is encompassing 7,800 feet of underground diamond drilling in 49 holes. This work is expected to increase the reserves stated in the November 1986 evaluation. Moreover, the grade will probably increase too as previous bulk samples of material from underground work returned higher gold values than did diamond drilling.

As of February 9, 1987, assays from eight of the 22 holes drilled in the program had been reported. Drill core results so far indicate extremely favorable values over good widths: 59.0 feet grading 1.437 ounces of gold per ton (uncut) and 14.1 feet assaying 1.350 ounces of gold per ton. A check assay of this first spectacular intersection ran 2.103 ounces of gold per ton on re-assay pulp and 1.842 ounces of gold per ton on re-assay reject.

Plans in 1987 include further programs at a total estimated cost of approximately C\$2 million. These will consist of additional development diamond drilling underground and related studies to production (tailings disposal, environmental impact, and baseline).

Northair intends to move the existing mill at its Brandywine Mine property to the Willa contingent on a successful prefeasibility study. This efficient mill has a capacity of approximately 350 tons per day, and could readily be expanded to double that figure—ample capacity to process ore mined from underground at an estimated rate of 400 to 600 tons per day. By disassembling, moving, and reassembling an already-owned mill, the largest single capital cost of a new mine is considerably reduced, probably halving the estimated C\$7 million price of a new milling facility.

Production could begin by the summer of 1988 with total capital costs roughly estimated at C\$20 million. Northair expects mining and milling costs will be extremely favorable because of the property's proximity to transportation and the necessary infrastructure.

#### Long Lake Property

The Long Lake property in Newfoundland was purchased by BP Selco because of its unexplored potential of high-grade gold in quartz stringers. Northair acquired a 35% interest from BP Selco, which holds the remaining 65%.

Previous exploration was directed toward massive sulphides and numerous precious metals targets that for the most part had been left unexplored. One of these targets is a broad gold geochemical anomaly measuring 0.7 by 1.8 miles. Surface grab samples from that anomaly have returned values ranging up to 7.12 ounces of gold per ton. Detailed sampling of this area is underway and a major exploration program is planned for 1987.

#### Stewart Option

Northair last year acquired a 37.5% interest on the Stewart property in Ontario. Joint venture partner and operator of the project is Noranda, which has a 62.5% interest.

A recent program of geochemical sampling and trenching was conducted on a broad zone of anomalous gold mineralization that contained a coincident induced polarization anomaly. Several previous grab samples in the area have graded as high as 0.72 ounces of gold per ton and a previous drill intersection assayed 0.43 ounces of gold per ton over 13.1 feet. A more recent grab sample taken by Northair assayed 0.32 ounces of gold and

0.24 ounces of silver per ton. A major drilling program will seek to determine the extent of the mineralized zone.

#### Platinor Property

Initial exploration work has recently been carried out on platinum prospects on the Platinor property in Ontario, which is comprised of four groups of claims. The project is a joint venture with Northair (30%), Lacana Mining (40%), and National Mineral (30%).

#### Management

President Donald A. McLeod heads an exceptional and proven management team. He has more than 42 years of mine management and exploration experience. Mr. McLeod is president of Newhawk Gold Mines Ltd., Scottie Gold Mines Ltd., and Calnor Resources Ltd. and is a director of Vital Pacific Resources Ltd. Dr. Albert H. Manifold, director, is respected in Canadian mining circles for his background in geology and mine finding. James B. Magee, director, is a retired mining engineer and also serves on the board of Scottie. Reginald Stranks, director, is retired vice president of the Bank of Montreal and is the company's top-notch financial expert. Gred G. Hewett is the company's long-time exploration manager and is a director of Newhawk and Calnor.

#### Finances

The company is fully funded through 1987 from flow-through share financing obtained from Canadian funds. Additional financing will be required this year for additional programs on the Willa property.

#### Conclusion

The company's prime objective is to obtain a source of cash flow to provide a foundation to promote future growth. Northair already has a good start toward this goal with excellent results obtained to date and an established reserve base. All this points to a mine in the making for Northair.

With half a million tons of drill-proven ore and more drilling yet to be conducted, there exists the possibility of proving up a minimum of between one million and two million tons of ore at favorable grades. The geology indicates an excellent potential for additional reserves, which should ensure a long mine life with future development. A big plus is the availability of a mill that could readily be erected on the property, considerably reducing start-up costs. Moreover, the company is backed by knowledgeable and proven management in the natural resource area.

As with any mining company, the downside risk is the price of its product, in this case gold. However, we do not foresee the gold price falling significantly. The upside potential lies in a rising gold price, a longer mine life through ongoing development (and a higher gold price), and increased ore grades and recovery rates. Shares of Northair represent an outstanding opportunity for the precious metals-oriented investor with the patience to buy now and hold for the capital appreciation that comes with a new producing gold mine—and the possibility of more than one down the road.

For more information contact:  
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For more information please circle reader service number RSN 151 on page 47.

GCNL 47 NORTHHAIR MINES LTD. (NRM-V,T) 9 MAR 87

HOLE	SECTION	DIP	AZIMUTH	INTERVAL	OZ. GOLD/T
128	9900	+76d	270d	13.0 ft.	0.260
				14.0	0.240
131	9900	-50	90	16.4	0.429
133	9950	-29	270	55.7	0.248
135	9950	+18	270	3.3	0.210
138	9950	-72	90	26.0	0.203
				and 16.0	0.164
				and 72.2	0.142
140	9975	-45	270	21.0	0.339
145	9975	-70	90	45.9	0.272
147	10000	+88	270	31.8	0.214
148	10000	-45	270	16.4	0.472
150	10000	-90	360	19.7	0.276
151	10000	-45	90	32.8	0.241
153	9875	+30	270	59.0	0.327
				includes 19.7	0.804

Additional mineralized intersections were encountered in the following holes:

132	9900	0	90	3.3	0.178
134	9950	0	270	42.6	0.126
137	9950	+74	90	9.8	0.112
139	9975	-71	270	42.6	0.166
144	9975	-45	90	19.7	0.189
146	10000	+47	270	29.5	0.133
154	9875	+60	270	104.9	0.154
				including 19.7	0.280

GOOD INTERSECTIONS OF GOOD GOLD VALUES ARE REPORTED - Further assay results have been received from the current underground

82FNW071 diamond drilling program underway about 7.5 miles south of New Denver in SE B.C. on the Willa joint venture project of Northair Mines Ltd. 50%, BP 36% and Rio Algom 14%. The program has been extended to allow for the drilling of an additional 3 to 5 holes on the upper section of the Adit Zone encountered in drifting in December 1985. The adit intersected a true width of 19.7 feet that assayed 0.203 oz. gold/ton. A 1983 surface drill hole by B.P./Rio Algom returned 0.368 oz. gold/t over 26.2 feet, above the Adit Zone and this additional drilling is designed to test for a postulated correlation.

Numerous intersections of good mineralization over good widths have been received to date and are reported below. All intersections carry associated copper (up to 3%) and silver values. At the completion of this program, Northair's interest in the Willa property will have increased to approximately 56%.

