671699

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale.

NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

New Issue

104K/6

Omni Resources Inc.

300,000 Units

consisting of
300,000 common shares without par value
300,000 share purchase warrants

Share Purchase Warrants

Share Purchase Warrants in bearer form will be issued to the purchasers of the shares offered by this Prospectus and will be delivered with such shares on the basis of a Warrant to purchase one additional share for each share purchased. Warrants will entitle the holders thereof to purchase shares of the Company at $5.25 per share from the date of issue up to and including September 15, 1979 when they expire. Further particulars of the Warrants are set out under "Share Purchase Warrants" on page 8.

Price: $4.95 per Unit

	Price to Public	Commission	Proceeds to Company
Per Unit	$4.95	$0.37	$4.58
Total	$1,485,000	$111,000	$1,374,000[1]

[1] Before deducting expenses of this issue estimated to be $15,500.00.

THIS OFFERING IS SUBJECT TO A MINIMUM SUBSCRIPTION OF 300,000 UNITS, FOR DETAILS SEE PLAN OF DISTRIBUTION, PAGE 7.

THESE SECURITIES ARE SPECULATIVE. REFERENCE IS MADE TO "SPECULATIVE NATURE OF SECURITIES" ON PAGE 8.

REFERENCE SHOULD BE MADE TO THE SECTIONS "PRINCIPAL HOLDERS OF SHARES" ON PAGE 9, "SHARES ISSUED FOR PROPERTIES" ON PAGE 8 AND "SHARES SOLD FOR CASH AS AT THE DATE OF THIS PROSPECTUS" ON PAGE 8, FOR A COMPARISON OF THE NUMBER OF SHARES HELD BY THE PROMOTERS AND DIRECTORS OF THE COMPANY AND RECEIVED FOR CASH AND PROPERTIES, WITH THE NUMBER OF SHARES OFFERED BY THIS PROSPECTUS.

THERE IS NO MARKET FOR THE COMPANY'S SHARES.

The Units described in this Prospectus are offered conditionally subject to prior sale on an if, as and when subscriptions are accepted by the Company in accordance with the conditions referred to under "Plan of Distribution" on page 7 and subject to approval of all legal matters on behalf of the Company by Tupper, Jonsson, Shroff & Zink, Barristers & Solicitors, Vancouver, B.C.

FEBRUARY 15, 1979.

Table of Contents

The Company

Omni Resources Inc. was incorporated by way of Articles and Memorandum on May 23, 1978. In this prospectus, unless the context otherwise requires, "Company" refers to Omni Resources Inc. and "Omni" refers to Omni Resources Inc.

The Company's Head Office is located at Ste. 1409-675 West Hastings Street, Vancouver, B.C. and its Registered and Records Offices are at Ste. 1710-1177 West Hastings Street, Vancouver, B.C.

Use of Proceeds

If all Units offered hereby are sold by registered salesmen and/or by brokers, the net proceeds to be received by the Company will be approximately $1,374,000.00 before deducting expenses of the issue. These proceeds will be applied by the Company as follows:

1.	Implementation of the basic program as recommended by Andrew E. Nevin, Ph.D., P.Eng., consulting geologist, in his report dated January 15, 1979, a copy of which is attached hereto. For details of the cost estimates for the basic program, see Table 2 on page 40 of the Report	$1,113,000.00
2.	Cost estimates of this issue, estimated at approximately	$ 15,500.00
3.	Reserve for application for listing, Vancouver Stock Exchange, ($2,000 is currently on reserve)	$ 1,000.00
4.	Reserve for September 1, 1979 property payment	$ 25,000.00
5.	Provisions for working capital	$ 219,500.00
	TOTAL	$1,374,000.00

Except to the extent of the maximum work program recommended by the Company's geologist in his report hereto and work necessary to maintain the Mount Ogden Property in good standing, the Company will not use any proceeds from this offering, including proceeds from the warrants, if any, to carry out further exploration or development on the property or any other property without filing an acceptable engineering report with the relevant securities regulatory authorities.

No part of the proceeds of this offering will be used to invest in, underwrite or trade in securities other than those that qualify as investments in which trust funds may be invested under the laws of the Province of British Columbia. Should the Company intend to use the proceeds to acquire other than trustee-type securities after the distribution of the securities offered by this prospectus, approval by the shareholders of the Company must first be obtained and notice of the intention filed with the Superintendent.

The mineral claims described below under the heading entitled "Description of Business and Property of Company" will only be abandoned in whole or in part or the Company will alter, as work progresses, the recommended work program on the advice of a qualified engineer and, if the Company is still in primary distribution, an amendment of this prospectus will be filed with the Superintendent.

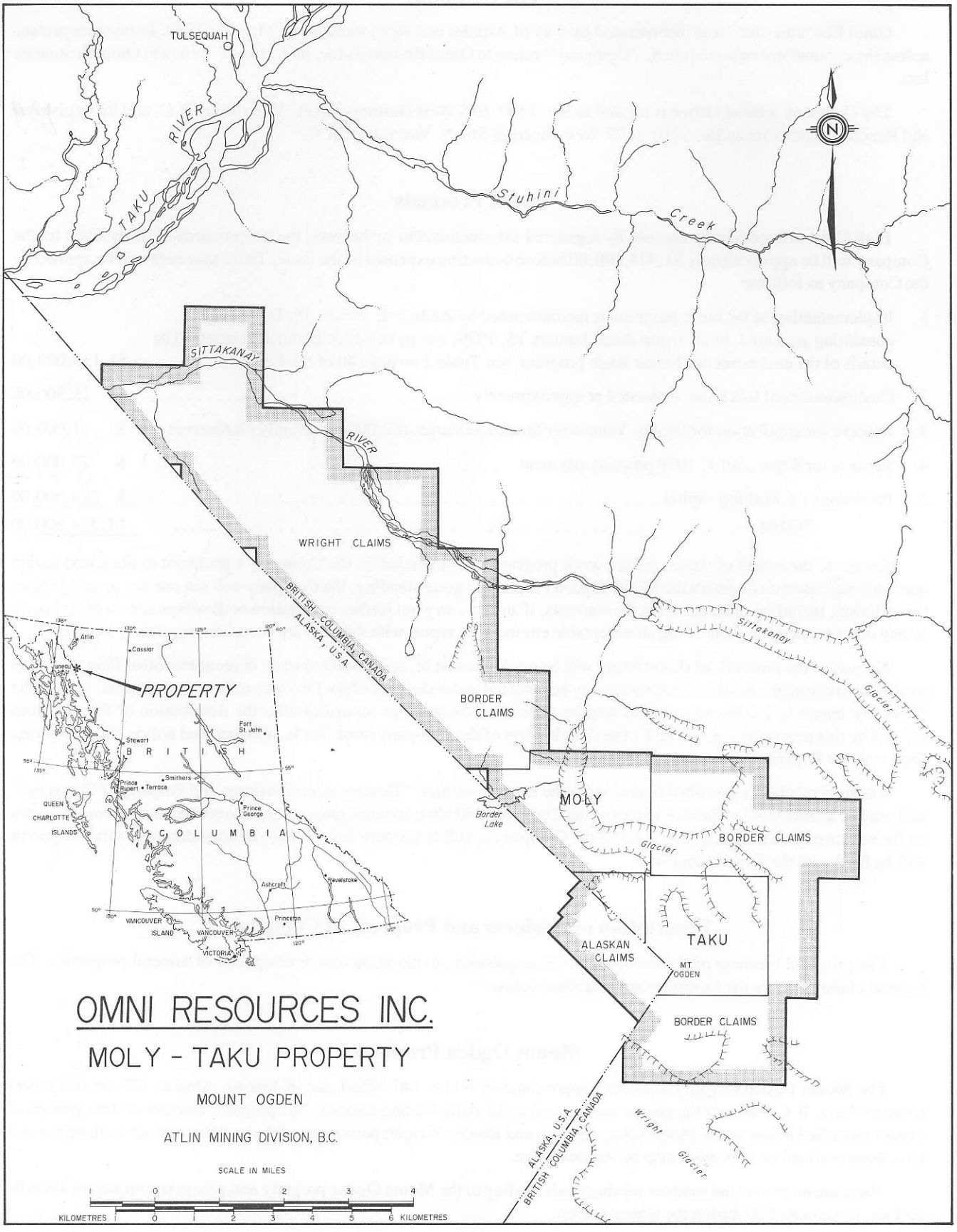
Description of Business and Property of Company

The principal business of the Company is the acquisition, exploration and development of mineral properties. The mineral claims held by the Company are described below.

Mount Ogden Property

The Mount Ogden Property is located approximately 60 km (40 miles) east of Juneau, Alaska, 130 km (80 miles) south of Atlin, B.C.; most of the claims are situated in the Atlin Mining District. The property consists of three groups of claims identified below as the Moly-Taku, Alaskan and Border-Wright; particulars of these claims are set forth below and have been outlined on a location map on the next page.

There are no provincial roads or mining roads leading to the Mount Ogden property and access is confined to aircraft, on foot, or snowmobile during the winter season.


TULSEQUAH
TAKU RIVER
Stuhini Creek
N
SITTAKANAY RIVER
WRIGHT CLAIMS
BRITISH COLUMBIA, CANADA
ALASKA, U.S.A.
Sittakanay Glacier
BORDER CLAIMS
MOLY
Border Lake
Glacier
BORDER CLAIMS
ALASKAN CLAIMS
TAKU
MT. OGDEN
BORDER CLAIMS
ALASKA, U.S.A.
BRITISH COLUMBIA, CANADA
Wright Glacier
PROPERTY
Atlin
Cassiar
Juneau
Stewart
Fort St. John
B R I T I S H
Smithers
Prince Rupert
Terrace
QUEEN CHARLOTTE ISLANDS
Prince George
C O L U M B I A
Ashcroft
Revelstoke
VANCOUVER ISLAND
VANCOUVER
Princeton
VICTORIA
OMNI RESOURCES INC.
MOLY - TAKU PROPERTY
MOUNT OGDEN
ATLIN MINING DIVISION, B.C.
SCALE IN MILES
KILOMETRES
KILOMETRES

Molybdenite was first noted in the Mount Ogden area by a Geological Survey of Canada field survey party under the leadership of Dr. J.G. Souther in the period 1958-1960. Although prospecting and exploration work was carried out during the 1960's by several small mining companies and prospectors, very little was actually known about the grade and extent of moly mineralization prior to the Company's examination of the Mount Ogden Property in 1978.

