

President - R.M. Tait
Vice-President - L.S. Thompson
Secretary-Treasurer - D.L. Tait
Director - G.B. Phillips

JES → ECM → File.
1214 Eastview Rd.
North Vancouver, B.C.

811154

*Salem We said we'd look
at this Co's 2 prospects
this summer.*

NORTHSTAR COPPER MINES LTD.

Shareholders Report.

May 4, 1970.

Your slate of Directors was re-elected at the Annual Meeting. Kaza Copper Ltd. shareholders voted to accept 64,000 shares for satisfaction of \$32,000 owed by Northstar mainly for rental of drilling and related equipment. The B.C. Securities Commission has since authorized this method of repayment.

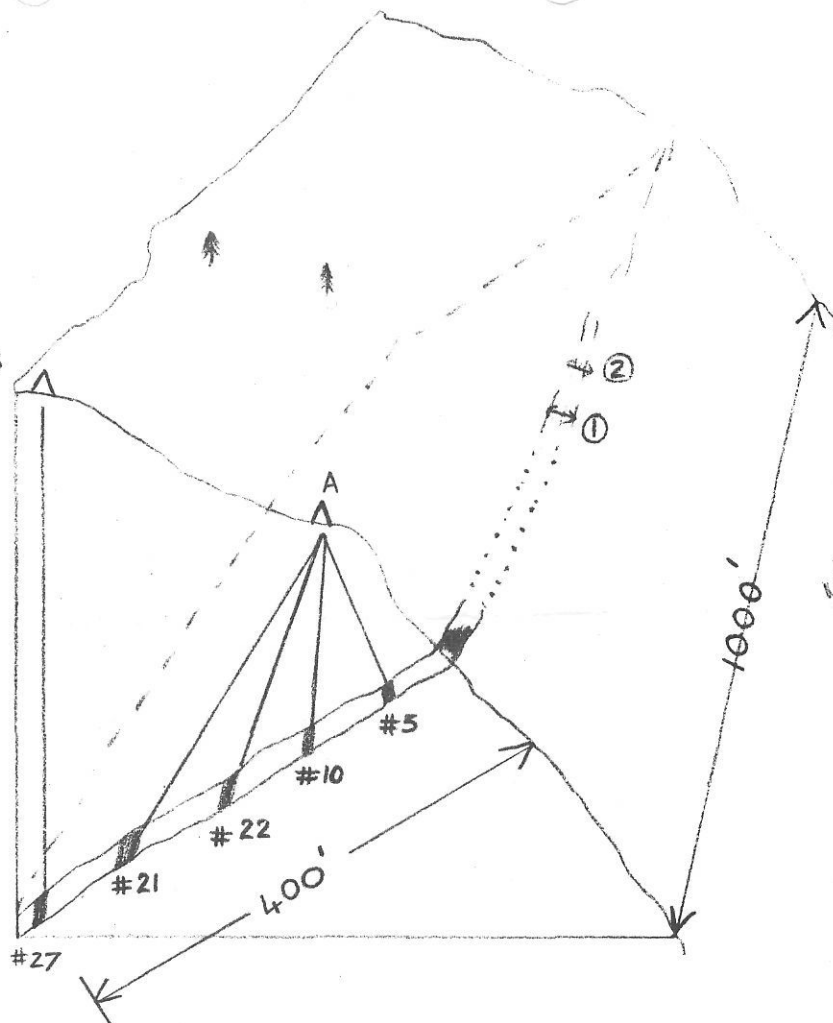
Several major mining concerns have expressed interest in our property with the view to participation or optioning. Our immediate program has been left in abeyance until such time as their geologists have inspected our property and made their recommendations. If a satisfactory agreement can be quickly reached we will need no further financing. If however, we wish to go it alone then further treasury shares will be sold to finance a development program.

As several shareholders showed by their questions that they are obviously intrigued with the structure at Northstar, possibly because of the wide and various views held by different geologists who have visited our property, I have decided to give my view and what it means.

RECEIVED
MAY 8 - 1970
REGISTRY

BLOCK DIAGRAM
Volcanic Zone.

drill station B



*Why not 5000' if
wanted be 100'
is valid i.e.
22 of S.F.A.*

Diamond drill hole # 5 - $\frac{1.38\% \text{ Cu}}{44 \text{ ft.}}$

d.d. #10 - $\frac{1.68\% \text{ Cu}}{48 \text{ ft.}}$

d.d. #22 - $\frac{1.97\% \text{ Cu}}{16 \text{ ft abandoned}}$

d.d. #21 - $\frac{1.14\% \text{ Cu}}{40 \text{ ft.}}$

d.d. #27 - $\frac{2.79\% \text{ Cu}}{26 \text{ ft.}}$

Surface channel sample

(1) $\frac{2.94\% \text{ Cu}}{26 \text{ ft.}}$

(2) $\frac{13.25\% \text{ Cu}}{20 \text{ ft.}}$

From the above block diagram one can calculate tonnage as follows:

$\frac{400' \text{ (width)} \times 1000' \text{ (length)} \times 30' \text{ (thick)}}{10 \text{ (cubic feet in a ton of rock)}}$

= 1,200,000 tons.

At 2% average grade then $\frac{2}{100} \times 2000 = 40 \text{ lbs. copper per ton.}$

Given copper price of 70¢ lb then $40 \times 70¢ = \$28 \text{ ton.}$

Value in ground is $1,200,000 \times \$28 = \$33,600,000$

I am looking at our property as an exploration geologist and as obviously no one can see into the ground more work would be required to prove up this tonnage.

If the structural interpretation is correct then the potential of our property has just been scratched as the ore zone is open on three sides for further extension. Further, the mineralized shale bed well above this volcanic zone may be a repeat of this structure as may be also two other mineralized volcanic zones presently known.

Going further into the unknown it would appear to me that the mineralization has travelled along fault zones and has been deposited in favorable environments close to these zones. The mineralized solutions have emanated from a basic intrusive, such as those found several miles away, which caused the intense faulting when it was emplaced.

Yours very truly,

Robert Tait.
President.