

Eaglehead  
Update

NUSPAR RESOURCES LTD.  
305-535 THURLOW ST.  
VANCOUVER, B.C. CANADA  
V6E 3L2

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Eleven diamond drill holes, for a total of 3,670 metres (12,038 feet), were completed in 1981 of which six were located to further define tonnage and grade potential in the Bornite Zone. Reserve calculations on this zone are now being prepared. In addition to previous assay results, Holes #52 and #58, drilled 600 metres apart, define present limits of potential commercial interest within the Bornite Zone.

Hole	Length in Metres			Copper	Moly. (Mo.)	Ag. (g/t)	Au. (g/t)
	From	To	Length				
52	30.8	37.5	6.7	0.57%	0.005%	0.3	<0.1
52	132.8	137.1	4.3	0.27%	0.001%	<0.3	0.1
52	144.1	153.9	9.8	0.33%	0.002%	<0.3	<0.1
52	170.7	173.5	2.8	0.56%	0.003%	0.5	<0.1
52	219.8	229.2	9.4	0.63%	0.003%	0.9	<0.1
58	6.7	12.8	6.1	0.31%	0.007%	1.0	0.3
58	30.0	32.4	2.4	0.65%	0.072%	1.0	0.2
58	162.1	166.1	4.0	0.35%	0.004%	1.9	0.1
58	182.2	185.2	3.0	0.36%	0.003%	1.3	0.4
58	192.5	195.0	2.5	0.82%	0.001%	1.0	<0.1

Two exploratory holes, #56 and #57, were drilled west of the Pass Zone in a previously untested area. Copper values were encountered within much of the total footage drilled with occasional short sections of potential interest, as follows:

Hole	Length in Metres			Copper	Moly. (Mo.)	Ag. (g/t)	Au. (g/t)
	From	To	Length				
56	84.3	92.4	8.1	0.32%	0.016%	0.32	<0.1
56	145.0	164.6	19.6	0.30%	0.008%	0.17	<0.1
56	200.0	202.5	2.5	0.87%	0.008%	1.70	<0.1
57	108.8	109.4	0.6	1.40%	0.016%	5.5	0.2
57	164.6	169.5	4.8	0.82%	<0.001%	3.9	<0.1
57	197.1	208.5	11.4	0.56%	0.001%	2.8	0.12

Detailed assay results from the East Zone area are now available for Hole #59 and for precious metal values in Hole #55.

