

George Cross News Letter

"Reliable Reporting"

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NORTHAIR MINES LTD. (NRM-V,T)					
ZONE	HOLE	WIDTH	OZ. GOLD/T	OZ. SILVER/T	COPPER %
West	88-333	46 FT.	0.252		0.91
	88-361	39	0.260		2.06
Main	88-378	19.7	0.219	0.74	0.96
		13.1	0.130	0.38	0.54
	88-381	13.1	0.155	0.30	0.56
	88-384	13.1	0.248	0.41	0.97
	88-385	13.1	0.146	0.06	0.46
		45.9	0.177	0.17	0.59
		6.6	0.162	0.21	0.30
		6.6	0.240	0.43	0.55
	88-387	13.1	0.202	0.08	0.32
		78.7	0.231	0.33	0.71
East	88-324	26.2	0.257		0.41
	88-317	26.2	0.290		1.64
	88-322	13.1	0.381		1.12

FEASIBILITY REPORT - Northair Mines is exploring and EXPECTED IN 2 WEEKS developing the Wills property 7 miles south of New Denver, in SE B.C. in preparation for a production decision. The Stage I report for permitting will be submitted to the provincial government by 31Mar88. Wright Engineers are expected to report their calculation of mineable reserves and a preliminary mining plan within 2 weeks.

In reporting this, president Donald A. McLeod states that underground diamond drilling in 1988 has totalled 16,320 feet in 3 zones, the West, Main and East zones, with the results shown in the table.

In the West zone, 14 fans of holes were drilled. Drill indicated reserves in this zone currently stand at 606,000 tons grading 0.22 oz gold/ton, 0.27 oz silver/ton and 1.04% copper. The pipe-like southern extension has been traced for a vertical extent of about 230 feet above the south end of the West zone. Hole 88-361 was drilled in the vicinity of Hole 87-312 that cut 91 feet of 0.336 oz gold/ton. Further work is planned for this area.

The Main zone was outlined by surface diamond drilling by BP & Rio Algom before Northair's involvement at Wills in 1985. It was defined as a moderately large deposit of low grade gold, silver, copper mineralization with, possibly, a higher grade block within the zone. In early 1987, initial underground testing of the Main zone resulted in a 52.5-foot intersection grading 0.308 oz gold/ton and 0.70% copper. In this last program, 16 holes were drilled from the 1100 level. Results, still incomplete, show the zone to be plunging to the north-east and have dramatically demonstrated the potential for a significantly increasing tonnage at Wills.

In the East zone, in which a 1986 underground hole returned 24.6 feet of 0.374 oz gold/ton and 1.76% copper, 5 underground holes were recently completed. A thorough geological review of all data is beginning to unravel the zone's complexity. This latest drilling shows that the East zone consists of several separate bands of northerly dipping mineralization. Further drilling will define tonnage.

Northair's consultants, assisted by the resident engineering staff, are developing recommendations and cost estimates for further exploration to delineate the Main, East and apparent upper extension of the West zone.