During the months of September and October of 1978, the team of geologists and mountaineers assembled by Nevin/Sadlier-Brown/Goodbrand/Ltd., the Company's consulting geologists, and Bema Industries Ltd. completed preliminary sampling and geologic mapping of the Moly-Taku Claims. This program was the first successful attempt to occupy and identify the source of molybearing float in glacial deposits known since Dr. J.G. Souther's regional mapping program.

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 sufficiently to expose the mineralization, and by the use of modern mountain climbing equipment and techniques.

Details of the assay results of the sampling program carried out by the Company are reported on drawing no. 5 on page 30 hereto. The mineralization represented by these samples is exposed in an alaskitic granite stock, the very top of which is exposed discontinuously in an area of 1800 by 1500 metres. There are, in addition, clearly "open" boundaries, particularly to the west, south, southeast and with depth.

To date, the Company's 1978 field work and related engineering studies have cost approximately $151,400.00.

The Company is now preparing the details for its 1979 field work program. The recommended program, as proposed by the Company's consulting geologist, provides for driving an adit for 200 to 300 meters, diamond drilling from surface and adit involving between 3000 to 6000 metres, bulk sampling of rock from the adit and other studies involving geology, safety, weather and rock mechanics.

The basic minimum work program is estimated to cost $1,113,000.00, however, the consultant states that a program costing in the range of $1 million to $2 million could be undertaken in a workmanlike manner; but there are factors precluding attempts to do less work or more work.

Description of Claims

Moly-Taku Group

The Company has the right to purchase the entire right, title and interest in the following mineral claims situated in the Atlin Mining Division, British Columbia,

Claim Name	Record No.	Expiry Date
Moly 1	201 (3)	March 18, 1981
Moly 2	202 (3)	March 18, 1981
Moly 3	203 (3)	March 18, 1980
Moly 4	204 (3)	March 18, 1980
Taku 1	205 (3)	March 18, 1988
Taku 2	206 (3)	March 18, 1988

(herein called the "Moly-Taku Claims").

These claims were staked by Mr. Frank Onucki in February, 1977. A total of 77 units are involved, however, due to overlapping with the international boundary, there are 70 or slightly less units. The claims cover approximately 1740 hectares.

By an Agreement dated July 12, 1978, with Berglynn Developments Ltd. on its own account and on behalf of William Robert Hoye, Patrick Slaney, Ernest Dalzell and Ernest Bergvinson (hereinafter collectively called the "Vendors") the Company acquired the right to purchase all of the Vendors' right, title and interest in the Agreement dated June 16, 1978 (hereinafter called the "Original Agreement") with Frank Onucki of 602 Dunsmuir Street, Vancouver, B.C. and in consideration therefor, the Company issued and allotted 750,000 escrowed shares as follows:

Name of Vendor	Address	No. of escrow shares
Berglynn Developments Ltd.[1]	1407-675 West Hastings St. Vancouver, B.C.	350,000
Ernest Bergvinson	1235 Chartwell Place West Vancouver, B.C.	325,000
William Robert Hoye	1101-2050 Nelson Street Vancouver, B.C.	25,000
Patrick Slaney	8150 Wiltshire Blvd. North Delta, B.C.	25,000
Ernest Dalzell	3334 Rolston Crescent Victoria, B.C.	25,000
	TOTAL:	750,000[2]

[1] Ernest Bergvinson, President of the Company, and his wife, Caroline Bergvinson, both of 1235 Chartwell Place, West Vancouver, B.C. are the sole shareholders of Berglynn Developments Ltd.

[2] On January 15, 1979, these shares were divided on the basis of 2 shares for each share held.

In order to maintain the exclusive rights set forth in the Original Agreement in good standing, the Company must assume and maintain the obligations of the Vendors as set forth in the Original Agreement. These obligations include a lump sum payment of $24,000.00 (which has been paid) and a further sum of $2,975,000.00 (hereinafter called the "Price") payable as follows:

(a) $25,000.00 by September 1, 1979,

(b) $50,000.00 by September 1, 1980, and

(c) $50,000.00 on each and every September 1st thereafter until the Price is fully paid.

The Original Agreement provides, inter alia, that fifty percent (50%) of the payments, if any, made towards the Price will be shared equally as between the Optionor and William Kuhn of 302-2040 Barclay Street, Vancouver, B.C.

If the Company commences to place the Moly-Taku Claims into commercial production, or declares its intention to place such claims into commercial production by notice in writing to the Optionor (hereinafter called the "Production Notice"), the outstanding balance of the Price shall be paid within 60 days of such commencement or notice. Further, if the Company fails to give to the Optionor a Production Notice by September 1, 1988, the Company shall, in addition to the payments referred to above, make additional annual payments of $50,000 on September 1, 1988 and on September 1st in each and every year thereafter until Production Notice is given or the Price is paid in full, whichever occurs first. In any event, the unpaid balance of the Price, if any, at September 1, 1998 shall be paid in full by such date.

Alaskan Claims

In September, 1978, the Company obtained, by staking, additional claims situated in Alaska, U.S. and adjacent to the Moly-Taku Claims. These claims consist of the following,

Claim Number	Book Number	Page Number	Expiry Date
A1 to A4 incl.	150	385	September 1, 1979
A5 to A8 incl.	150	386	September 1, 1979
A9 to A17 incl.	150	387	September 1, 1979
B1 to B10 incl.	150	388	September 1, 1979
B11 to B16 incl.	150	389	September 1, 1979
C1 to C13 incl.	150	390	September 1, 1979
C14 and C15	150	391	September 1, 1979

(herein called the "Alaskan Claims").

For an outline of these claims, reference is made to the claim map on page 4 herein. The Alaskan Claims are recorded with the State Recorder at Juneau, U.S. and cover an area of approximately 400 hectares. Assessment work in the amount of U.S. $100 per claim is due on September 1, 1979 and on that date in subsequent years. These claims were acquired for approximately $5,800.00, the staking costs.

Border-Wright Claims

For the main purpose of acquiring surface rights and underground access to the Moly-Taku Claims, the Company has staked the following claims in British Columbia adjacent to the Moly-Taku Claims,

Name	Record Number	Expiry Date
Wright 1 to 11 incl.	553-63 incl.	January 17, 1980
Border 1 to 4 incl.	485-88 incl.	August 14, 1980
Border 6 to 9 incl.	526-29 incl.	September 14, 1980
Border 12 to 13 incl.	532-33 incl.	September 14, 1980

(hereinafter called the "Border-Wright Claims").

These claims are recorded in the Atlin Mining Division, recording office and cover an area of approximately 4600 hectares. The Border-Wright Claims were acquired for approximately $11,900.00, the staking costs.

Plan of Distribution

The Units being offered by this prospectus are to be sold in the Province of British Columbia by the trading director of the Company and/or by duly registered security salesmen and brokers. The trading director of the Company will undertake to sell the Units at no discount and no commission will be paid to him in respect of Units sold by him, hence, the proceeds to the Company will be $4.95 per Unit. All sales made by security salesmen or brokers will be subject to a commission of up to 7½%. There is no underwriting agreement.

If the minimum of 300,000 Units being offered hereby are not sold within 120 days of the date of acceptance of this prospectus by the Superintendent of Brokers, Real Estate & Insurance (hereinafter called the "Superintendent") all funds will be returned to the purchasers. All funds received will be held in trust by the National Trust Company until such time as the minimum amount has been raised by the sale of all of the Units sold pursuant to this Prospectus in British Columbia or in any other jurisdictions in which the Units have been qualified for sale and the Superintendent has consented to the release of the funds. If the minimum subscription proceeds, exclusive of commissions, is not received within 120 days, the full amount, without deductions, will be returned immediately to the purchasers of the Units. The Directors and insiders of the Company may purchase Units from this offering.

Share Capital Structure

The authorized capital of the Company consists of 10,000,000 shares without par value of which 2,940,002 shares are issued and outstanding.

All of the shares of the Company, including those forming part of this Prospectus, are common shares with equal voting rights and are not subject to any future call or assessment. There are no special rights or restrictions of any nature attached to any of the shares and they all rank pari passu, each with the other, as to all benefits which might accrue to the holders of the securities.

Designation of shares	No. of Shares Authorized	Amount Outstanding as of date of Balance Sheet contained herein	Amount outstanding as of Feb. 15 1979	Amount to be outstanding on completion of Offering	
				Shares	Warrants
Common Shares	10,000,000	2,800,002	2,940,002	3,240,002	300,000[1]

[1] Each warrant will entitle the holder thereof to purchase one common share of the Company.

SHARES SOLD FOR CASH AS AT FEBRUARY 15, 1979.

No. of Shares	Price	Commission Paid	Cash Received
1	1¢	NIL	$ .01
300,000	10¢	NIL	30,000.00
100,000	50¢	NIL	50,000.00
320,000	75¢	$31,575.00	208,425.00
720,000[1]			$288,425.01

[1] as of January 15, 1979, all of the issued shares and shares held under option were divided on the basis of 2 shares for each share held.

SHARES ISSUED FOR PROPERTIES AS AT FEBRUARY 15, 1979.

A total of 750,000 escrow shares were issued to William Robert Hoye, Patrick Slaney, Ernest Dalzell, Berglynn Developments Ltd. and Ernest Bergvinson as consideration for the acquisition by the Company of the Moly-Taku Claims. On January 15, 1979, these shares together with all of the other issued shares, were divided on the basis of 2 shares for each share held.