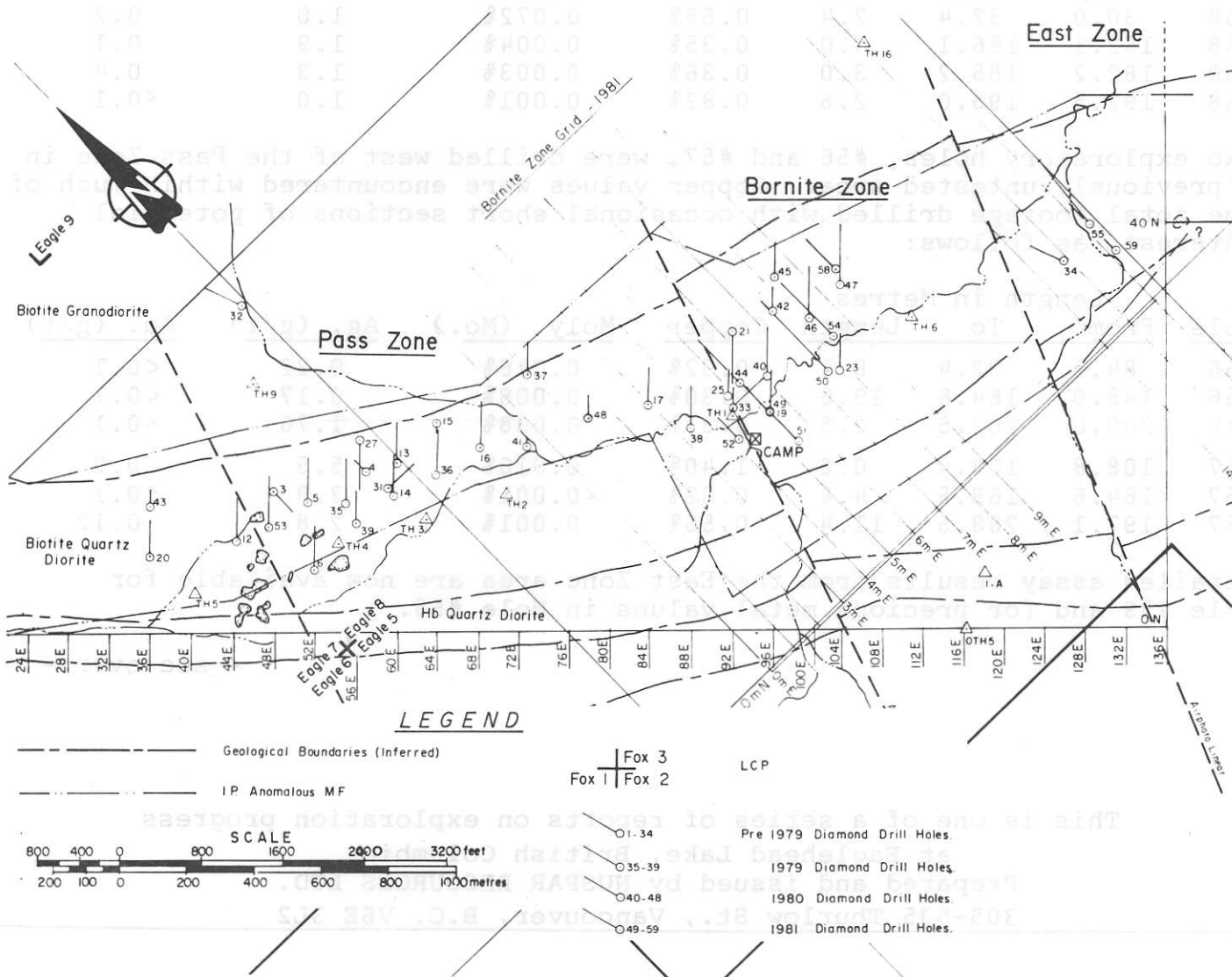
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This is one of a series of reports on exploration progress  
at Eaglehead Lake, British Columbia.  
Prepared and issued by NUSPAR RESOURCES LTD.  
305-535 Thurlow St., Vancouver, B.C. V6E 3L2

Hole	Length in Metres			Copper	Moly (Mo.)	Ag. (g/t)	Au. (g/t)
	From	To	Length				
55	292.6	300.4	7.8	0.44%	0.005%	1.7	0.3
55	300.4	302.5	2.1	0.40%	0.038%	3.3	0.1
55	302.5	304.3	1.8	1.54%	0.005%	4.4	0.2
55	304.3	306.3	2.0	4.50%	0.029%	27.8	0.6
55	306.3	308.8	2.5	12.60%	0.084%	63.0	2.7
55	308.8	312.0	3.2	0.28%	0.009%	1.0	< 0.1
55 Average of above:							
	292.6	312.0	19.4	2.50%	0.022%	12.6	0.6
59	161.5	192.9	31.4	0.30%	0.005%	0.3	< 0.1
59	209.4	220.6	11.2	0.69%	0.009%	0.7	< 0.1
59	295.9	303.6	7.7	0.44%	0.039%	0.3	< 0.1

Evidence of a significant section combining high copper and precious metals content within this zone is regarded as one of the most encouraging results of the 1981 program. An I.P. survey line adjacent to Holes 55 and 59 has confirmed and extended the area of anomalous geophysical response. This area will be given priority during subsequent drilling programs.

