

Dear Shareholders,

With the introduction of the new management team here at International Northair on September 8, just over 7 weeks ago, we have been focused on many fronts in order to ensure that the best value and return is realized for all our shareholders. Prior to our involvement with Northair the La Cigarra project was brought to our attention over a year ago as an undervalued asset. We quickly realized that an exceptional opportunity existed with the exploration potential combined with the historical under-capitalized nature of the company. During this past summer we successfully negotiated the implementation of a new management team and board of directors combined with an over-subscribed private placement that has placed the company in a stronger financial position.

Within this very short time period we've seen our share price rise to almost a one year high of 16.5 cents before being sold down to 7 cents. We along with many of our precious metals peers have been overshadowed by a weakening silver price and one of the most challenging junior mining markets experienced in recent times. Additionally we experienced a very large sell off by a fund in desperate need of cash. On a positive note it is our view that this overhang has diminished and that the stock is now in much better hands. Despite these obstacles we continue to be very confident that Northair and our flagship La Cigarra project is on the right track and we will continue to advance the asset in order to create value for our shareholders.

Our main focus over the last 7 weeks has been to ensure we are on track with the objectives of the in-fill drilling program that kicked off in July of this year. This 5,000 meter program was budgeted at a total cost of just under \$1million and has been entirely funded by the proceeds realized through the US\$4million Coeur Royalty transaction that was executed in May this year. Although off to a slow start, the campaign is expected to come to completion by the end of November and was designed primarily as an in-fill program in order to add ounces previously omitted in the maiden NI43-101 resource estimate prepared in February 2013. Additionally, one of the key recommendations in the NI43-101 report was to embark on additional specific gravity testing which we have also been diligently conducting. Given the relatively small size of this drilling program we elected not to issue news on a drill hole by hole basis but rather to complete the program in its entirety while in parallel preparing an interim updated mineral resource estimate. I am happy to say that the work underway is more or less in line with expectations and we are targeting the issuance of an interim updated mineral resource estimate before year end.

Additionally we have also been conducting a very in-depth assessment of our corporate overhead with the main objective of ensuring that these costs are below 30% of total expenditures with the view to place savings "into the ground". As a result several cost reduction opportunities have been recognized and are being implemented and will unfortunately also include some staff related downsizing. It is my view that we must put in place a cash burn rate that both allows us to commence the next phase of drilling and value added work while ensuring a treasury that will not require any imminent financing. Our October month end treasury cash balance is approximately \$5.3million and our goal is to ensure corporate overhead is maintained below \$100k/month.

In closing, I would like to thank our shareholders for their continued support and the Northair employees for their dedication and hard work. Going forward we will continue to focus on things that we can control – cutting costs and achieving our exploration goals. And lastly I would like to especially thank those shareholders who participated in our most recent financing in September as I personally view that as a vote of confidence in my abilities to lead us to our stated goals and objectives.

Andrea M. Zaradic, *P.Eng.*
President & CEO
October 31, 2014