Escrowed Shares

1,500,000 shares are held in escrow by the National Trust Company, 510 Burrard Street, Vancouver, B.C. subject to the direction or determination of the Superintendent. The escrow restrictions provide that the shares may not be traded in, dealt with in any manner whatsoever nor released, nor may the Company or its transfer agent or escrow holder make any transfer or record any trading of the shares without the consent of the Superintendent.

In the event the Company loses or abandons or fails to obtain title to all or part of the property for which it allotted all or part of the escrowed shares or if the property becomes of little or no value, the Company will declare such event to the Superintendent and by way of directors resolution. The holders of such shares, the trustee thereof and the Company have agreed that such number of said shares then remaining in escrow as the Superintendent determines shall become subject to cancellation and shall be surrendered to the Company by way of gift for cancellation. The complete text of the escrow agreement is available for inspection at the registered office of the Company.

Share Purchase Warrants

Share purchase warrants (''Warrants'') will be issued to the purchasers of Units offered by this prospectus, when issued, on the basis of one Warrant to purchase one share of the Company for each share of the Company purchased hereunder. The Warrants will entitle the holders thereof to purchase shares of the Company at the subscription price of $5.25 per share from the date of issue of the Warrants up to and including September 15, 1979 when they expire.

Warrants will be issued in bearer form under an indenture (the ''Warrant Indenture'') to be made as of February 15, 1979, between the Company and the National Trust Company, of 510 Burrard Street, Vancouver, B.C. as trustee. The Warrant Indenture will provide for adjustment in the number and/or class of shares which holders are entitled to receive upon exercise in certain circumstances including the subdivision, consolidation or reclassification of the outstanding shares of the Company and any amalgamation or merger of the Company with or into any other corporation. The Warrants will be exerciseable at the principal stock transfer office of the National Trust Company in the city of Vancouver.

Speculative Nature of Securities

THE COMPANY'S PROPERTIES DO NOT CONTAIN ANY PROVEN ORE RESERVES. A SUBSTANTIAL AMOUNT OF DRILLING AND OTHER EXPLORATORY WORK WILL HAVE TO BE DONE BEFORE A DETERMINATION CAN BE MADE AS TO WHETHER THE CLAIMS CONTAIN ANY COMMERCIALLY MINEABLE ORE BODIES. THEREFORE, A PURCHASE OF A UNIT OFFERED BY THIS PROSPECTUS MUST BE CONSIDERED A SPECULATION. FURTHER, THE CLAIMS REFERRED TO IN THIS PROSPECTUS HAVE NOT BEEN SURVEYED AND THEREFORE, IN ACCORDANCE WITH THE MINING LAWS OF THE APPLICABLE JURISDICTIONS, THE EXISTENCE OF AND THE AREA OF SUCH MINERAL CLAIMS COULD BE IN DOUBT.

THE ISSUED AND OUTSTANDING SHARES OF THE COMPANY ARE NOT LISTED ON ANY STOCK EXCHANGE. IMMEDIATELY ON COMPLETION OF THIS OFFERING, MANAGEMENT INTENDS TO FILE AN APPLICATION FOR LISTING WITH THE VANCOUVER STOCK EXCHANGE ("EXCHANGE") OF ALL OF ITS ISSUED AND OUTSTANDING SHARES, INCLUDING AND IN RESPECT OF THE SHARES AND WARRANTS ISSUED PURSUANT TO THIS OFFERING. IF THE EXCHANGE SHOULD DECLINE TO ACCERT THE LISTING APPLICATION, AN IMMEDIATE APPLICATION WOULD BE FILED FOR LISTING ON THE VANCOUVER CURB EXCHANGE. IF A FULL LISTING APPLICATION WITH THE VANCOUVER STOCK EXCHANGE IS DECLINED BUT A LISTING APPLICATION WITH THE VANCOUVER CURB EXCHANGE IS ACCEPTED, IT IS THE INTENTION OF MANAGEMENT OF THE COMPANY TO SEEK TRANSFER OF LISTING FROM THE VANCOUVER CURB EXCHANGE TO THE VANCOUVER STOCK EXCHANGE AT THE EARLIEST OPPORTUNITY SUCH APPLICATION FOR TRANSFER APPEARS FEASIBLE.

Principal Holders of Securities

To the knowledge of the Company, only the following persons or companies hold 10% or more of the issued shares of the Company:

Name & Address	Class of Shares	Type of Ownership	No. of Shares owned of record & Beneficially	% of issued shares
Berglynn Developments Ltd.[1] 1407-675 W. Hastings Vancouver, B.C.	Common	Beneficial and of record	1,100,000	37.4
Ernest Bergvinson 1235 Chartwell Place West Vancouver, B.C.	Common	Beneficial and of record	733,002	24.9

[1] Ernest Bergvinson, President and Director of the Company, and his wife, Caroline Bergvinson, both of 1235 Chartwell Place, West Vancouver, B.C. own all of the outstanding shares of Berglynn Developments Ltd.

THE PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS, AS A GROUP OWN, DIRECTLY OR INDIRECTLY, 2,104,602 SHARES IN THE CAPITAL STOCK OF THE COMPANY, BEING APPROXIMATELY 71.6% OF THE ISSUED SHARES. ON COMPLETION OF THE SALE OF UNITS OFFERED BY THIS PROSPECTUS, THE PROMOTERS, DIRECTORS, OFFICERS AND CONTROLLING PERSONS WILL HOLD 64.9%[1], OF THE ISSUED SHARES OF THE CAPITAL STOCK OF THE COMPANY. THE SHARES BEING OFFERED BY THIS PROSPECTUS, REPRESENT 9.3% OF THE TOTAL SHARES TO BE ISSUED ON COMPLETION OF THE OFFERING HEREIN.

[1] This percentage assumes that such persons will not purchase any of the Units offered hereby and the calculation is made prior to the exercise of the Share Purchase Warrants.

Directors and Officers

Name & Address	Office Held	Principal Occupation for past 5 years
Ernest Bergvinson 1235 Chartwell Place West Vancouver, B.C.	President & Director	Prospector, Mining Executive
William Robert Hoye 1101-2050 Nelson St. Vancouver, B.C.	Vice-President, Treasurer & Director	Investment Counsellor
Patrick Slaney 8150 Wiltshire Blvd. North Delta, B.C.	Director	Biologist
Milton Hilmar Zink 2320 Bellevue Avenue West Vancouver, B.C.	Secretary and Director	Solicitor, partner with Tupper, Jonsson, Shroff & Zink, prior to Nov/75 legal counsel for Placer Development Ltd.

Consulting Engineer

Andrew E. Nevin, Ph.D., P.Eng., is a Vancouver-based consulting geologist with wide experience in western Canada, western United States, Mexico, Spain and East Africa.

He maintains professional status in British Columbia and Idaho and is an active member of societies and organizations related to his occupation. Dr. Andrew Nevin is a director of the American Institute of Mining Engineers and is Chairman-elect of its Mining and Exploration Division and serves on the Executive Committee of the B.C. and Yukon Chamber of Mines; is a director and officer of the Canadian Geothermal Resources Association and holds membership in the Canadian Institute of Mining and Metallurgy.

He has published singly and as a co-author in technical journals and trade magazines.

Dr. Andrew Nevin obtained his B.Sc. in Geophysics in 1961 from St. Lawrence University, his M.A. in Geology in 1963 from the University of California in Berkeley and his Ph.D. in Geology in 1966 from the University of Idaho.

He has been associated with Nevin/Sadlier-Brown/Goodbrand/Ltd., since that firm's incorporation in 1971.

Promoters

Ernest Bergvinson and William Robert Hoye may be considered promoters of the Company as defined under the Securities Act of British Columbia in that they took the initiative in organization of the Company. Messrs. Bergvinson and Hoye received 675,000 shares and 25,000 shares respectively for their interest in the mineral claims sold to the Company, described under the caption "Moly-Taku Claims". None of the promoters received any consideration from the Company for acting as promoters.

Since the incorporation of the Company, (a) Mr. William Robert Hoye subscribed for and was issued 10,000[1] shares of the Company at 10¢ per share, 10,000[1] shares at 50¢ per share and 27,500[1] shares at 75¢ per share and (b) Ernest Bergvinson was issued 27,500[1] shares at 75¢ per share.

[1] These shares are reported on a pre-split basis and now twice those numbers are involved due to a share split of 2 for 1.

Remuneration of Directors and Officers

Since the incorporation of the Company, the officers and directors of the Company have not received any remuneration for services rendered by them to the Company. Since the incorporation of the Company, the law firm of Tupper, Jonsson, Shroff & Zink, have received for services rendered to the Company the sum of $9,943.39. Mr. Milton H. Zink, director and Secretary of the Company, is a partner of the said law firm.

Material Contracts

There are no material contracts except as disclosed in this prospectus, all of which may be inspected at the registered office of the Company during normal business hours, while primary distribution of the shares offered hereunder is in progress and for the period of 30 days thereafter.

Interest of Management in Material Transactions

The Directors and Officers of the Company have no interest in any other material transactions to which the Company has participated or intends to participate at this time, save and except as disclosed in this Prospectus and in particular, matters disclosed under "Description of Business and Property of Company".

Preliminary Expenses

The preliminary expenses of the Company prior to July 20, 1978, the date of the Company's first prospectus was as follows:

Incorporation & other legal	$1,000.00
Administrative	$1,473.00
Exploration	$2,000.00
TOTAL	$4,473.00

The foregoing total amount represents fairly expenses incurred on preliminary expenses.

Auditors, Transfer Agent and Registrar

The Auditors of the Company are Price Waterhouse & Co., Chartered Accountants, of 1075 West Georgia Street, Vancouver, B.C.

