

*from Northair Annual Rpt Apr '81*

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Northair has remained active in the exploration and appraisal of numerous properties in the western United States and throughout Canada. Programs were carried out on Northair Group properties and various other properties and proposals were examined. Without a doubt, the Willa project holds the most promise as the next Northair producer.

The property, comprising approximately 7,200 acres, is located 7.5 miles south of New Denver in the Slocan Mining District, southeastern B.C. Housing, rail and paved highway transportation, power and water are immediately available for the exploration program underway and for any eventual producing operation. Nearby towns can provide a ready pool of experienced underground miners for such a project and the now idle Northair mill is available to be moved to the site.

Work to date by BP/Rio Algom has outlined two zones of mineralization, the Main Zone and the West Zone. Within the 2 million tons in the West Zone, is a partially developed higher grade block of 620,000 tons grading 0.18 oz/ton gold, 0.94% copper and 0.39 oz/ton 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 (see figure 2) with the potential to substantially increase tonnage.

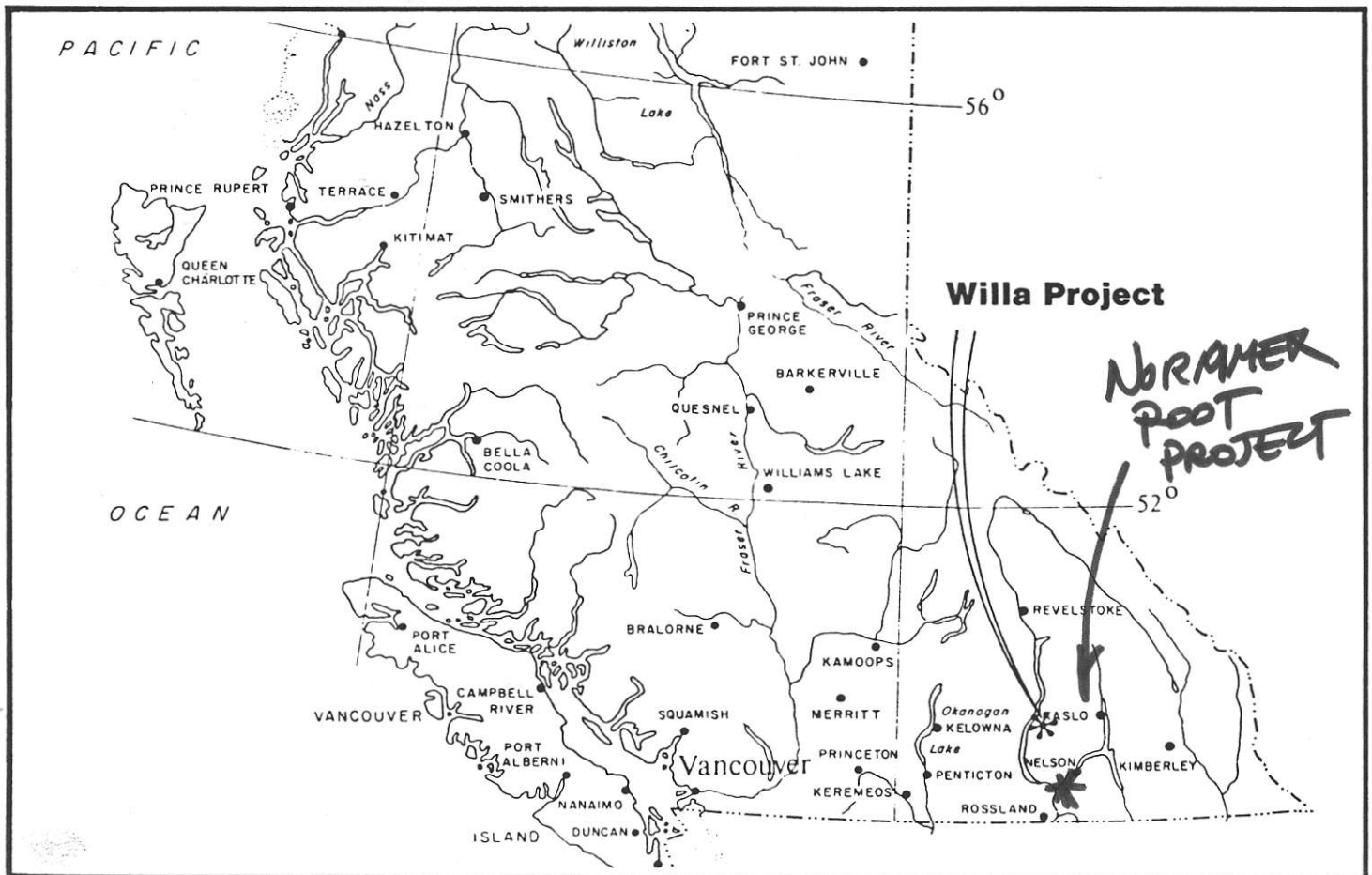
The potential also exists for further reserves at grades equal to or better than the West Zone in additional fracture zones and feeder zones at depth. As an example of this potential, two surface drill holes in the West Zone returned values of over 2.0 oz/ton gold, 3.0% copper and 2.0 oz/ton silver over 6 foot drill widths. Total reserves delineated to date in the West Zone are 2 million tons averaging 0.08 oz/ton gold, 0.66% copper and 0.27 oz/ton silver over an average width of 44 feet.