27 MAR 87 NORTHHAIR MINES LTD. (NRM-V,T) GCNL 61

HOLE	SECTION	AZIMUTH	DIP	INTERVAL	OZ. GOLD/TON
156	9875	90d	-61d	39.0 Ft.	0.150
157	9875	90	+30	16.0	0.109
158	9875	90	flat	19.7	0.384
161	9925	270	-85	33.0	0.157
162	9925	90	-63	52.0	0.257
164	9950	90	-72	49.0	0.221
165	9950	270	-69	33.0	0.113
166	9975		-90	39.0	0.216
169	9875	90	+81	19.7	0.132
171	9962	270	-11	75.0	0.184
172	9987	270	-9	23.0	0.181
173	10075	90	+75	59.0	0.287
				includes 26.2	0.431

MORE GOOD GOLD - Final drill results have been received ASSAYS REPORTED from the underground diamond drilling 82FNW071 program recently completed on the Willa property, some 7.5 miles south of New Denver in SE B.C. Northair's interest has now increased to about 56% with BP Selco/Rio Algom owning the balance. Of particular significance, says president Donald A. McLeod, is the intersection encountered in Hole 173, see table of underground drilling results.

Hole 173 and BP's intersection in 1983 of 27.0 feet of 0.368 oz. gold/ton, both above the West Zone, indicate a strong probability of an additional zone of significant tonnage and grade. Drilling will start soon to further delineate this zone. Updated reserve calculations are being prepared by Paul Richardson, Ph.D., P.Eng.

Nor-Quest Resources Ltd  
Shares issued: 8,774,837 Apr 10 close: \$5.25

Apr 14 '87 Stock watch News Release  
Mr. Raynerd Carson reports: 82FNW071

Nor-Quest announces that it intends forthwith to make a takeover offer to acquire all the issued and outstanding shares of Northair Mines Ltd. on the basis of one share of Nor-Quest plus \$1.00 for two shares of Northair.

Nor-Quest's intention is to immediately make plans to bring Northair's Willa mine in the Nelson area of B.C. into production utilizing Nor-Quest's recently acquired, fully-equipped 1200 ton per day mill located in the area. The mill and ancillary equipment have recently been independently valued by Kilborn Engineering (B.C.) Ltd. at \$11,457,000.

Based on Nor-Quest's engineering studies, both the mill and the Willa mine can be brought into production within this calendar year. It is Nor-Quest management's view that the offer is in the best interests of the shareholders of both companies.

Nor-Quest has instructed its solicitors to prepare the appropriate documentation for the formal takeover offer. Though the offer is being made to acquire all the issued and outstanding shares of Northair, Nor-Quest intends to accept all shares tendered.



82FNW071  
 30 JAN 87  
 GCNL 21  
**NORTHAIR MINES LTD. (NRM-V, T)**  
 LONG HIGH GRADE GOLD INTERSECTION HAS  
 CHANGED THE NATURE OF THE WILLA PROJECT

At New Denver, 135 km southeast of Revelstoke, B.C.,  
 Northair Mines 50%, BP Selco/Rio Algom 50% has intersected high grade gold in West zone of the main shear zone.

HOLE NO.	AZIMUTH	DIP	INTERSECTION	OZ. GOLD/T
87-118	270°	+23°	39.4 feet	0.154
87-121	270	-26	20.3	.162
87-122	270	-66	32.8	.206
87-124	90	-43	14.1*	1.350
87-125	90	-78	59.0**	1.437

\* Assays on surrounding core yet to be received  
 \*\* Uncut. Cut assay to 1 oz. gold/t - 59 feet 0.516 oz. gold/t.

Prior to these holes, drill indicated reserves were calculated at 546,500 tons grading 0.182 oz. gold/t, 0.28 oz. silver/t, 0.87% copper over widths ranging from 30 to 120 feet. These reserves are immediately accessible from current underground workings.

Donald A. McLeod, president of Northair stated that the current program of \$500,000 includes 950 feet of drifting and crosscutting and 7,800 feet of underground diamond drilling in 49 holes. 22 holes have been completed and results from 5 of these are reported in the table.

The importance of these high grade holes is that they have established the zone contains enriched areas within the overall zone. Two earlier holes in this high grade shoot were No. 86-61 which cut 59 feet assaying 0.188, including a 14-foot section assaying 0.475 at about 50 feet below the adit level. The new intersections are about 30 feet below the adit level. The second previous intersection was in No. 86-63 where 46 ft. assayed 0.1 oz. gold including 3 feet assaying 0.8 oz. gold/t, at 180 feet below the adit level. Fill-in holes will now be drilled in this area to better define the extent of the high grade and to test the zone to depth. The project had been considered to have a 1,000,000 tons potential grading 0.2 oz. gold/t but these holes suggest that smaller tonnages of much higher grades could perhaps be profitably mined.

Mr. McLeod also pointed out that in the East Zone there are several high grade gold intersections which will now have to be detail drilled. As well, there are other areas where higher grade sections are suspected.

The property has never been mined. It was discovered by BP Selco/Rio Algom in 1981 and explored at a cost of \$2,600,000 with 46,000 feet of surface drilling prior to Northair Mines acquiring an option to earn a 50% property interest by spending \$2,600,000 which included 3,000 feet of adit level plus 15,000 feet of underground diamond drilling. Since then, a further \$450,000 has been spent on exploration bringing the total to about \$6,050,000 prior to the current \$500,000 program now underway.

On Jan. 19, 1987 Northair had 8,192,494 shares issued and has recently announced a series of tax flow-through financing which, if completed, will bring the fully diluted shares to 10,679,177 and provide slightly in excess of \$2,500,000 new funds.

## Northair drilling 'Spectacular' intersection

VANCOUVER — Recent drill results from Northair Mines' Willa gold project in southeastern B.C. included one spectacular intersection grading 1.4 oz over 59 ft. According to Donald A. McLeod, president, check assays (fire) were even higher and he notes the cut value was 0.52 oz over that same length.

The company is conducting a \$500,000 exploration and development program on the property which, after completion, will give it a 56% interest. BP Selco and Rio Algom are also involved.

The current program includes 950 ft of drifting and crosscutting plus 7,800 ft of underground dia-

mond drilling in 49 holes. More than half the drill program has been completed and the high grade hole was one of five released. The remaining results included 14.1 ft of 1.4 oz, 32.8 ft of 0.21 oz, 20.3 ft averaging 0.16 oz and 39.4 ft grading 0.15 oz.

Mr McLeod tells The Northern Miner that an "in-house" feasibility study has been completed for the project and he feels it is definitely viable. He says the production decision would include moving the dormant Northair mill near Squamish to the Willa property and expanding the facility. The new expanded rate would be from 400 to 600 tons per day, he adds.