The Transfer Agent and Registrar for the common shares of the Company is the National Trust Company, 510 Burrard Street, Vancouver, B.C.

March 6, 1979

AUDITORS' REPORT

To the Directors of
Omni Resources Inc.:

We have examined the balance sheet of Omni Resources Inc. as at January 31, 1979 and the statements of deferred exploration and administration expenses and changes in financial position for the period May 23, 1978 (date of incorporation) to January 31, 1979. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the Company as at January 31, 1979 and the results of its operations and the changes in its financial position for the period then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

(Signed) PRICE WATERHOUSE & CO.
Chartered Accountants

OMNI RESOURCES INC.

BALANCE SHEET — JANUARY 31, 1979

ASSETS

Current assets:		
Cash in bank	$ 4,683	
Term deposits	70,000	
Accrued interest receivable	403	
Expense advances	331	
		$ 75,417
Interest in mineral property (Note 1(a)), at cost:		
Mining claims (Note 2)	32,200	
Deferred exploration and administration expenses	179,518	
		211,718
Fixed assets (Note 1(b)), at cost:		
Office furniture and equipment	1,626	
Leasehold improvements	474	
	2,100	
Less: Accumulated depreciation and amortization	78	
		2,022
		$289,157

LIABILITIES

Current liabilities:	
Accounts payable and accrued liabilities	$ 45,732

SHAREHOLDERS' EQUITY

Share capital (Note 3):	
Authorized —	
10,000,000 common shares of no par value	
Issued —	
2,800,002 common shares	243,425
	$289,157

APPROVED BY THE BOARD:

(Signed) ERNEST BERGVINSON, Director

(Signed) WILLIAM ROBERT HOYE, Director

OMNI RESOURCES INC.

STATEMENT OF DEFERRED EXPLORATION AND ADMINISTRATION EXPENSES

FOR THE PERIOD MAY 23, 1978
(date of incorporation) TO
JANUARY 31, 1979

Exploration expenses:		
Staking costs	$ 13,441	
Geological field work	105,620	
Engineering fees	28,551	
Travel	3,812	
		$151,424
Administration expenses:		
Office expense	3,563	
Rent	960	
Legal and audit	13,443	
Accounting	445	
Printing and shareholder information	2,168	
Business promotion	2,161	
Travel and accommodation	1,509	
Listing fees	2,000	
Depreciation and amortization	78	
Dues and subscriptions	405	
Insurance	480	
Licences	750	
Transfer agent	1,575	
Telephone	1,225	
	30,762	
Less: Interest income	2,668	
		28,094
		$179,518

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE PERIOD MAY 23, 1978
(date of incorporation) TO
JANUARY 31, 1979

Financial resources were provided by:		
Issuance of share capital for cash	$235,925	
Issuance of share capital for mineral properties	7,500	
		$243,425
Financial resources were used for:		
Acquisition of fixed assets	2,100	
Payment of deferred exploration and administration expenses, net of depreciation and amortization of $78	179,440	
Acquisition of mineral properties	32,200	
		213,740
Increase in working capital and working capital at end of period		$ 29,685

OMNI RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 1979

1. Significant accounting policy:

(a) *Interest in mineral property –*

The Company is in the exploration stage with respect to its investment in mineral properties and accordingly follows the practice of capitalizing all costs, including administrative expenses, relating to the acquisition, exploration for and development of mineral properties. At such time as commercial production commences, these costs will be charged to operations on a unit-of-production method based on estimated recoverable reserves. The aggregate costs related to abandoned mineral properties are charged to retained earnings or deficit, as appropriate, at the time of any abandonment.

(b) *Depreciation and amortization –*

The Company provides for depreciation of its office furniture and equipment on a declining-balance basis at a rate of 20% per year. Leasehold improvements are amortized on a straight-line basis over a one-year period.

2. Mining claims:

Under an agreement dated July 12, 1978 the Company acquired the rights under an option agreement dated June 15, 1978 to purchase six mineral claims (known as the Moly-Taku claims) for non-cash consideration of 1,500,000 of the Company's common shares (after giving effect to the 2 for 1 stock split — Note 3). The Company valued the rights acquired in this manner at $7,500.

Under the option agreement consideration for the purchase of the mineral claims amounted to $3,000,000 of which $2,975,000 remains unpaid and is to be paid as follows —

(a) $25,000 by September 1, 1979
(b) $50,000 by September 1, 1980 and
(c) $50,000 each September 1st thereafter until the full $3,000,000 has been paid.

If the property is placed in production or if a notice of intention to place the claims in production is given, the unpaid balance is due within 60 days. If no notice of production is given by September 1, 1988 the annual payments are increased to $100,000 until production notice is given or the price is paid in full, whichever occurs first. In any event the unpaid balance of the price, if any, at September 1, 1998 shall be paid in full by such date. The option agreement is cancellable at any time by the Company in which case payments made under the agreement and the rights to the Moly-Taku claims would be forfeited by the Company.

The Company has also acquired certain mineral claims in areas of Alaska and British Columbia adjacent to those covered by the Moly-Taku claims.

3. Share capital:

From its incorporation on May 23, 1978 to January 31, 1979 the Company issued the following shares after giving effect to a 2 for 1 stock split which became effective January 15, 1979 —

Consideration	Number of shares	Amount
For mineral properties (Note 2)	1,500,000	$ 7,500
For cash	1,300,002	235,925
	2,800,002	$243,425

On September 26, 1978 the Company granted four directors options to purchase a total 140,000 shares (after giving effect to a 2 for 1 stock split on January 15, 1979) for $0.375 per share on or before September 25, 1979 or at $0.50 per share on or before September 25, 1980. The options to purchase shares were all exercised on February 15, 1979.

4. Remuneration of directors and senior officers:

No remuneration was paid or became payable to directors and senior officers during the period.

OMNI RESOURCES INC.

1978 WORK REPORT AND 1979 RECOMMENDATIONS
MOLY-TAKU CLAIMS AT MT. OGDEN
Atlin Mining Division, B.C.

By

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

January 15, 1979

Summary

In 1978 preliminary sampling and mapping of rugged cliffs on the northeast flank of Mt. Ogden, Atlin Mining Division, discovered a highly significant molybdenum deposit. Of 96 bedrock samples, the better average values of trenches or continuous chips are:

Zone 'M'	:	24 samples across 43 m	0.31% MoS_2
Zone 'N'	:	26 samples across 26 m	0.32% MoS_2
Zone 'Z'	:	10 samples along 300 m	0.24% MoS_2

The mineralization represented by these samples is present in an alaskitic granite stock, the very top of which is exposed discontinuously in an area of 1800 m x 1500 m (6000 x 5000 feet). Although not all of the alaskite is well mineralized, there are suggestions of continuity of well-mineralized rock in the subcrop. There are, in addition, clearly "open" boundaries, particularly to the west, south, southeast, and with depth.

Sampling has not progressed to the point of establishing ore reserves of any standard category; however, if acceptable grades and continuity of mineralization is extended in one of the several open directions, it is not difficult to visualize a deposit in excess of 220 000 000 tonnes.

The recommended program for 1979 consists of:

(1) adit driving — 200 - 300 m.
(2) diamond drilling from surface and from the adit — 3000 - 6000 m.
(3) bulk sampling of rock from adit.
(4) other studies — geology, safety, weather and rock mechanics.

Work will be conducted with helicopter support from a camp located 6.5 km from the job site.

Costs of two programs have been estimated on a preliminary basis: a basic program at $1,113,000 and an accelerated program at $1,586,000. Any goal in the general range of $1-million to $2-million could be undertaken in a workmanlike manner; but there are factors precluding attempts to do less work or more work at this stage.

It is logical to assume at the present time that exploratory work on the Moly-Taku property will continue past the 1979 season. Objectives of the work recommended for 1979 are to:

(1) accurately determine MoS_2 grade.
(2) acquire knowledge on extent and continuity of MoS_2, particularly that near or above, say, 0.17 per cent MoS_2.
(3) provide the basis for decision-making in respect of work in 1980 and beyond.

Although the property is extraordinarily difficult of access in the exploratory stages, its location 26 km (16 miles) from salt water implies that transportation (via road and tunnel access) for eventual development and production would have an acceptable cost.

Respectfully submitted
NEVIN/SADLIER-BROWN/GOODBRAND/LTD.

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

Table of Contents

OMNI RESOURCES INC.

1978 WORK REPORT AND 1979 RECOMMENDATIONS
MOLY-TAKU CLAIMS AT MT. OGDEN
Atlin Mining Division, B.C.

1.0 INTRODUCTION

1.1 Terms of Reference and Scope of Report

This report is prepared at the request of Omni Resources Inc. for submittal to the Vancouver Stock Exchange and the Superintendent of Brokers' office as required to arrange for public financing for continued work on the Moly-Taku Mining Claims, Atlin Mining Division, British Columbia.

In particular, the report describes field work and laboratory study performed during the 1978 field season. The report also reviews such previously acquired information as is necessary to provide the context for the 1978 work, and discusses such concepts of future aspects of the project as long term access and mining methods.

There should be no misunderstanding concerning the cited tonnages of "mineralized" rock, nor the preliminary nature of the discussion of future courses of action toward producton. At the present time, the Moly-Taku claims are in the early stages of exploration. Sampling has not progressed to the point where the property can be considered to have ore reserves of any category by any of the standard definitions.

The report presents the concepts and design considerations for exploration in 1979. The program proposed is complex requiring several man-weeks of engineering time to design and plan it. We present the basic program in outline form, an alternate accelerated program for 1979, and cost estimates for both. It will be up to the Client to select the preferred program or a work target in the general range discussed.

