NORTHAIR MINES LTD.

Induced Polarization Survey

Thanksgiving Property

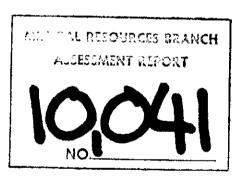
Revelstoke, B.C.

N.T.S. 82 M/1

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part all of 6

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August 10, 1981

Northair Mines Ltd. 1450 - 625 Howe St. Vancouver, B.C. V6C 2T6

Dear Sirs:

This letter describes the results of a small induced polarization survey conducted over a portion of the Northair Mines Ltd. Thanks-giving property which contains high grade scheelite mineralization. The survey was conducted using a Huntec Mark II 2.5 KW time domain transmitter and a Huntec Mark III receiver. The system was deployed in a pole-dipole array utilizing an "a" spacing of 100 metres and n=1.

Last June a short induced polarization test survey using a low power portable system detected very strong chargeability and resistivity anomalies in the area of scheelite mineralization but due to the highly conductive nature of the ground was inadequate for larger arrays. The more powerful 2.5 KW system and the pole-dipole array used in this latest survey is better suited to survey under these ground conditions.

The data gathered during this survey is presented in contoured plan view from lines 54+00E to 47+00E as Figures 1 and 2. In addition lines 52+00E and 53+00E were surveyed with n values of 2 and 3 and the results of these vertical soundings are presented in profile form as Figures 3 and 4. The results of the initial test survey and this latest survey cannot be directly correlated due to fundamental difference between the arrays used. It is obvious however that the basic trends noted on the test survey are evident on the later survey. The strong chargeability high and resistivity low anomalies close to the S.E. near line 53+00E. The anomalies weaken to the N.W., indicating either an increased depth to or a gradational termination of the causitive body, but are still considered open to the west of line 47+00E.

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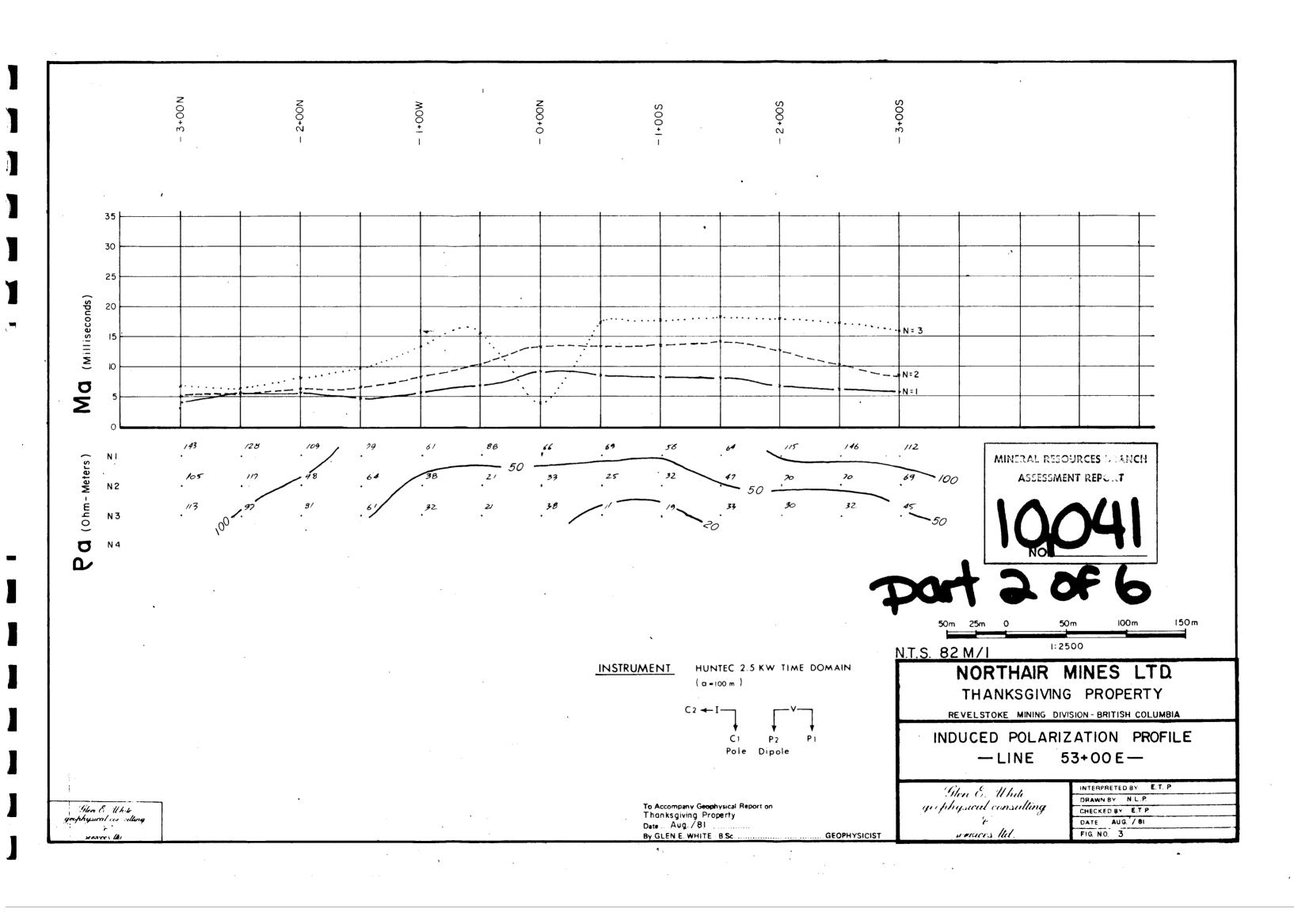
As stated in the report on the initial test survey the induced polarization trends are believed to be reflecting a graphitic/argillaceous horizon. The scheelite showings appear to be associated with chargeability highs however this may be coincidence. The induced polarization method is capable of accurately locating and delineating the graphitic/argillaceous horizon and if a genetic or structural relationship between it and the scheelite can be established this geophysical method could provide valuable assistance for this exploration play.