N. MINER FEB 9/87.

GCNL#29 NORTHAIR MINES LTD. (NRM-V) FEB 11/87

HOLE	STATION	AZIMUTH	DIP	INTERVAL, FT.	OZ. GOLD/T
87-124 *	9925	90d	-43d	49	0.584
		includes		14.1	1.350
87-125 *	9925	90	-78	59	1.437
87-126	9900	274	-28	13	0.195
87-127	9900	273	+19	22	0.283
87-130	9900	84	+52	39	0.349

\* Previously reported

GOLD ASSAY AND RESERVES ON - Donald A. McLeod, NEW DENVER CLAIMS REPORTED president, reports that

82FSD071  
 Northair Mines Ltd. is currently conducting a 49-hole, 7,800-foot underground diamond drilling program on the Willa property at New Denver, 135 km SE of Revelstoke, B.C. Assays of intersections received to date are shown in the table.

The 59 feet of core from Hole 87-125, previously reported as assaying 1.437 oz. gold/t, were re-assayed. The check assays of the pulp showed 2.103 oz. gold/t and of the reject 1,842 oz. gold/t. Assays of core from Holes 87-128 and 129 are not yet available.

In his November 1986 report, Dr. Richardson stated there are 546,500 tons of drill indicated reserves with an average grade of 0.182 oz. gold/ton, 0.28 oz. silver/ton and 0.87% copper. These reserves, over widths of from 30 to 120 feet, are immediately accessible from the more than 4,000 feet of underground workings completed by Northair in 1985 and 1986.

Rescan Environmental Services Ltd. has been retained to start all necessary studies, including preliminary tailings disposal studies and environmental impact studies, to prepare a prospectus for regulatory approval.

**NORTHAIR MINES LTD. (NRM-V.T)** *no 223 20 NOV*

FOUR PROJECTS RECEIVED - Northair Mines Ltd. as to 86  
NEW WILLI RESERVE ESTIMATE 50% interest and BP

*82FNW071* Selco-Rio Algom as to 50%  
has reported drill indicated reserves of 546,500 tons  
grading 0.182 oz.gold/ton, 0.28 oz./silver/ton and 0.87%  
copper over widths ranging from 30 to 120 feet have been  
calculated by Dr. Paul W. Richardson, P.Eng., for the  
Willi property, 7 miles south of New Denver, B.C. These  
reserves are immediately accessible from current  
underground workings. The linear features to the  
breccia zone substantially increases the potential for  
finding additional tonnage, he states.

A \$500,000 development program to include drifting  
and further underground diamond drilling is now  
underway. The company expects the program to increase  
the current reserves and most likely increase the grade,  
as previous bulk samples from drifting and crosscutting  
returned higher values than diamond drilling results.  
The joint venture partners will not participate in this  
phase of development and Northair's interest will  
increase to 55% upon completion of the program. Final  
metallurgical work is now underway. Preliminary  
metallurgical testing showed good recoveries of all  
metals. The company is negotiating for the use of an  
established mill in the area and is preparing a Stage I  
environmental prospectus.

Noranda 62.5% operator, with Northair holding  
37.5% interest, is conducting a work program on the  
Stewart property, Ontario. A broad zone of anomalous  
gold mineralization, with a coincident IP anomaly, has  
been located by geochemical sampling and trenching.  
Grab samples have run as high as 0.72 oz.gold/ton and a  
previous drill intersection of 13.1 feet assayed 0.43  
oz.gold/ton. Noranda is preparing a drilling budget.

B P Selco 65% and Northair 35% hold the Long Lake,  
project, Newfoundland, which has an unexplored gold  
potential. One such target, a spectacular broad gold  
geochemical anomaly measuring 3 km x 1.2 km, has  
recently been discovered. Values in surface grab  
samples have run as high as 7.12 oz.gold/ton. Detailed  
sampling of this new discovery will be underway shortly  
and a major program is planned for 1987. In a separate  
portion of the property, surface sampling has returned  
grab samples up to 1.60 oz.gold/ton with trenching  
returning 0.43 oz.gold/ton over 5 feet. A diamond  
drilling program on this target will be initiated  
shortly.

Lacana 40%, Northair 30% and National Mineral 30%  
hold the Platinar, project, Ontario, where prospecting  
is continuing on 4 groups (encompassing 351 claims)  
representing platinum targets in the Thunder Bay  
district of Ontario.

*N. MINER*  
**Northair reserves are  
readily accessible** *1986*

VANCOUVER — An independent evaluation of Northair Mines' Willi property has come up with a reserve of 546,500 tons grading 0.182 oz gold, 0.28 oz silver and 0.87% copper across widths of 30-120 ft. President Donald McLeod says the reserves are readily accessible from current underground workings. *82FNW071*

The independent evaluation, which was done by Dr Paul W. Richardson, was based on surface and underground drill data. It also revealed a linear feature to the breccia zone which increases the potential for finding additional tonnage, says Mr McLeod.

A \$500,000 development program is now under way and the work will include drifting and underground diamond drilling. He notes that previous bulk samples from drifting and crosscutting returned higher values than diamond drilling.

Metallurgical testing is under way to confirm earlier work which indicated good recoveries. The company is also negotiating the use of an established mill in the region and a stage one submittal to the provincial government is being prepared. This is a prerequisite to production. Northair has 50% of the project with BP Selco and Rio Algom sharing the remainder.

N MINER  
26 MAY 1986

### Northair to spend \$2.5m. at Willa

VANCOUVER — A major exploration program consisting of underground development and drilling is under way at Northair Mines' Willa project in southeastern B.C.

According to Donald A. McLeod, president, a 3-part, \$2.6-million program has been budgeted for 1986, of which \$441,600 will be spent in the first stage. **82FNW071**  
He says Rio Algom Exploration will not participate in Stage 1, but adds that BP Canada has taken up its interest for this stage. Apparently work has already commenced on a 270-ft crosscut through the orebody to confirm grades indicated by previous diamond drilling and provide a bulk sample for further metallurgical testing.

Coincident with this work is a 7,700-ft underground diamond drilling program which is designed to expand reserves in the West zone and test the East zone as well. Earlier this year, an 18-ft intersection was returned from the East zone grading 0.485 oz. gold and 2.4% copper.

Mr McLeod says this confirms the theory that the West zone represents only a portion of the pipe-like breccia formation hosting the gold mineralization. Initial results from the program are expected in late June, he says. **92F10E**

A brand-new gold zone has been discovered on Northair's Holly claims on B.C.'s Texada Island. Five grab samples taken from a trench ranged from 0.031 oz to 0.753 oz gold. Ground and airborne geophysics have outlined a large anomaly in the trenched area well away from the zone reported in early 1985. Additional surface exploration is planned to define the anomaly, he reports.

exploration has been completed. proceed to a feasibility study once the next stage of grade to warrant production and the company expects to data suggest there may now be sufficient tonnage and underground diamond drilling and development. Current budget to the joint venture partners to conduct further values in silver and copper. Northair will present a with grade in excess of 0.2 oz./gold/ton with additional has been outlined with considerable tonnage and a zone Denver, B.C. The structure appears strong and a zone 50%/BP Selco 36%/Rio Algom 14%, 7.5 miles south of New ground drilling program on the Willa property. Northair Results have now been compiled from the latest under terminate the joint venture.  
Results were disappointing and Northair intends to were completed together with geophysical surveys. program on the ST property. A total of 8 diamond holes Northair 20% the results of their recent drilling Hopedale, with 65% interest, has reported to by Feb. 27.  
A \$250,000 program of drilling and trenching has been recommended and Noranda will complete the program **82FNW071** **82F114W** **82K13W**

N MINER  
28 July 1986  
**B.C. financing for three firms**

Three Vancouver companies will receive assistance under British Columbia's Financial Assistance for Mineral Exploration Program.