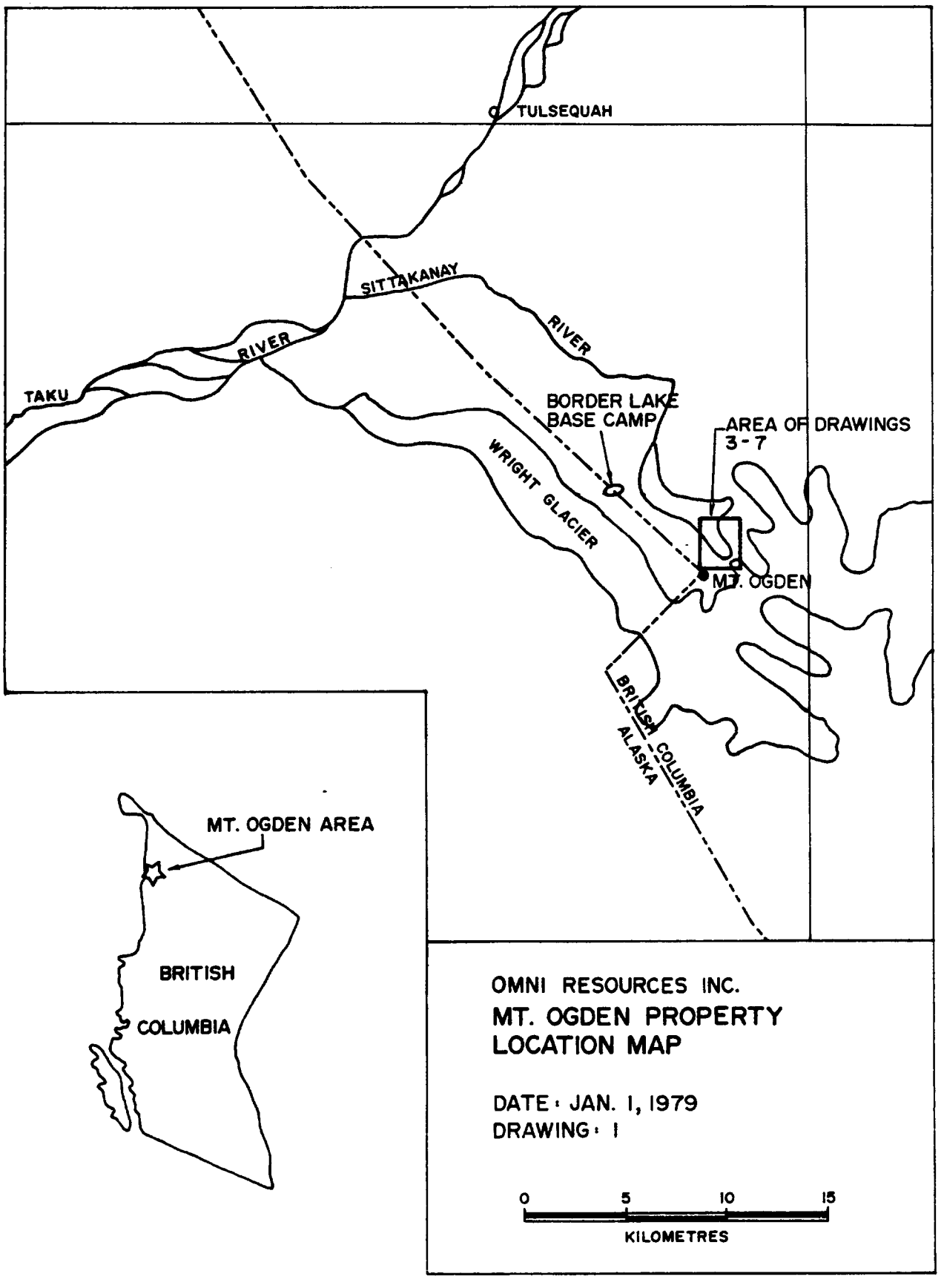
Nevin/Sadlier-Brown/Goodbrand/Ltd. will be managing the 1979 program. Upon completion of financing arrangements, and instructions from Omni Resources Inc. we will proceed with the appropriate subconsultants and contractors to design the detailed program for 1979.

1.2 Location and Access

The property adjoins the border between British Columbia and the United States, immediately east of Juneau, Alaska (see Drawing 1). The claims are 25 km (15 miles) south of the now abandoned Polaris-Taku Mine, 60 km (40 miles) east of Juneau, 130 km (80 miles) south of Atlin, B.C., and 270 km (170 miles) south of Whitehorse, Yukon. They are located on NTS Map sheet 104 K/6W, and centred on latitude 58° 27′ and longitude 133° 22′. Access is via aircraft, on foot, or on snowmobile during the winter.

Border Lake, which lies across the Canadian - U.S. border in the northwestern part of the claims, is suitable for landings and take-offs by a Beaver or a Cessna 185. Within the claim group a helicopter is a necessity throughout the year except when the glaciers have enough snow covering the crevasses to be suitable for surface transportation.

Revenue Canada, Customs and Excise require chartered aircraft from the United States to clear customs in Canada before landing elsewhere within Canadian jurisdiction. This means that air charters from Whitehorse or Atlin must be used, or charters from Juneau must clear at Atlin before landing on the property. If proper procedures are followed, heavy supplies may be barged into the Taku River and cleared by Canada Customs for transport to the job site.


TULSEQUAH
SITTAKANAY
RIVER
TAKU
RIVER
BORDER LAKE
BASE CAMP
AREA OF DRAWINGS
3-7
WRIGHT GLACIER
MT. OGDEN
BRITISH
COLUMBIA
ALASKA
MT. OGDEN AREA
BRITISH
COLUMBIA
OMNI RESOURCES INC.
MT. OGDEN PROPERTY
LOCATION MAP
DATE: JAN. 1, 1979
DRAWING: 1
0
5
10
15
KILOMETRES

1.3 Terrain

One of the important factors in the exploration and eventual mining, if warranted, of the Moly-Taku property is the terrain. The claims lie in the high and jagged mountains of the Coast Range immediately south of the Taku River. Mt. Ogden has an elevation of 2111 m (6926 feet) and Border Lake is approximately 843 m (2766 feet). The glacier lying on the north slope of Mt. Ogden feeds into a small river flowing north into the Sittakanay River, at elevation 200 m, which in turn flows into the Taku River at an elevation near sea level.

Immediately south and west of the claims, mainly on the American side of the border, is the large Wright Glacier which also flows northwest into the Taku River. Border Lake lies in a narrow pass between the two glaciers, and with its immediate surroundings has a sub-boreal rain forest vegetation.

Elsewhere the claims lie on steep or vertical rock slopes and glaciers. No area within the claims is conducive to casual travel by foot or vehicle. Aspects of safe travel are discussed in Section 4.0 based on Mr. Bleuer's report.

1.4 Work Completed

1.4.1 Examination

In 1977 Nevin/Sadlier-Brown/Goodbrand/Ltd. examined the Moly-Taku claims on behalf of another client. Subsequently Omni Resources Inc. optioned the claims from the prospector and retained us to prepare the initial qualifying report which was dated July 17, 1978 and appears in the prospectus of the Company. The work program proposed in that report was carried out by Nevin Sadlier-Brown Goodbrand Ltd. and Bema Industries Limited in the period August 29 through September 29, 1978.

Mr. M. J. Beley and Mr. R. J. Barclay led a team of eight workers who used a helicopter and mountain climbing gear to collect ninety-six samples from six alaskite outcrop areas. The team made the appropriate reconnaissance maps.

1.4.2 Sampling

Ninety-six bedrock samples were taken and submitted for assay to Bondar-Clegg and Co. Ltd. in Whitehorse and analyzed in Vancouver for MoS_2.

Most samples were carefully cut chips or channels on the order of one metre in length, commonly in a continuous succession across the principal structure of the molybdenite veins. The circumstances of this examination were unusual in several respects. The crew at times were secured by climbing ropes on near-vertical faces; the proportionate cost of the transportation and logistical support required to conduct the sampling was high; and the opportunities for repeat visits were limited. Thus the crew took abnormal pains to ensure that the samples were representative of the larger rock mass.

1.4.3 Petrography and Geology

Other chores were conducted after the initial sampling and examination. Mr. Terry Elliot, M.Sc., a Bema Industries geologist, made a second quick examination of the property, collected several specimens, and subjected them to petrographic examination or had them analyzed for trace elements. He also produced an hypothesis on origin of the deposit.

1.4.4 Safety

Mr. Herb Bleuer, of Western Avalanche Control Specialists Company, Whistler, British Columbia, was one of the climbing specialists on the field crew. Subsequent to the field work, he provided a report on hazards from snowfall, rockfall, crevasses, and otherwise commented on future access and safety on the project.

1.4.5 Buffer Zones

Mr. T. L. Sadlier-Brown staked forty-eight mining claims in the state of Alaska, contiguous with the Moly-Taku claims in British Columbia. These occupy the re-entrant corner in the international boundary and provide a small buffer zone should subsequent work establish that commercial mineralization extends westward toward the United States. These claims are held in trust for Omni Resources Inc. and a Quit Claim Deed assigning them to Omni is being processed.

Mr. Frank Onucki, working under instructions from Omni, staked several claims additional to the original group and located to the south, east, north and particularly, to the northwest between the original group and the Taku River.

1.4.6 Maps and Model

In the absence of acceptable published topographic maps, Integrated Resource Photography Ltd., Vancouver, prepared contour maps at 1:5,000 and 1:20,000 from existing air photos. Topographics Ltd. prepared a model of the mineralized area at 1:5,000.

1.4.7 Pre-Exploration Feasibility Study

At the request of the Client, Kilborn Engineering (B.C.) Ltd. performed a study of capital and operating costs at various **assumed** millhead grades, production rates, and other input factors. (The Kilborn report is simply noted here, but is not otherwise cited in this report).

1.5 Property Status

This report is concerned with the Border 1, Moly 1 through Moly 4 and Taku 1 and 2 claims. The Claim Map is shown in Drawing 2, and includes several other recently staked claims.