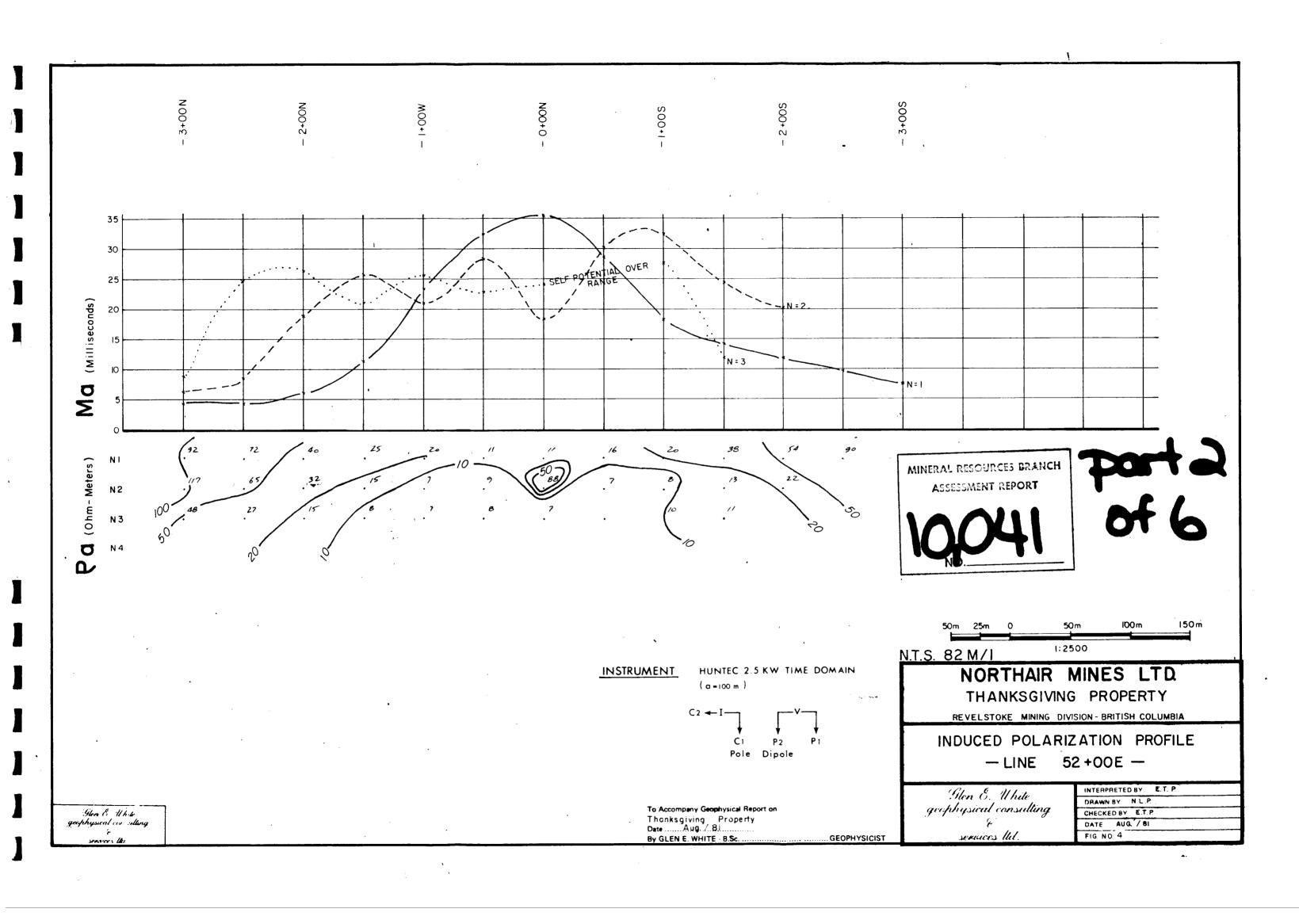
Yours truly,

E. Trent Pezzot, B.Sc.,

Geophysicist

ETP/sf





STATEMENT OF COSTS, IP SURVEY

| 4 | | No. of Units | Unit Cost | Total |
|-----------------|--|--------------|--|---|
| A. CONTRACT IP | | | | \$ 9,116.59 |
| B. FIELD LABOUR | ₹ | | | |
| B. Buckland | ly 11,13th to 18th ne 18,19 ne 18,19 | 2 | 55.13 43.15 55.13 73.15 55.13 .132.15 | 496.15 86.30 368.21 146.30 110.26 264.30 |
| | , Field Labour , Contract Crew | 2 4 | 52.02 | 1,248.50 654.75 |
| | | | TOTAL | \$12,451.36 |

