N' 'IN | SADLIER-BROWN | GOODBRAND | LTD

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Property File
104K|6W (104K-13)
NAN 2 (MOLY-TAKU)

019926

October 16, 1978

Mr. Ernie Bergvinson, President
Omni Resources Inc.
1409 - 675 West Hastings Street
Vancouver, B.C.
V6B 1N2

Progress Report on Moly-Taku Claims
Atlin M.D., B.C.

Dear Mr. Bergvinson:

The team of geologists and mountaineers assembled by Nevin Sadlier-Brown Goodbrand Ltd. and Bema Industries Ltd. has completed preliminary sampling and geologic mapping of your Moly-Taku claims in the Tulsequah area, Atlin Mining Division, B.C. This program is the first successful attempt to occupy and identify the source of moly-bearing float in glacial deposits known since Dr. J.G. Souther's regional mapping for the Geological Survey of Canada in 1958-1960.

The mineralization is exposed in the rugged, steep walls of a cirque, which is occupied by a stagnant, crevassed glacier. The success of the program was contingent upon access to the mineralized areas. This was made possible by shrinkage of the ice over the past two decades, lowering its surface by about 100 metres and exposing the mineralization, and by the development of modern mountain climbing equipment. We trust that you will agree with our opinion that the following preliminary data indicate a major discovery of molybdenum mineralization. Generally, a newly-discovered mineral deposit with comparable configuration and assay values is explored aggressively with the objective of developing grade, limits and tonnage of mineralization to commercial standards.

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SAMPLING

Ninety-six samples were collected from six letter-designated quartz monzonite outcrop areas. Two areas returned weak moly values; and four returned interesting values.

In most cases the samplers worked from climbing ropes. There were limits on the sampling which could be performed; i.e. some outcrops could not be safely approached. The sample locations span a distance of 900 metres in a NW-SE direction.

Samples were run for MoS_2 by Bondar-Clegg & Company Ltd. The four better zones are as follows:

Zone "N". A near vertical cliff at the southwest headwall of the cirque; twenty-six metres was sampled on 1-metre intervals in a vertical channel cross-cutting moly-bearing fractures; the range of values is 0.055 to 1.95% MoS_2; the average is 0.32% MoS_2; and the best interior 23 metres averages 0.36% MoS_2.

Zone "M". Located 300 metres east of Zone "N" and about 50-m higher in elevation, on the same headwall; 24 samples were taken on intervals of 1.5 and 2 metres in a horizontal channel of 43.2-m length; the range of values is 0.006 - 2.30% MoS_2, and the average is 0.31% MoS_2; the best interior section is 0.55% MoS_2 over 15 metres; at distances of 30 m and 42 m east of the east end of this channel representative chip samples returned 0.53 and 0.12% MoS_2 respectively.

Zone "L". One 3.8 m channel located 100 metres east of Zone "M" averaged 0.41% MoS_2.

Zone "Z". A steep headwall on the opposite side of the col (knife-edge ridge) from zone "M" and "L", centred 400 m to the southeast; traversed for 300 m horizontally with 10 samples taken where possible at 25-and 50-metre stations, each sample consisting of a 3-metre channel; the range is 0.037 - 0.75% MoS_2; the average is 0.25% MoS_2; and the best 7 contiguous samples representing 200 metres average 0.33% MoS_2.

Precision of Sampling. In our opinion a reasonable level of confidence can be assigned to these preliminary results. Care was taken by the crew to accurately represent the rock; and neither high nor low values are spurious, but instead reflect the "coarse" nature of the moly mineralization.

GEOLOGY

Host rock for the mineralization is a light-coloured and fine-to-medium-grained quartz monzonite which crops out discontinuously over an area of 1600 metres X 1500 metres. It intrudes a series of Permo-Triassic metasediments, now tactites, skarns and marbles.

An active glacier has cut a "U-shaped" cirque down into the tactite roof rocks, exposing 8 cupolas of quartz monzonite where they have penetrated upward into the roof. Stagnant ice still occupies the floor of the cirque, obscuring any underlying quartz monzonite.