The subject claims were staked by Mr. Frank Onucki, 602 Dunsmuir Street, Vancouver, according to the schedule in Table 1.

Table 1 — Description of Claims

Name	Record No.	Units Claimed	Expiry Date
Moly 1	201 (3)	1	March 18, 1979*
Moly 2	202 (3)	4	March 18, 1979
Moly 3	203 (3)	18	March 18, 1979
Moly 4	204 (3)	18	March 18, 1979
Taku 1	205 (3)	18	March 18, 1979
Taku 2	206 (3)	18	March 18, 1979
Border 1	485 (8)	16	August 14, 1979

Of the 93 units claimed above, the net holdings are about 75 or so because of overlaps mainly with the U.S. border.

The claims were staked from one Legal Corner Post, and in the case of the Taku's these posts were witnessed, without the complete installation of the corner and boundary marker posts. An examination of the posts and an appreciation of the circumstances suggests that the claims were staked in an acceptable manner in compliance with the Mineral Act. Recording and subsequent assessment work have been accepted by the Mining Recorder.

Forms "G" in the Mining Recorder's office indicate that the subject claims are held by Mr. Onucki. We understand that Omni Resources Inc. has rights to explore conveyed by an option agreement with Mr. Onucki.

*Upon application of 1978 work, it is expected that expiry dates for most claims will be extended to 1983 or 1984.

Drawing 2 — Claims map reproduced from Ministry of Mines map 104-K 6W, annotated. Dashed line encloses Omni Resources Inc. holdings. Scale 1:50,000

The U.S. claims, named A1-17, B1-16, and C1-15, cover a total of about 4 sq. km (equivalent to about 16 units in B.C.) The recording was accepted by the State Recorder at Juneau, and the Federal Bureau of Land Management. Assessment work in the amount of U.S. $100 per claim is due on September 1, 1979; and on that date in subsequent years. The claims appear to us to lie outside controversial "D-2" lands. We regard them as a buffer-zone of minor importance.

Other Canadian claims held by Mr. Onucki, in trust for Omni, have not been prospected, and at this time we consider them to be similar buffer zones, and outside the scope of this report.

1.6 Previous Exploration History

1.6.1 Regional

The Taku River area was the site of a gold discovery in 1875 and was used as access to the Klondike during the last few years of the 19th century. The Tulsequah Chief property was discovered in 1923 and the properties later known as the Polaris-Taku and the Big Bull in 1929, along with several other mineral showings.

The Polaris-Taku operated from 1937 through 1951, producing 8 million dollars in gold from 700,000 tons of ore. The Big Bull and Tulsequah Chief produced from 1951 through 1957, milling about 1 million tons of ore which yielded 94,000 ounces of gold, 3½ million ounces of silver and several thousand tons of copper, lead, zinc and cadmium.

These base and precious metal deposits occured in Stuhini volcanic rocks as replacements and stringers associated with silica, carbonate, and albite alteration.

As well as the massive sulfides, the region is known for the scattered occurrence of acid intrusive stocks. These intrude the older rocks and some have the characteristics of molybdenum or copper porphyries. The region attracted considerable effort on the part of major exploration companies during the 1960's and early 1970's. None of the known porphyry prospects has been put into production as yet.

1.6.2 Moly-Taku Claims

Molybdenite, sphalerite and large-scale pyritization were first noted in the claim area by a Geological Survey of Canada field party under the leadership of Dr. J. G. Souther in the period 1958-1960. This news was made public by a press release. Subsequently, according to a report by the late Dr. Chris Riley, two prospectors, Kol Lovang and George White entered the area and staked the first claims. These were subsequently optioned to the Wenner Gren Co., which prospected the area.

In 1961 Max Martin restaked the ground and sold it to one Richard White, who in turn optioned it to Totem Minerals Ltd. An assessment report by Roderick C. Macrae, who was an employee of Julian Mines Ltd. at that time, presented a geological sketch map made during that year. The property was held by other companies in the middle 1960's; however, there are no public records as to the activity and we believe that little work was done.

Mt. Ogden Mines Ltd. was incorporated in 1967 and acquired the property. During 1967 they established a camp on Border Lake and skidded a small diamond drill up the glacier to a location as shown in Drawing 3. The drill setup was chosen as a compromise between minor bedrock moly mineralization and the few accessible locations at that time. The drill broke down after drilling 50 feet and was stored at the site, where it still sets. Dr. Riley's report states that 40 feet carried sub-ore values in moly.

At the same time Mt. Ogden engaged one C. B. Selmser to conduct an airborne EM survey which he did by a rather unusual method and duly reported this in B.C. Ministry of Mines Assessment Report #1627. This report does not contribute substantially to an understanding of the geology or geophysics of the claim area.

Iskut Silver Mines Ltd. held the ground by staking in 1976, which claims lapsed in early 1977 without the owner having worked on them.

In February, 1977 Mr. Onucki staked the claims on his own behalf.

Prior to the examination in 1978 very little was actually known about the grade and extent of moly mineralization. The earliest explorers knew that the terminal morraine and one medial morraine of the north-moving glacier carried many tens of tons of angular fragments of alaskite containing moly mineralization. Much of this appeared to approach "ore" grades. At the time of the earlier work, the surface of the glacier, particularly near the head wall on the cirque, was 25 to 50 metres higher in the elevation than it is at present. Earlier workers were limited to a slim glimpse of the uppermost stringers of alaskite cropping out in the head wall, which are now known to be thin apophyses of the massive underlying exposures sampled in 1978.

2.0 GEOLOGY AND MINERALIZATION

2.1 General Geology

The principal country rock is a Permo-Triassic metamorphic sequence. This is intruded by a Cretaceous-Tertiary granitic stock exposed in nine locations (Drawings 3 and 4).

The Permo-Triassic sequence consists of highrank metamorphics, a diabase sill, and a thin-to-thick-bedded sequence of shales and carbonates. In the mineralized area there are only two basic varieties of high-rank metamorphics: a fine-grained dull grey-green, diopside-epidote-garnet unit, sometimes containing fine-grained disseminated pyrite, pyrrhotite, magnetite, or traces of sphalerite; and a white calc-silicate rock containing calcite, dolomite, and wollastonite or tremolite. Both types tend to be exceedingly hard rock, and are referred to descriptively as "tactites" in this report.

These rocks strike northwest and dip deeply to the northeast. In detail however, bedding planes are tightly folded and contorted.

There are two intrusives into this pile. One is a series of thin, widely-spaced, light-coloured dikes which follow an orthogonal pattern and which are of little economic concern. The mineralized intrusive is a stock of light-coloured alaskite. (Upon completion of microscope work, "alaskite" is the rock name preferred over "quartz monzonite porphry" used in the previous report. Alaskite is a granite or quartz monzonite lacking in dark minerals). The significance of the Alaskite is that virtually all of the moly found and sampled to date occurs in this rock, and derives from the igneous system which emplaced it.

2.2 Intrusive

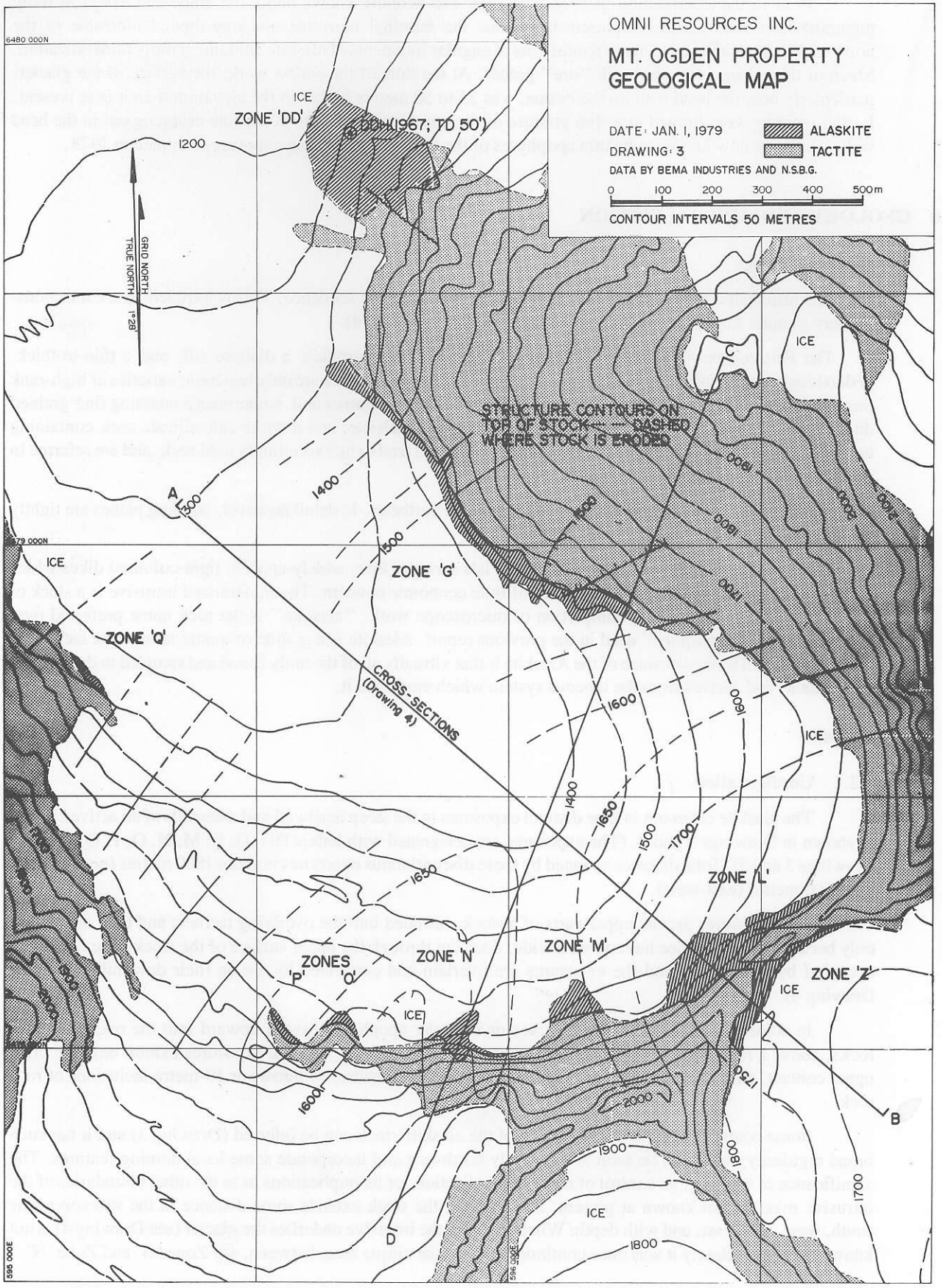
2.2.1 Configuration

The alaskite crops out in nine distinct exposures in the steep headwall and sidewalls of an active cirque, as shown in Drawings 3 and 4. (The exposures are designated with letters DD, G, L, M, N, O, P, Q and Z on Drawings 3 and 5). Total distance spanned by these discontinuous exposures is about 1800 metres (north-south) and 1500 metres (east-west).