Northair Mines will get \$100,000 for exploration and development of its Willa property, in southeastern B.C. under a joint venture agreement with BP Canada. **82FNW071**

Newhawk Gold Mines will receive a similar amount for its Sulphurets property, north of Stewart. The \$1.5-million program, which is well under way, will include 20,000 ft of drilling and an underground adit.

Energex Minerals received \$70,000 which will go towards exploration of its Toodoggone area property, north of Smithers. **94E091**

NEW PROJECTS REVIEWED - Northair has reached an agreement with Lacana Mining to earn a 30% interest in 4 groups of claims in the Thunder Bay area, Ontario. The 351-claim Platnor property has platinum targets exhibiting excellent geology and a geological setting similar to the Lac des Isles property of Boston Bay Mines. Lacana will complete a \$50,000 surface sampling. Northair must contribute \$25,000 in exploration costs by Dec. 31 to earn the interest and thereafter, contribute 30% of subsequent expenditures to retain the interest.  
Northair has acquired the right to earn a 35% interest in the Long Lake property, Newfoundland for a total expenditure of \$1,400,000 by Feb. 28, 1990. This new, unexplored property was purchased by B.P. Selco from Abitibi for \$5,000,000 cash. Covering over 84,000 acres, the property has many target areas exhibiting favourable geology for gold occurrences. Up to 7.12 oz./gold/t has been encountered in surface grab samples and grab samples from granitic host rock have contained up to 0.179 oz./gold/t. A recommended \$200,000 program will be completed by Feb. 28, 1987. B.P. Selco will conduct the work to consist of trenching, mapping, sampling and possible drilling. There are numerous exploration targets that merit investigation and it is apparent from the limited work that the precious metals potential of the area is just now beginning to be appreciated.  
The Stewart, Ontario property covers 71 contiguous claims and 5 patented mining claims. Northair may earn 50% interest in the property by spending \$250,000 by Feb. 28, 1987 and an additional \$500,000 by Feb. 28, 1989. The property is located 1.5 miles from the TransCanada Highway. Geochemical sampling and trenching has outlined a broad zone of anomalous gold mineralization along the western margin of the syenite contact with surrounding volcanics. A 131-foot drill intersection assayed 0.43 oz./gold/ton and several grab samples from the property have assayed as high as 0.30 oz./gold/ton.

NORTHAIR MINES LTD. (NRA-V.1)

627 #196 10071986

GCNL #62 1 APR 1986

**NORTHAIR MINES LTD. (NRM-V)**

82F/14W, 82K/3W NW 071

**FUNDING ARRANGED** - Northair Mines Ltd. has received a commitment from NIM & Company Limited Partnership-1986 to buy up to 797,342 private placement flow-through shares at a price of \$1.88125 each to provide up to \$1,500,000 with which to continue exploration on the Willa property in south central B.C.

MINER  
17 MARCH 1986

# Northair completes major drill program

82F/14W071

82F/14W  
82K/3W

**VANCOUVER** - A major drill program has been completed on Northair Mines' Willa gold project in southern B.C. and the company's exploration manager, Fred G. Hewett, believes the tonnage Northair is proving up "could become a mine."

It will take the company and its joint venture partners **B.P.Canada** (36%) and **Rio Algom** (14%) a short while to digest all the information from the program which included 17,164 ft of drilling, the majority of it in the West zone. This zone has geological reserves of 2 million tons grading 0.08 oz gold and 0.27 oz silver with 0.66% copper and recent results suggest this grade could increase significantly.

Northair drove a 3,000-ft adit into the deposit which is a pipe-like structure where gold occurs along the periphery in native form and in association with pyrite. He says the adit was driven into the barren centre of the pipe and holes were fanned 360° to test the fringes of the structure.

Some major gold-bearing intersections were returned in the West zone including 128 ft of 0.263-oz gold and 55 ft of 0.2 oz, to name a few. These are all true widths, he notes, claiming that with these widths tonnage builds quickly. In all, 42 shallow holes were completed and they ranged from 0.07 oz gold over 23 ft to 0.49 oz across 18.5 ft. One hole in the East zone returned 0.485 oz gold and 2.4% copper over 15.7 ft.

Northair spent \$2.5 million during the 1985-86 season and has earned its 50% interest under the

joint venture agreement. Although plans are still tentative, Mr Hewett says Northair will propose more drilling and probably underground bulk sampling to get a better handle on the grade.

Preliminary metallurgical work by Lakefield Research indicated an 84% recovery for gold and 94% using simple flotation with 35% of the gold responding to gravity separation. No deleterious elements were found and a refinement of the mill flow sheet will probably increase those recoveries, Northair says.

New grade figures and tonnage estimates will be published after data from the recent program has been evaluated. Northair recently concluded an agreement with Nim and Co. limited partnership for up to \$1.5 million in flow-through funding on a private placement basis which will be used for the Willa project. Mr Hewett says the joint venture partners will have to match Northair's expenditures or be diluted down.

Because of the widths encountered he feels a low-cost bulk mining method might be applicable and at this point he sees the possibility of a 750-1,000-ton-per-day mining operation. There is still potential to depth as the zone has only been tested to about 200 ft below the adit and he says gold values have been found in volcanics.

**EXPLORATION ON 2 B.C. GOLD PROPERTIES - A 3-stage \$2,600,000 program has been budgeted for 1986 on the Willa project in SE B.C. Northair has received confirmation that BP Canada will participate in to 50% in the first stage budget totalling \$441,600. Rio Algom Exploration Inc. has elected not to participate in Stage 1 and BP Canada has taken up Rio Algom's interest for this stage. Northair has earned its 50% interest and continues as operator of the project.**  
Work has started on 270 feet of crosscutting through the orebody to confirm grades indicated by previous diamond drilling and to provide a bulk sample for further metallurgical testing. Also in progress is a 7,700-foot underground diamond drilling program designed to expand reserves in the West Zone and to continue exploration of the East Zone. Limited drilling on the East Zone earlier this year returned an 18-foot intersection grading 0.485 oz gold/ton and 2.42% copper, confirming the theory that the West Zone comprises only part of a pipe-like breccia formation. The drilling on the East Zone now underway will begin to define this virtually unexplored area. First results are expected in late June. On Texada Island, B.C., a new zone of gold mineralization has been discovered by prospecting on Northair's Holly ground and airborne geophysics were initiated and revealed a large anomaly in the area of the trenching, a considerable distance from the zone reported in early 1985. Further surface exploration is planned to define the anomaly.