MINERALIZATION

Molybdenite (MoS_2) is present in the quartz monzonite in several modes, in order of importance: (1) coarse platy crystals present in widely-spaced veins of sub-horizontal to moderate dips; (2) in networks of thin veinlets having light-coloured alteration envelopes, (3) moly "paint" on fractures, (4) rosettes of coarse or medium grains often associated with quartz and vuggy open spaces, and (5) as fine interstitial grains. Although minor mineralization is present in the roof and wall-rock tactite, most is concentrated in six (only four were sampled) of the eight quartz monzonite cupolas.

The better mineralized cupolas are discontinuously exposed over a length of 1600 metres in a northwest-southeast direction, a known width up to 400 metres, and vertical distance which ranges from 50 to 150 metres.

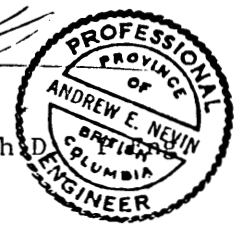
It is probable that the better mineralized material extends into the subsurface an unknown distance in several directions, particularly to the south and with depth under roof rocks, and to the north under glacial ice.

WORK IN PROGRESS

We are continuing to analyze the data collected, to perform petrographic and trace element studies, and to design a program for additional exploration. Basic design considerations for a surface and tunnel access route are being drawn up as well. Whereas support for exploration is expensive, it is not foreseen that transport and supply would be particularly onerous for eventual production since the property is only about 23 km from the Taku River and less than 10 km additional from tidewater.

Very truly yours,

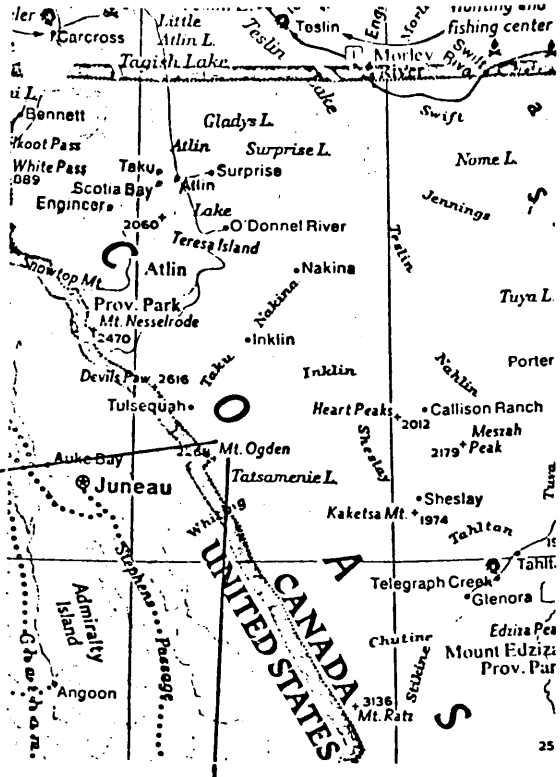
NEVIN SADLIER-BROWN GOODBRAND LTD.



Andrew E. Nevin, Ph.D., P.Eng.

AEN/km

Attached: Map at 1:;2,000



104K/6

AREA DD

qm

AREA G

qm

CIRQUE FILLED BY GLACIAL ICE

tactite roof rocks

AREA Q

AREA P

AREA N

AREA M

AREA L

HIGH OVERHANGING ICE AND ICE FALLS

col

tactite roof rocks

AREA Z

CIRQUE TRIBUTARY TO WRIGHT GLACIER

better-mineralized quartz monzonite

qm — quartz monzonite

generalized sample locations

GENERALIZED PLAN MAP OF AREAS MAPPED AND SAMPLED IN 1978 PROGRAM, OMNI RESOURCES INC., MOLY-TAKU CLAIMS, ATLIN MINING DIVISION, B. C. Scale 1:12,000

Omni Resources

President - Ernest Bergvinson

Milton Zink - Lawyer (former legal counsel for Placer Development)

Dr. Andrew Nevin, Consulting Geologist.