The exposures are the upper parts of a stock, intruded into the overlying tactites; and they are visible only because the glacial ice has carved a wide, deep cut through the upper surface of the stock. The cut is still occupied by glacial ice, and the exposures are overlain and concealed by ice on their downhill sides (see Drawing 4).

In some exposures (DD, N, Z) dikes or irregular apophyses extend upward into the overlying roof rocks, above a rather crisp, gently dipping upper surface. The other alaskite exposures exhibit only the crisp upper contact, with or without small offsetting faults (say, 20 metres of throw) or 10-metre inclusions of roof rock.

Some continuity of the upper surface of the alaskite stock can be inferred (Drawing 3) and it has such broad regularity that it can be seen to dip gently northwest and incorporate some local doming features. The significance of this (e.g. its control of moly mineralization, or its implications as to the other boundaries of the intrusive mass) is not known at present. Presumably, the stock extends some distance in the subcrop to the south, west, northeast, and with depth. Whether or not the intrusive underlies the glacier (see Drawing 4) is not known, although clearly it was once continuous across the cirque area, between, say Zone 'G' and Zone 'N'.


OMNI RESOURCES INC.
MT. OGDEN PROPERTY
GEOLOGICAL MAP
DATE: JAN. 1, 1979
DRAWING: 3
ALASKITE
TACTITE
DATA BY BEMA INDUSTRIES AND N.S.B.G.
0 100 200 300 400 500m
CONTOUR INTERVALS 50 METRES
6480 000N
6479 000N
595 000E
596 000E
ICE
ZONE 'DD'
DDH(1967; TO 50')
1200
GRID NORTH
TRUE NORTH
1°28'
STRUCTURE CONTOURS ON TOP OF STOCK — — DASHED WHERE STOCK IS ERODED
A
B
C
D
1300
1400
1500
1600
1700
1800
1900
2000
ZONE 'G'
ZONE 'Q'
CROSS-SECTIONS (Drawing 4)
1650
ZONE 'L'
ZONE 'M'
ZONE 'N'
ZONES 'P' 'Q'
ZONE 'Z'

2.2.2 Texture and Composition

The alaskite is fine- to medium-grained (average 1 mm), equigranular with only a slight "porphyritic" aspect under the hand lens. In places miarolitic cavities lined with tiny quartz crystals are present. Dark minerals are nearly absent.

Composition of unaltered specimens is generally about 40 per cent quartz, 50 per cent K-feldspar (mainly perthite), about 5-8 per cent plagioclase (An5-10), and very small amounts of biotite, chlorite and opaques. Micrographic intergrowths are not uncommon in thin section.

2.2.3 Fracturing

Not enough data are available yet to properly describe fracture patterns. Moly-bearing veins and fractures are described in the following sections. In most outcrops non-mineralized fractures occur in parallel sets with fracture spacings ranging from 15 cm to 75 cm. Two to four fracture sets may be present, and may or may not be at right angles to another.

2.3 Description of Mineralization and Alteration

2.3.1 Modes of Moly Occurrence

Molybdenite (MoS_2) is present in the alaskite 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 of any attitude, which have 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.

Some of the sub-horizontal veins are spectacular accumulations, up to 10 cm in thickness and traceable for 30 m across an exposure; and may occur in a system with a spacing of several metres between individual veins.

Specific observations on the various zones are made in Section 3.0 concurrent with descriptions of sampling procedures.

Moly mineralization is generally confined to the alaskite with the exceptions of a few dikes or fractures passing into overlying tactites.

2.3.2 Alteration and Trace Elements

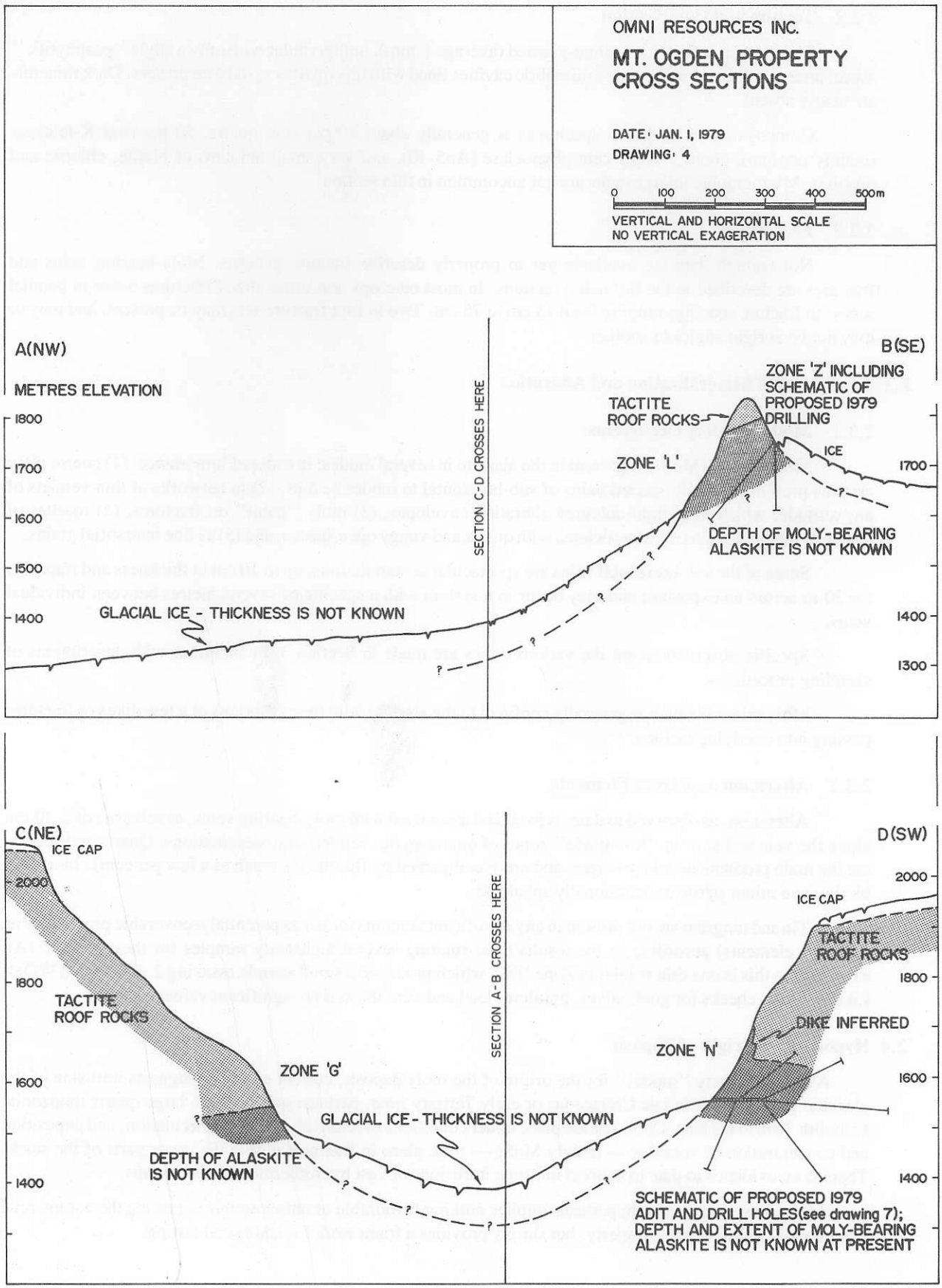
Alteration, as observed to date, is local and associated with moly-bearing veins, as selvages of 2-10 cm along the vein walls, or in "low-grade" zones of quartz-pyrite veinlets or disseminations. Quartz and sericite are the main products in vein selvages, and are accompanied by fluorite (as much as a few per cent) chloritized biotite, and minor pyrite or occasionally sphalerite.

Tin and tungsten are not present in any significant amounts (either as potential recoverable products or as "guide" elements) according to the results of re-running several high-moly samples for these metals. (An exception to this is one thin veinlet in Zone 'DD' which produced a small sample assaying 2.45 per cent WO_3). Likewise spot checks for gold, silver, uranium, lead and zinc showed no significant values.

2.4 Hypothetical Origin of Deposit

As a preliminary "model" for the origin of the moly deposit, current evidence suggests intrusion of the alaskitic granite stock in late Cretaceous or early Tertiary time, perhaps satellitic to a large quartz monzonite batholith 3 km to the east. Cooling took place under conditions of relatively low fluid circulation, and deposition and concentration of volatiles — mainly MoS_2 — took place in fractures within the upper parts of the stock. There is no evidence to date to support multiple intrusions or vast hydrothermal alteration caps.

At the present stage this hypothesis implies nothing favourable or unfavourable regarding the commercial potential of the Mt. Ogden property, but simply provides a framework for additional testing.