92F/10E

GCNL #74 15 MAY 1986

NORTHAIR MINES LTD. (NRM-V,T) 82F/14W, 82K/3W NW071

GCN #43 3 MAR 1986

**NORTH AIR MINES LTD. (NRM-V,T)**

82F/14W,

82K/3W 82FNW071

**ENCOURAGING GOLD-COPPER GRADES ACROSS IMPRESSIVE WIDTHS CUT ON B.C. CLAIMS** - The Willa gold-copper property 7 1/2 miles south of New Denver in SE B.C. is the subject of a joint venture of Northair Mines Ltd. 50%, B.P. Canada 36%, and Rio Algom 14%. This 7,200-acre property lies adjacent to Highway 6 with rail transportation, power and water immediately available. Nearby towns provide the infrastructure necessary for a mining operation.

In the 1985/86 season, Northair has spent over \$2,500,000 on the property, says president Donald A. McLeod, and thereby earned its 50% interest. In the preceding 4 years, extensive exploration by B.P. Canada/Rio Algom identified 2 main zones of mineralization. That program, which included 46,900 feet of surface diamond drilling, outlined geological reserves in the West Zone of 2,000,000 tons grading 0.08 oz.gold/ton, 0.27 oz.silver/ton and 0.66% copper. Within this structure, a higher grade block of 620,000 tons grading 0.18 oz.gold/ton, 0.39 oz.silver/ton and 0.94% copper over an average width of 30 feet was defined.

Northair's 1985/86 program was designed to confirm the tonnage and grade of the higher grade block and expand its potential. A 3,000 foot adit, collared in June 1985, was driven to the centre of the mineralized ring-like breccia formation to provide drill stations for a planned 15,000 foot underground diamond drilling program. In January and February 1986, a total of 17,164 feet of drilling in 42 holes was completed. Assay results of holes penetrating the West Zone are PRESENTED OVERLEAF. The high assay was 0.493 oz.gold and 1.55% copper over a true width of 18.5 feet. Longest reported intersection was 128 feet of true width grading 0.263 oz.gold/t and 1.53% copper.

Mr. McLeod notes that the earlier surface drilling was able to test only the mineralized western margin of the breccia pipe, but, part of the 1985/86 underground program has been used to locate and test the eastern half of this structure, the East Zone. Drill Hole U-86-78, one of several drilled there, cut a true width of 15.7 feet grading 0.485 oz.gold/t and 2.42% copper. SEE DETAIL IN TABLE OVERLEAF.

Preliminary metallurgical testing has been conducted by Lakefield Research Labs. Initial recoveries were 84% gold and 94% copper using simple flotation, with 35% of the gold reporting to a gravity jig. No deleterious materials were encountered and metallurgical refinement is expected to increase gold recovery. A potential mill and tailings site has been optioned by Northair on favorable terms. When the substantial data from the program now being compiled is evaluated, tonnage and grade figures will be published. However the reserve potential is far from defined as all zones are open both up and down dip. Further exploration will be necessary to establish possible higher grade feeder zones at depth.

An agreement has been reached with NIM and Company, Limited Partnership, 1986, to provide up to \$1,500,000 by way of a private placement of about 600,000 shares.

**Northair Mines Ltd.**

WILLA JOINT VENTURE: NORTH AIR 50% / B.P. CANADA 36% / RIO ALGOM 14%

**WEST ZONE**

HOLE	INTERSECTION	FEET	TRUE WIDTH	OZ GOLD/TON	% COPPER
U-86-54	217 - 249	32	30.0	.131	.40
Including	341 - 433	92	85.0	.074	1.20
U-86-55	341 - 374	33	30.0	.100	.88
U-86-55	256 - 354	98	83.0	.110	.75
U-86-57	186 - 217	31	23.0	.070	.33
U-86-58	269 - 335	66	49.2	.070	1.58
U-86-58	No significant intersections				
U-86-58	216 - 315	99	83.0	.096	.79
Including	295 - 315	20	16.8	.133	.88
U-86-60	No significant intersections				
U-86-61	197 - 256	59	59.0	.188	.73
Including	203 - 217	14	14.0	.475	1.02
U-86-62	56 - 70	14	13.1	.140	.77
U-86-63	246 - 301	55	46.0	.105	.33
U-86-64	No significant intersections				
U-86-66	No significant intersections				
U-86-68	215 - 256	41	38.0	.263	.66
Including	223 - 243	20	18.5	.397	.83
U-86-69	192 - 249	57	55.0	.206	.91
U-86-69	322 - 341	19	19.0	.240	.70
U-86-70	No significant intersections				
U-86-71	182 - 236	54	54.0	.133	.43
Including	182 - 197	15	15.0	.276	.55
U-86-72	No significant intersections				
U-86-73	No significant intersections				
U-86-75	No significant intersections				
U-86-76	348 - 413	65	53.1	.100	1.33
Including	348 - 361	13	10.6	.222	1.45
U-86-77	243 - 256	13	13.0	.155	.30
U-86-79	322 - 335	13	11.4	.148	.62
U-86-81	315 - 440	125	103.0	.103	.83
Including	328 - 354	26	21.0	.181	.99
and	407 - 427	20	16.2	.120	1.10
U-86-92	218 - 354	136	128.0	.263	1.53
Including	334 - 354	20	18.5	.493	1.55
U-86-91	No significant intersections				
U-86-94	322 - 335	13	12.4	.135	.72
U-86-95	249 - 262	13	11.7	.282	.97

**EAST ZONE**

HOLE	INTERSECTION	FEET	TRUE WIDTH	OZ GOLD/TON	% COPPER
U-86-78	363 - 381	18	15.7	.485	2.42
Including	374 - 381	7	6.0	.744	2.49

NMINER 27 JAN 1986

## 15,000-ft. drilling program planned by Northair Mines

VANCOUVER — Mineralization has been encountered exactly where expected in a 3,000-ft. drift at Northair Mines' Willa project, approximately 7.5 miles south of New Denver, B.C.

President Donald A. McLeod says the drift intersected a 31.8-ft. true width of strong, well-mineralized breccia at the northern end of the west zone. Chip and grab samples across that width assayed from 0.05 to 0.54 oz. gold per ton with associated values in copper and silver.

The underground access route will provide drill stations for a 15,000-ft. program which is scheduled to be completed by Mar. 1. Two drills will be used to expand the West zone where surface drilling has outlined a partially developed high grade block of approximately 620,000 tons grading 0.18

oz. gold, 0.94% copper and 0.39 oz. silver per ton over an average width of 30 ft.

The probability of a tonnage and grade increase is excellent, he says, based on results from two surface holes, one of which averaged 1.92 oz. gold, 2.58% copper and 1.65 oz. silver over 13.12 ft. The other graded 0.41 oz. gold, 1.8% copper and 0.82 oz. silver over 6.6 ft.

The zone is thought to comprise a continuous ring-like formation of mineralization and the East zone is also located on this structure. It too will be tested by drilling.

Total reserves in the West zone are two million tons grading 0.08 oz. gold, 0.66% copper and 0.27 oz. silver over an average width of 44 ft. Northair can earn a 50% interest by spending \$2.6 million over a 3-year period.

