

February 28, 1986

Northair Mines Ltd.

V.S.E. Symbol NRM
T.S.E. Symbol NRM

total
well = 1103.5 ft

WILLA JOINT VENTURE: NORTH AIR 50% / B.P. CANADA 36% / RIO ALGOM 14%

Northair has completed the first phase of a major exploration and development program on the Willa property, located 7.5 miles south of New Denver, in southern British Columbia. This well located property, comprising 7,200 acres, is situated adjacent to Highway 6 with rail transportation, power, and water immediately available. Nearby towns provide the infrastructure necessary for a mining operation.

Over \$2.5 million has been spent by Northair during the 1985/86 season, sufficient for the company to earn its 50% interest under the terms of a joint venture agreement with B.P. Canada/Rio Algom. In the preceding four years, an extensive exploration program conducted by B.P. Canada/Rio Algom identified two main zones of mineralization. This program, which included 46,900 feet of surface diamond drilling, outlined geological reserves in the West Zone of 2 million tons grading 0.08 oz gold/ton, 0.27 oz silver/ton and 0.66% copper. Within this structure, a higher grade block of 620,000 tons grading 0.18 oz gold/ton, 0.39 oz silver/ton and 0.94% copper over an average width of 30 feet was defined. The 1985/86 program was designed to confirm the tonnage and grade of the higher grade block and expand its potential. A 3,000 foot adit, collared in June 1985, was driven to the centre of the mineralized ring-like breccia formation to provide drill stations for a planned 15,000 foot underground diamond drilling program. In January and February 1986, a total of 17,164 feet of drilling in 42 holes was completed. Assay results have been received and holes penetrating the West Zone are listed below:

WEST ZONE

HOLE	INTERSECTION	FEET	TRUE WIDTH	OZ GOLD/TON	% COPPER
U-86-54	217 - 249	32	30.0	.131	.40
	341 - 433	92	85.0	.074	1.20
including	341 - 374	33	30.0	.100	.88
U-86-55	256 - 354	98	83.0	.110	.75
U-86-57	186 - 217	31	23.0	.070	.33
	269 - 335	66	49.2	.070	.58
U-86-58	No significant intersections				
U-86-59	216 - 315	99	83.0	.096	.79
including	295 - 315	20	16.8	.133	.88
U-86-60	No significant intersections				
U-86-61	197 - 256	59	59.0	.188	.73
including	203 - 217	14	14.0	.475	1.02
U-86-62	56 - 70	14	13.1	.140	.77
U-86-63	246 - 301	55	46.0	.105	.33
U-86-64	No significant intersections				
U-86-66	No significant intersections				
U-86-68	215 - 256	41	38.0	.263	.66
including	223 - 243	20	18.5	.397	.83
U-86-69	192 - 249	57	55.0	.206	.91
	322 - 341	19	19.0	.240	.70
U-86-70	No significant intersections				
U-86-71	182 - 236	54	54.0	.133	.43
including	182 - 197	15	15.0	.276	.55
U-86-72	No significant intersections				
U-86-73	No significant intersections				
U-86-75	No significant intersections				
U-86-76	348 - 413	65	53.1	.100	1.33
including	348 - 361	13	10.6	.222	1.45
U-86-77	243 - 256	13	13.0	.155	.30
U-86-79	322 - 335	13	11.4	.148	.62
U-86-81	315 - 440	125	103.0	.103	.83
including	328 - 354	26	21.0	.181	.99
and	407 - 427	20	16.2	.120	1.10
U-86-92	218 - 354	136	128.0	.263	1.53
including	334 - 354	20	18.5	.493	1.55
U-86-93	No significant intersections				
U-86-94	322 - 335	13	12.4	.135	.72
U-86-95	249 - 262	13	11.7	.282	.97

C.V. AU
1.692

3.207

AV
24.13 = .83%
29 = 5.40%
29 = 1.865%
oz/ton

The West Zone has now been shown to consist of some impressive widths and encouraging grades.

The earlier surface drilling was able to test only the mineralized western margin of the breccia pipe, but a portion of the 1985/86 underground program has been used to locate and test the eastern half of this structure (East Zone).

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cont'd

1119.2 FT

PLUS EAST

Drill Hole U-86-78, one of several drilled in the East Zone, intersected mineralization as detailed below. Further exploration will be required to define this zone.

EAST ZONE

HOLE	INTERSECTION	FEET	TRUE WIDTH	OZ GOLD/TON	% COPPER
U-86-78	363 - 381	18	15.7	.485	2.42
including	374 - 381	7	6.0	.744	2.49

= AV C.V.
.83%
1.964
1.865%

Preliminary metallurgical testing has been conducted by Lakefield Research Labs and initial recoveries were 84% gold and 94% copper using simple flotation, with 35% of the gold reporting to a gravity jig. No deleterious materials were encountered and metallurgical refinement is expected to increase gold recovery. A potential mill and tailings site has been optioned by Northair at terms favourable to the Company.

The substantial data from the program is now being compiled and evaluated. When this review is complete, tonnage and grade figures will be published. The reserve potential of the deposit is far from defined as all zones are open both up and down dip and further exploration will be necessary to establish possible higher grade feeder zones at depth. Complete results from the current program will enable the joint venture partners to establish the direction and scope of the next phase of development of the Willa project.

An agreement has been reached with NIM and Company, Limited Partnership - 1986, to provide up to \$1,500,000 "Flow-through" funding on a Private Placement basis. The number of shares of Northair Mines Ltd. to be issued will be determined by dividing \$1,500,000 by the product of a negotiated premium above the average closing sale price for the 20 days before the prospectus of NIM and Company, Limited Partnership - 1986 is finally receipted. The estimated number of shares to be issued is 600,000 with the expected closing date of the prospectus to be on or about March 20, 1986.

On Behalf of the Board of Directors,

Donald A. McLeod
Donald A. McLeod, President

The Vancouver Stock Exchange has neither approved nor disapproved the information contained herein.

MAY AVERAGE
ALL MINING WIDTHS
AG AU CU
.50oz T. .20oz T. 1% + MO.
FL.
SN.
FE.
SB, AS, PB, ZN, PT.?