MAP SHOWING 1981 AREA OF INTEREST



# NUSPAR RESOURCES LTD.

305 - 535 Thurlow Street  
Vancouver, B.C. V6E 3L2

Telephone: (604) 687-7981  
Telex: 04-54473

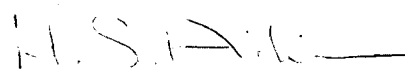
## REPORT TO SHAREHOLDER

In spite of highly encouraging results at Eaglehead during 1981, an adverse metals market and declining stock prices resulted in an inability to fund continuing exploration. Provisions of the joint venture agreement with Esso Resources Canada Ltd. provide that Nuspar's interest be accordingly reduced to 10%, carried to production. Esso further agreed to reinstate a 40% interest provided Nuspar reimburse Esso prior to June 1, 1982. Prevailing conditions indicate that this will not likely occur, hence our interest will remain at 10% as a non-operating partner. Management believes that this interest represents a very significant asset which should increase greatly in value as new discoveries are added to known zones.

Arrangements to finance exploration of the Choa precious metals project are well advanced with Nuspar committed to provide 25% of the 1982 budget. Several targets in addition to the "D" zone "high-grade" area are slated for detailed examination during the coming season.

An improvement in economic conditions is necessary to reestablish a strong incentive for exploration and development of company property interests. Having, however, succeeded in participating in the successful extension of the Eaglehead copper-molybdenum occurrence and the new discovery at Choa we are confident that 1982 will provide further success.

On Behalf of the Board,



H. S. Aikins, President

March 30, 1982

NUSPAR RESOURCES LTD.

Statement of changes in financial position

Six months ended January 31, 1982

(unaudited)

	<u>1982</u>	<u>1981</u>
SOURCE of working capital:		
Expenditures recovered -		
EAGLEHEAD PROJECT including company's \$302,675 commitment deficiency made up by Esso (see NOTE)	\$ 626,206	\$ 155,574
KIPAWA PROPERTY	<u>626,206</u>	<u>639</u>
Interest earned	48	1,766
Abandonment of interest in RED WING oil and gas prospect and cancellation of relative drilling commitment	18,925	
Underwriting proceeds	<u>645,179</u>	<u>92,000</u>
	=====	=====
USE of working capital:		
Deferred expenditures -		
EXPLORATION -		
British Columbia -		
EAGLEHEAD PROJECT	543,965	259,272
CHOA JOINT VENTURE	360	
Quebec - KIPAWA PROPERTY	3,144	2,278
Other prospects	<u>17</u>	<u>12</u>
	547,486	261,562
ADMINISTRATION	<u>37,242</u>	<u>34,430</u>
	584,728	295,992
	=====	=====
INCREASE (DECREASE) in working capital	60,451	(46,013)
WORKING CAPITAL (DEFICIENCY), beginning	<u>(117,292)</u>	<u>223,334</u>
WORKING CAPITAL (DEFICIENCY), ending	<u>\$ (56,841)</u>	<u>\$ 177,321</u>
	=====	=====

NOTE: Due to poor market conditions an agency offering of 900,000 units (shares and share purchase warrants) at a minimum price of 50¢ per unit was withdrawn and accordingly the company was unable to pay its full 40% share of the cost of the 1981 exploration program on the Eaglehead Project. Esso Resources Canada Limited ("Esso"), the other participant, contributed the company's \$302,675 commitment deficiency and the company's interest in the project was accordingly reduced to the 10% minimum. The company can regain the other 30% by reimbursing Esso for the above by June 1, 1982.

APPROVED by the Directors:

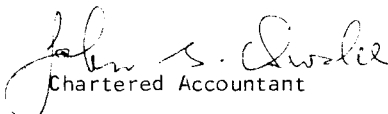
H.S. DAL  
Director

  
Director

COMMENTS ON UNAUDITED INTERIM FINANCIAL INFORMATION

I have prepared the above unaudited statement of changes in financial position for the six months ended January 31, 1982 from the records of Nuspar Resources Ltd. and from other information supplied to me by the company and have reviewed such interim financial information. My review, which was made in accordance with standards established for such reviews, consisted primarily of enquiry, comparison and discussion.

I have not performed an audit and consequently do not express an opinion on this interim financial information. The most recent audited financial statements issued to shareholders on which I have expressed an opinion were for the year ended July 31, 1982.

  
Chartered Accountant

Vancouver, B.C.  
March 17, 1982