82FNW071

82F/14W, 82K/3W

Northair Mines has started a \$1.3 million underground program at its Willa Creek gold-copper-silver project near New Denver, B.C. Prior work by BP/Rio Algom on the property has outlined two zones of mineralization.

82F/14W,  
82K/3W,  
82FNW071  
KNT 02/85

GENL #242

17 DEC 1985

82F/14W

82K/3W

82FNW071 Willa

NORTH AIR MINES LTD. (NRM-V,T)

CALNOR RESOURCES LTD. (CUU-V)

FLOW-THROUGH FUNDS NEGOTIATED - Northair Mines Ltd. has announced a private placement of flow-through shares with Flowthrough Mineral Explorations 85-1 Limited Partnership which provides that the Partnership is committed to fund \$450,000 at \$1.90 per share for 236,842 shares.

Northair will incur exploration expenses on or before 28Feb86 on Willa Project, located near New Denver, B.C. on the underground diamond drilling to define known mineralization.

Calnor Resources Ltd. has announced a private placement of flow-through shares with Flowthrough Mineral Explorations 85-1 Limited Partnership which provides that the Partnership is committed to fund \$100,000 at 58¢ per share for 172,414 shares.

Calnor will incur exploration expenses on or before 28Feb86 on the High Lake property, located near Kenora, Ontario.

GENL #213

5 NOV 1985

NORTH AIR MINES LTD. (NRM-V,T,NTHMF-Nasdaq)

82F/14W

82K/3W

"FLOW - THROUGH" FUNDS FOR - WILLA PROJECT UNDERWRITTEN

Northair Mines Ltd. has announced an underwriting with F.H. Deacon Hodgson, Inc. of Toronto to net approximately \$1,100,000 after commissions. Northair is the general partner of Northair (1985-1) Limited Partnership which has been formed to carry out

"flow-through" expenditures on mining properties in Canada. Northair will acquire all of the shares of the Limited Partnership in consideration of 600,000 common shares and 600,000 series "A" share purchase warrants of Northair. The Partnership will then be dissolved and the shares distributed. The investors in the Limited Partnership will receive one common share and one series "A" share purchase warrant of Northair for each \$2.00 invested. This offering is being made privately in the province of Ontario and consists of 3,000 Limited Partnership units totalling \$1,200,000. Series "A" warrants are exercisable until October 31, 1986 at \$2.00 per share.

The funds will be used to continue the Willa project in southeastern B.C. Continuation of the 3,500 foot drifting program has been underway since mid October and crews are scheduled to reach the ore horizon by mid November. A 10,000 foot underground diamond drilling program will utilize one drill in mid November with the addition of a second drill in late November. Prior work on the West zone has outlined a partially developed block of 620,000 tons grading 0.18 oz. gold/ton, 0.94% copper and 0.39 oz/ton silver. Geological data suggests the West Zone will comprise a continuous pipe of mineralization with the potential to substantially increase tonnage and grade. The program will explore the untested eastern portion of this zone and provide data for a preliminary feasibility study. Metallurgical testing is being conducted.

82F/14W  
82K/3W

# Northair pushing drive to indicated orebody

struction of an airstrip on a gravel bar at the toe of Tats Glacier. This was done on time and on budget, and greatly improves access to the property.

Also, Mr. McLeod says that the company has renegotiated its option agreement on the Holly gold prospect on Texada Island (N.M., Feb. 28/85) just west of Powell River, B.C. The vendors have now agreed to reduce the number of shares they were to receive this year in consideration of Northair conducting further exploration. Work here will resume in September.

Northair Mines, the shares of which were called for trading on the TSE this past week (they also trade on the VSE and the American NASDAQ system), is pushing an underground drive at its Willa gold-copper-silver project near New Denver, B. C.

The company can earn a 50% interest in this well regarded property from B. P. Minerals and Rio Algom by spending \$2.6 million over the next three years.

The present Phase 1 program calls for 3,500 ft. of drifting and crosscutting and 10,000 ft. of underground diamond drilling at a cost of \$1.3 million. The heading is now in over 1,300 ft. and is advancing at a rate of 21 ft daily, Donald A. McLeod, president, tells The Northern Miner.

Prior work by the BP/Rio Algom joint venture outlined two zones of mineralization, the Main zone and the West zone. Within the 2.0 million tons outlined in the West zone is a partially developed higher grade block of 620,000 tons grading 0.18 oz. gold, 0.94% copper and 0.39 oz. silver per ton over an average width of 30 ft.

Geological data strongly suggests that exploration will show this West zone to comprise a continuous pipe of mineralization with the potential to substantially increase tonnage, Mr. McLeod says.

Northair is also under contract to Geddes Resources to manage that company's Windy Craggy project in the northwest corner of B. C. It has now completed con-

MINER  
9 SEPT 1985

82FNW071  
114F/12E/W  
(114F 002)

Exploration Expense	2,1	1,018
Interest Expense	211	443
Depreciation, Depletion	1,906	2,905
Income Tax, Current	16,000	-
Not Currently Payable	403	709
Net Earnings	\$ 2,774,000	\$ 2,374,000
Per Share	61¢	53¢

sales of zinc and lead concentrates were 76,700 tons this year (65,000 tons last year) and 20,800 (14,000) tons, respectively. Production was 83,200 (71,000) tons of zinc concentrate.

Mr. Douglas points out that strengthening of the U.S. dollar throughout much of the first quarter continued to limit price gains for zinc and lead. The Canadian dollar's recent weakness has, however, had a favorable impact on

earnings. Zinc prices remained weak; the U.S. Producers' price averaged 42.9¢ U.S. per pound, down from 50.3¢ per pound in the 1984 period. Lead prices continued to deteriorate; the London Metal Exchange price averaged 17.2¢ U.S. per pound down from 19.1¢ a year before. Overburden and waste removal amounted to 7,800,000 (5,100,000) tons. The concentrator treated 600,000 (500,000) tons of ore averaging 3.4% (2.8%) lead and 8.2% (8.6%) zinc. Exploration in the first quarter did not add significant new ore to Pine Point's reserves. Some areas of potential interest were identified and will be tested during the drilling program over the balance of the year.

Throughout 1985, open pit operations are expected to be carried out as planned and testing the feasibility of underground mining will continue. As for the outlook, Mr. Douglas says, while the first quarter average prices of both zinc and lead remained low, recovery in prices was evident towards the end of the quarter. Zinc metal consumption is expected to rise leading to a gradual strengthening of prices over the balance of the year. Lead prices, however, are expected to improve only modestly and to remain at depressed levels throughout the year.

