

NORTHAIR MINES LTD.(NRM-V,T)

SHAREHOLDERS SUPPORT MANAGEMENT IN PROXY VOTE - Donald McLeod, 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.

REA GOLD CORPORATION(REQ-V,T)

HOLE NO.	INTERVAL METERS	TRUE WIDTH		SILVER GOLD		ZINC %	LEAD %	COPPER %
		METERS	FEET	OZ/T	OZ/T			
118	171.0-174.0	2.8	9'12"	4.63	.006	1.69	1.53	0.49
119	238.6-240.1	1.5	4'11"	1.52	.005	1.52	1.05	0.108
	254.5-255.5	1.0	3'3"	0.87	.008	2.36	0.76	0.147
121	164.3-165.8	1.4	4'7"	3.50	.006	1.08	0.82	0.56
122	236.4-246.6	10.1	33'1"	30.57	.059	2.31	1.28	1.26
123	110.9-111.4	0.4	1'4"	34.85	.059	4.52	2.27	0.99
126	47.9- 48.2	0.25	10"	49.29	.135	3.34	1.63	1.32
128	22.6- 24.4	1.3	4'3"	16.06	.023	1.62	1.13	0.75
130	185.2-185.7	0.5	1'7"	46.67	.065	2.52	25.20	4.82
	194.6-199.3	4.4	14'5"	13.31	.036	2.03	0.95	0.71
131	62.6- 64.6	2.0	6'6"	9.04	.019	0.08	0.20	0.32
132	191.6-203.0	11.2	36'8"	8.94	.016	0.86	0.41	0.45
133	168.3-173.8	5.2	17'0"	6.50	.067	0.32	0.29	0.21
	includes	1.4	4'7"	19.25	.057	0.52	0.64	0.61
135	192.8-195.4	2.45	8'0"	0.58	.003	4.13	2.70	0.206
	235.5-241.5	5.6	18'4"	trace	.120	trace	trace	trace
136	51.5- 62.4	10.7	35'0"	18.39	.041	1.51	1.59	0.66
137	49.0- 60.7	11.3	37'0"	52.44	.081	3.55	1.69	1.53

DRILL ASSAYS INCLUDE ONE OF - Larry N.Reaugh, president 52 OZ.SILVER/T ACROSS 37 FT. of Rea Gold Corporation, presents assay results received from Minnova Inc. (formerly Corporation Falconbridge Copper) on the remaining 20 holes of the 20,000-foot drilling program on the Adams Lake joint venture property 30 miles NE of Kamloops, B.C. Hole No.137 in a high grade silver zone returned 52 ounces of silver per ton over a true width of 37 feet. Hole No. 122 is located 600 feet south of Hole 137 and averaged 30.6 oz.silver/t over a true width of 33 feet. The total strike length of the presently known mineralization, 1,800 feet, averages 450 feet down-dip and 13 feet wide. See longitudinal section overleaf. Holes 120, 124, 125, 129 and 134 returned no significant assays.

For much background information, see GCNL116(87)p.1.