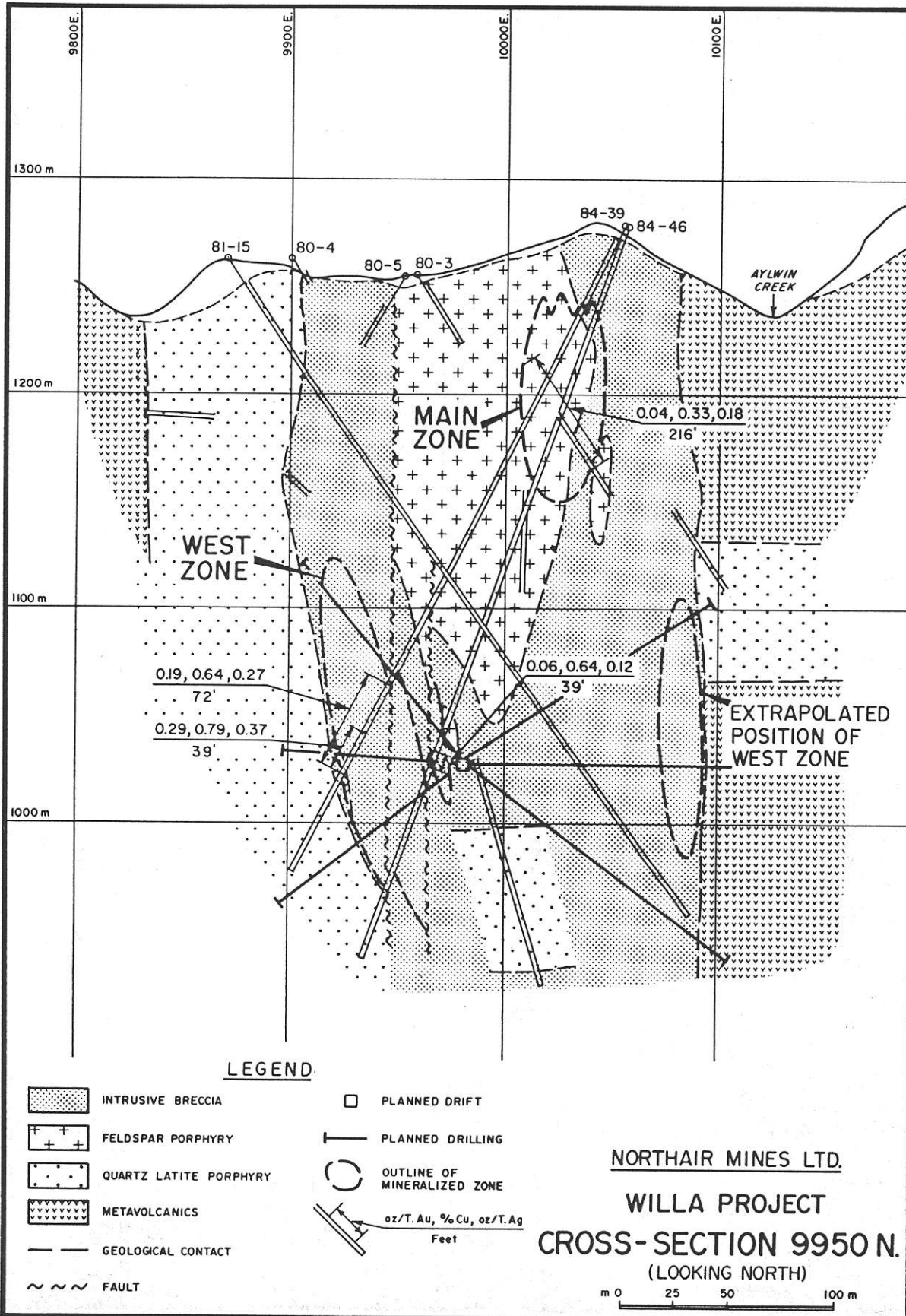
The 3,500 foot program of drifting and crosscutting is designed to reach the centre of the high grade block in the West Zone. From that point, a 10,000 foot underground diamond drilling program will explore the system at depth and test the open segment of the pipe. The crosscutting program will be undertaken to sample the known mineralization for metallurgy and recovery. Studies will also be conducted on mining methods and costs, mill and tailings location and more detailed metallurgy.

*F.G. Hewett.*  
 45x10<sup>6</sup> \$Au  
 7x10<sup>6</sup> \$Cu

*330' x 72' x 30'  
 ÷ 12  
 = 59400 Tons.*

F.G. Hewett, P.Eng.  
 Exploration Manager





Main  
 24 M 78.7'  
 40 M 131  
 x 30  
 —  
 310470 ft<sup>3</sup>  
 ÷ 12  
 = 25872 Tons  
 West  
 100 M 330'  
 22 M 72  
 x 30  
 —  
 712800  
 ÷ 12  
 59400 Tons