**BRITISH COLUMBIA FOREST PRODUCTS LIMITED (BCF-V, T.M., Alberta)**

<u>3 MONTHS ENDED 31 MARCH</u>	<u>1985</u>	<u>1984</u>
Net Sales	\$277,600,000	\$171,200,000
Net Earnings(Loss)	8,000,000	(9,900,000)
Per Common Share	16¢	(21¢)

**SALES INCREASED SHARPLY, LOSS TURNED TO PROFIT**

British Columbia Forest Products Limited chairman Ken Benson reports that favorable market conditions for coated paper and newsprint kept the company in a profit position in the first quarter despite severely depressed prices for both pulp and lumber. He notes that sustained growth in the U.S. publishing industry has resulted in continuing strong demand for lightweight coated paper produced by the company's Minnesota subsidiary, Blandin Paper Company. Stable market conditions and firm prices also permitted steady sales of newsprint from the company's Crofton, B.C. mill.

An oversupply of lumber in the North American marketplace continued to keep wood products prices extremely low while, overseas, the higher valuation of the U.S. and Canadian dollars had a negative impact on exports of all the company's forest products. Mr. Benson says market pulp prices which began to slip in 1984 have fallen further due to continuing oversupply and the currency advantage of Scandinavian pulp producers. Reasonably favorable markets for lightweight coated paper and newsprint are expected for the rest of the year and, "If the recent downward trend in the strength of the U.S. dollar and lower interest rates continues, the markets for forest products should improve and the company could end the year with a modest profit," says Mr. Benson.

**NORTH AIR MINES LTD. (NRM-V) 082FNW071**

**INTEREST TO BE EARNED TOWARD -** A letter of intent has been executed by Northair Mines Ltd., B.P. Minerals Limited, JOINT VENTURE WITH BP & RIO ALGOM and Rio Algom Exploration Inc. for the continued exploration and development of the Willa (Aylwin) project 12 km south of New Denver in SE B.C. BP/Rio have spent \$2,600,000 on its exploration over the past 5 years, mostly for diamond drilling 46,900 feet from surface in 47 holes. This outlined two zones containing significant mineralization. The intent is for Northair to earn 50% interest in the claims by spending \$2,600,000 over 3 years, of which the first stage of \$1,300,000 is a firm commitment. Northair will be operator and manage the project. When Northair has spent the \$2,600,000, the project becomes a joint venture with each partner contributing its share of costs, being Northair 50%, BP 36%, Rio 14%. Northair will receive reasonable cost credits for use of its personnel, equipment and mill facilities.

Of the 2 zones containing significant mineralization, the Main Zone contains a large tonnage of lower grade gold, silver and copper. The West Zone has geological reserves of 2,000,000 tons averaging 0.08 oz/ton gold, 0.66% copper and 0.27 oz/ton silver over an average width of 44 feet. Within this structure is a higher grade zone of 620,000 tons averaging 0.18 oz/ton gold, 0.94% copper and 0.39 oz/ton silver over an average width of 30 feet. Two surface drill holes in this zone returned values greater than 2 oz/ton gold, 3% copper and 2 oz/ton silver over greater than 6-foot intervals. Further tonnage potential exists.

Northair will immediately initiate an underground program consisting of 3,500 feet of drifting and cross cutting and at least 10,000 feet of underground diamond drilling. All infrastructure such as housing, rail and paved highway transportation, power and water are immediately available for low cost operation. Northair plans to use its present staff and equipment; the idle Northair mill is available to be moved to the site. An agreement to provide sufficient financing for the first stage has been executed with NIM and Company, Limited Partnership-1985 of Vancouver, on a flow through tax basis. The agreement calls for N I M to buy 600,000 Northair shares at \$2.50 each net to the company. These shares must be held for 1 year. A provision allows for additional financing.



NMINER 4 JULY 1985

82F/14W  
82K/3W

# Northair says Willa property could be next gold producer

by David Duval

VANCOUVER — Northair Mines says its Willa project near New Denver, B.C., could be the company's next producer, adding its dormant mill near Squamish is available for that property, according to Donald A. McLeod, president. Some \$1.3 million in exploration expenditures has been budgeted for this year, the majority for an underground access route into the mineralized zone previously outlined by B.P. Minerals and Rio Algom.

Mr. McLeod told the annual meeting the access route has another 1,500 ft. to go after encountering difficult ground conditions in the first part of the drive. Because of the topography the companies concluded it was better to drive into the zone, rather than drill deep holes from surface. Drilling from underground should get under way later this year and he's optimistic the program will increase the size and grade of the highly mineralized breccia deposit.

Two zones were outlined by B.P. and Rio Algom previously and the present program is directed towards a 620,000-ton higher grade pod in the west zone grading 0.18 oz. gold, 0.94% copper and 0.39 oz. silver over an average width of 30 ft. The zone is thought to be a continuous pipe of mineralization and he notes better grade values have been found at the contact between the breccia and volcanic rocks.

Exploration will be funded by a flow-through offering and Northair will have the right to earn a 50%

interest for expenditures of \$2.6 million over a 3-year period. Once that interest has been earned, B.P. and Rio will have to contribute their share of costs.

So far, \$2.6 million has been spent on the property. The work included 46,900 ft. of drilling which outlined two zones. Reserves in the west zone are estimated to be two million tons of 0.08 oz. gold, 0.66% copper and 0.27 oz. silver over an average width of 44 ft. Under optimum conditions Mr. McLeod estimates underground development should advance at a rate of 800 ft. per month. Some 3,500 ft. of drifting and crosscutting is planned. The property is well located at an elevation of approximately 3,500 ft., with power, good access and a townsite nearby and exploration can proceed year around, he adds.

Scottie Gold Mines, owned 23.8% by Northair, was the main reason for the latter posting of \$3.9 million loss for the year ended Feb. 28. The loss relates to the writeoff of loans to Scottie and a loss in equity which dropped from a book value of \$2.5 million in 1984 to \$840,405 for the latest year. Working capital of fiscal year end was \$1.2 million.

Low gold prices and operational difficulties have hampered the Scottie operation, which would require at least a price of \$US400 to warrant reopening.

Northair is trying to put together a more complete land package for its Texada Island gold property with mixed success. It has been

unable to pick up two properties it would like to have. The company has completed 1,500 ft. of drilling on the Holly claims which wasn't too successful. The highest grade value returned was 0.09 oz. gold but more drilling will probably be done at a later date. The vendors have the right to mine a high grade pod to 30 ft. below surface.

92F/10E

82FNW071

GCNL #138 18 JULY 1985

## NORTHAIR MINES LTD. (NRM-V)

SOME FINANCING - D.A. McLeod, president of Northair Mines Ltd., announces that the private placement of tax flow-through shares with NIM and Company, Limited Partnership - 1985 now provides that the partnership is committed to fund \$1,270,000 of Canadian exploration expenses to be incurred on its behalf by Northair. The flow-through shares earned by the partnership will be issued at \$2.13 per share.

Northair has incurred \$319,006 of exploration expenses as at 31 May 85 on Northair's Canadian resource properties, principally the Willa project near New Denver, B.C.

Northair will issue 149,769 shares to the Limited Partnership upon the closing of NIM's unit offering on or before

82FNW071

GCNL #163 23 AUG 1985

## NORTHAIR MINES LTD. (NRM-V)

T.S.E. LISTING APPROVED - Northair Mines Ltd.'s application for listing has been approved by the Toronto Stock Exchange, to be called in late August, 1985.

82F/14W, 82K/3W

Work continues on the Willa project, located 12 km south of New Denver and 8 km south of Silverton, B.C. Northair can earn a 50% interest in this property from B.P. Minerals and Rio Algom by spending \$2,600,000 over 3 years. Phase 1 consists of 3,500 feet of drifting and cross cutting and a minimum of 10,000 feet of underground diamond drilling at a cost of \$1,300,000. To date, Northair's crew have drifted over 1,300 feet and, during July, 1985 advancing an average of 21 feet per day.

Work to date by BP/Rio Algom has outlined two zones of mineralization, the Main Zone and the West Zone. Within the 2,000,000 tons in the West Zone, is a partially developed higher grade block of 620,000 tons grading 0.18 oz gold/t., 0.94% copper and 0.39 oz/t silver over an average width of 30 feet. Geological data strongly suggests that exploration will show the West Zone to comprise a continuous pipe of mineralization with the potential to substantially increase tonnage.

92F/10E

Northair has recently renegotiated the option agreement on the Holly gold prospect on Texada Island, just west of Powell River, B.C. The vendors have agreed to reduce the number of shares they were to receive this year in consideration of Northair conducting further exploration work on the claim block. Work will commence in September.

Northair is under contract to Geddes Resources Ltd. of Toronto, Ont. to manage the Windy Craggy project, located in the northwest corner of B.C. in the St. Elias Mountains. In July, 1985 Northair constructed an airstrip on a gravel bar at the toe of the Tats Glacier. This phase of the project was completed on time and on budget.

82FNW071

1140 / 12E, W  
(114P 002)

NMINER 2MAY1985

## Northair Mines commits \$1.5m. to B.C. exploration project

VANCOUVER — Northair Mines says it has signed a letter of intent with BP Minerals and Rio Algom Exploration to explore and develop the Willa property approximately seven miles south of New Denver, B.C. In the past five years they have spent \$2.6 million exploring the prospect, the largest portion for about 47,000 ft. of surface diamond drilling in 47 holes.

Significant mineralization was discovered in two zones, one of which has a geological reserve of two million tons grading 0.08 oz. gold, 0.66% copper and 0.27 oz. silver over an average width of 44 ft. Within that structure is a higher grade portion of 620,000 tons averaging 0.18 oz. gold, 0.94% copper and 0.39 oz. silver across an average width of 30 ft. Higher grade values have been reported in the zone from two surface drill holes.

To earn a 50% interest, Northair

will have to spend \$2.6 million over three years; half that amount is firm and will be spent in the first stage. At that point, BP will have a 36% interest and Rio Algom the balance.

According to Northair President Donald A. McLeod, further tonnage potential exists along strike and at depth, possibly twice that existing today. The company intends to do 3,500 ft. of drifting and crosscutting and complete a minimum of 10,000 ft. of underground diamond drilling to firm up reserves.

Infrastructure requirements are negligible as the property is near an established town and Northair staff and equipment will be used to develop the project, he says. In the event sufficient reserves are proven up to warrant production, the now dormant Northair mill could be moved to the site.

Studies have yet to determine mining methods and costs, mill and tailings location and the metallurgical characteristics of the mineralized body. But no metallurgical problems are anticipated and it is probable a bulk flotation concentrate containing copper and gold could be produced.

Northair is planning a flow-through share offering to fund the program which should net \$1.5 million. The share purchaser will have to hold the shares for a year and there is provision for additional financing, he adds.

82F/14W  
82K/3W

82FNW071

GCNL #77 22APRIL1985

### NORTHAIR MINES LTD. (NRM-V)

82F/14W  
82K/3W

82FNW071

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May 2, 1985 (Northern Miner)

shed \$13.9 million from the previous year's \$51.1 million and revenues for the first time in company history were above \$1 billion.

The long-depressed uranium industry has shown signs of life recently with an increase in bids for new contracts, Mr. Albino

was defeated on a motion he put forward recommending Rio Algom drop the 60% owned Sage Creek coal project in the Flathead Valley of British Columbia. The shareholder is concerned that an operating coal mine would have a detrimental effect on the environment.

went up from revenues in the quarter last year.

In the 1984 period, Kier earnings of \$710,000, on revenue of \$5,832,000.

The company says while revenue increase in the latest was primarily due to high production, it was offset somewhat by lower gold prices.

082FNW071

## Northair Mines commits \$1.5m. to B.C. exploration project

VANCOUVER — Northair Mines says it has signed a letter of intent with BP Minerals and Rio Algom Exploration to explore and develop the Willa property approximately seven miles south of New Denver, B.C. In the past five years they have spent \$2.6 million exploring the prospect, the largest portion for about 47,000 ft. of surface diamond drilling in 47 holes.

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To earn a 50% interest, Northair

will have to spend \$2.6 million over three years; half that amount is firm and will be spent in the first stage. At that point, BP will have a 36% interest and Rio Algom the balance.

According to Northair President Donald A. McLeod, further tonnage potential exists along strike and at depth, possibly twice that existing today. The company intends to do 3,500 ft. of drifting and crosscutting and complete a minimum of 10,000 ft. of underground diamond drilling to firm up reserves.

Infrastructure requirements are negligible as the property is near an established town and Northair staff and equipment will be used to develop the project, he says. In the event sufficient reserves are proven up to warrant production, the now dormant Northair mill could be moved to the site.

Studies have yet to determine mining methods and costs, mill and tailings location and the metallurgical characteristics of the mineralized body. But no metallurgical problems are anticipated and it is probable a bulk flotation concentrate containing copper and gold could be produced.

Northair is planning a flow-through share offering to fund the program which should net \$1.5 million. The share purchaser will have to hold the shares for a year and there is provision for additional financing, he adds.

## Davidson

From Page A1.

which will test several other targets on the property. Drifting is planned on the 330-ft., 500-ft. and 700-ft. levels, Davidson Tisdale reports.

In a report completed by Getty Mines and attached to the 10-K document, Getty noted the potential for additional reserves at depth. Applying a tonnage factor of 1,260 tons per vertical ft., the company concludes that the property has geologically-inferred reserves of 1.2 million tons grading 0.35 oz. gold per ton.

Mr. Kent reassured that the work program will go ahead as planned and will not be affected by the proposed sale of Getty Mines' Canadian assets. Getty is an affiliate of U.S.-based Getty Oil which was purchased by Texaco Inc. in 1984. Texaco has stated that it plans to sell Getty's non-oil assets which include Getty's mining interests in Canada.

"All the cash is in place to do the development work regardless of the (Getty) sale," Mr. Kent says.

Stornaway Resources intersected a mineralized zone from 12 to 34 ft. in a 302-ft. hole, ME-2, on its McEdwards Lake property near Sturgeon Lake in northwestern Ontario. Another hole was stopped at 232 ft. due to spring break-up conditions. The second hole, ME-3, was spotted to test at depth values obtained in surface trenching ranging from 0.2 oz. to 0.74 oz. gold per ton. ME-3 also intersected similar mineralization to ME-2 from 12 to 56 ft. Samples of both drill cores have been sent out for assays.

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