OMNI RESOURCES INC.
MT. OGDEN PROPERTY
CROSS SECTIONS
DATE: JAN. 1, 1979
DRAWING: 4
0 100 200 300 400 500m
VERTICAL AND HORIZONTAL SCALE
NO VERTICAL EXAGERATION
A(NW)
METRES ELEVATION
1800
1700
1600
1500
1400
SECTION C-D CROSSES HERE
GLACIAL ICE - THICKNESS IS NOT KNOWN
TACTITE
ROOF ROCKS
ZONE 'L'
ZONE 'Z' INCLUDING
SCHEMATIC OF
PROPOSED 1979
DRILLING
ICE
1700
1400
1300
DEPTH OF MOLY-BEARING
ALASKITE IS NOT KNOWN
B(SE)
C(NE)
ICE CAP
2000
1800
1600
1400
TACTITE
ROOF ROCKS
ZONE 'G'
DEPTH OF ALASKITE
IS NOT KNOWN
SECTION A-B CROSSES HERE
GLACIAL ICE - THICKNESS IS NOT KNOWN
D(SW)
2000
ICE CAP
TACTITE
ROOF ROCKS
1800
DIKE INFERRED
ZONE 'N'
1600
1400
SCHEMATIC OF PROPOSED 1979
ADIT AND DRILL HOLES (see drawing 7);
DEPTH AND EXTENT OF MOLY-BEARING
ALASKITE IS NOT KNOWN AT PRESENT

2.5 Other Mineralization

Certain units within the metasedimentary country rock are host to large stratiform gossans scattered throughout the claim area and beyond. Where inspected in place, or in moraine material, finely disseminated pyrite is the principal metallic constituent of these rocks, and they generally assay nil or very low in lead, zinc, gold, silver and tungsten (assays not given in this report). In a few instances irregular clots of black sphalerite are dominant in pieces of float, and these report several per cent zinc. The main zinc-bearing area appears to lie in the icefall area above Zone 'O'.

At present we regard all of this mineralization as unrelated to the moly-bearing stock and of low commercial interest, but worth investigating in the course of normal geologic mapping.

3.0 SAMPLING

3.1 General Procedure

Where solid footing could be attained mineralized areas were sampled with a plugger — drilling and blasting a trench to a depth of as much as a metre — and chipping continuous samples of the fresh rock exposed, about 2 kg per metre length.

Solid footing was hard to find on most exposures and most samples were made up of systematically collected chips taken by individuals roped together, or roped to a rock face.

Where moly occurs mainly in subhorizontal veins one procedure was to traverse horizontally across the face on the most accessible path, and periodically (say, every 25 m) cut a series of chips along a vertical line 3 m in length.

Another procedure consisted of taking chips representative of 1 x 1 m area of the face, in some instances along a continuous strip 1 m wide.

3.2 Specific Areas

Following are notes on specific areas designated in Drawings 3, 4, and 5 and describing all of the 96 samples collected from alaskite in place:

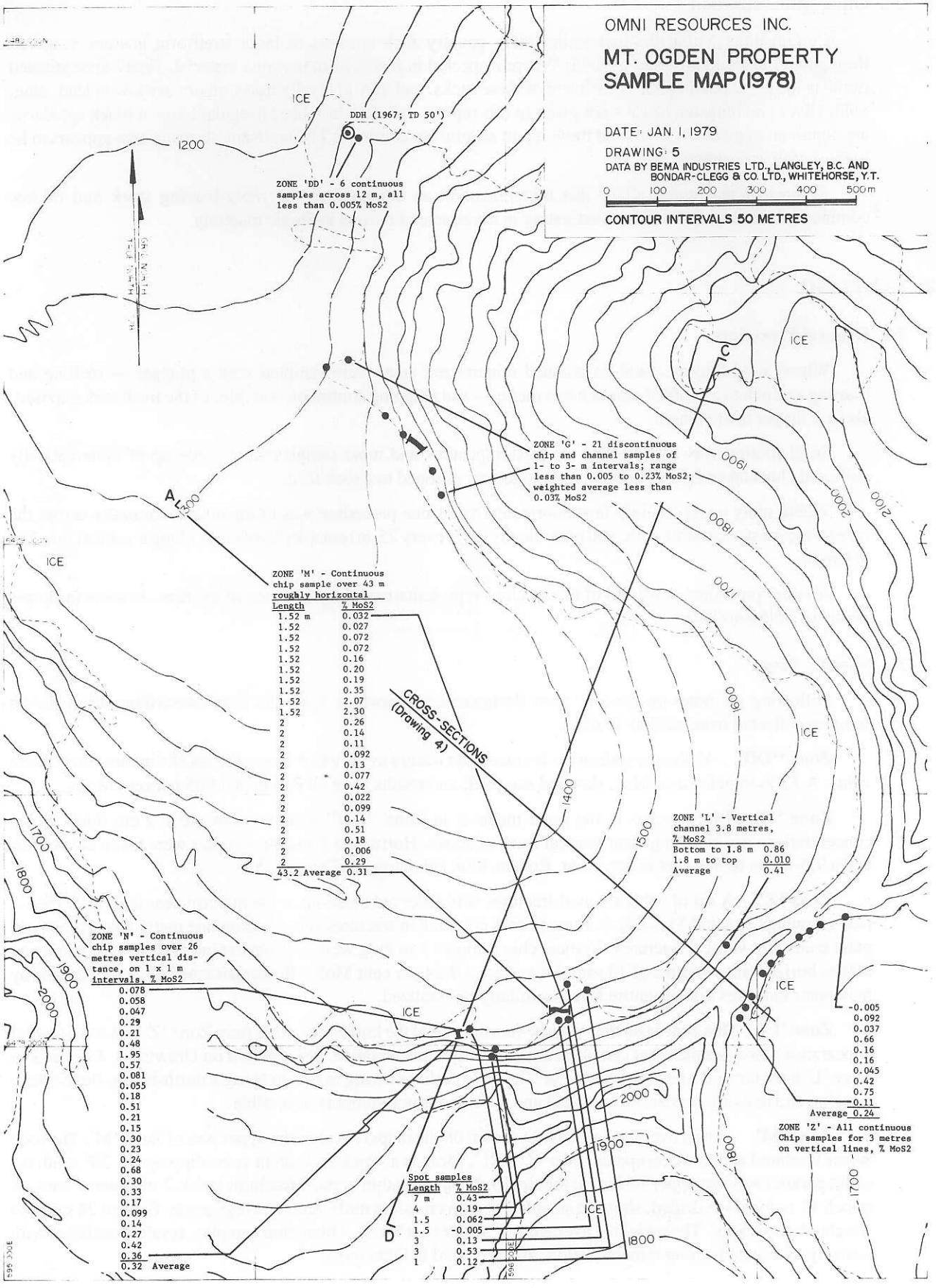
Zone "DD". Moly mineralization is sparse and occurs as very fine blue-gray specks in rare, thin quartz veins. A 12 m trench was drilled, shot and sampled, and results were all less than 0.005 per cent MoS_2.

Zone 'G'. Moly occurs in the same mode as in Zone "DD". Quartz veins are 1-2 cm thick. Local concentrations are found adjacent vertical fracture zones. Horizontal 3 m chip samples were taken at intervals and a 9.5-metre trench shot at one point. Results were submarginal (Drawing 5).

Zone 'Z'. A set of subhorizontal fractures was observed close-up in the outcrop near the top of the ice (see Drawings 3, 4 and 5). Moly is as much as 3 cm thick in fractures spaced about one metre apart, and moly paint coats thin vertical fractures. Vertical chip samples 3 m long were collected at intervals as possible along 300 m horizontally. Results of 10 samples averaged 0.24 per cent MoS_2. Reconnaissance of the upper face by helicopter indicates that the entire face is similarly mineralized.

Zone 'L'. This zone is on the opposite (north) side of the knife edge ridge from Zone 'Z' and has a similar appearance. Two samples, not considered particularly representative, are reported on Drawing 5. Fractures in Zone 'L' have created a hazardous zone of "loose" (perhaps owing in part to being a north-facing slope where freezing and thawing persists all summer) and the slope is not routinely accessible.

Zone 'M'. A thin overhang of ice (not shown on the maps) overlies the upper part of Zone 'M'. The rock is less fractured and more competent than 'Z' or 'L'. Moly is as thick as 3 cm in veins dipping 20-30° south (or about parallel with the upper surface of the stock). Moly coats thin vertical fractures and 1-2 cm quartz veins. A trench 43 m long was drilled, shot and sampled so as to cross-cut moly veins at a high angle. Each of 24 samples weighted about 5 kg. The weighted average is 0.31 per cent MoS_2. Other chip samples, results consistent with coarsely distributed strong mineralization, are presented in Drawing 5.


OMNI RESOURCES INC.
MT. OGDEN PROPERTY
SAMPLE MAP (1978)
DATE: JAN. 1, 1979
DRAWING: 5
DATA BY BEMA INDUSTRIES LTD., LANGLEY, B.C. AND BONDAR-CLEGG & CO. LTD., WHITEHORSE, Y.T.
0 100 200 300 400 500 m
CONTOUR INTERVALS 50 METRES
ICE
DDH (1967; TD 50')
ZONE 'DD' - 6 continuous samples across 12 m, all less than 0.005% MoS2
ZONE 'G' - 21 discontinuous chip and channel samples of 1- to 3- m intervals; range less than 0.005 to 0.23% MoS2; weighted average less than 0.03% MoS2
ZONE 'M' - Continuous chip sample over 43 m roughly horizontal
Length % MoS2
1.52 m 0.032
1.52 0.027
1.52 0.072
1.52 0.072
1.52 0.16
1.52 0.20
1.52 0.19
1.52 0.35
1.52 2.07
1.52 2.30
2 0.26
2 0.14
2 0.11
2 0.092
2 0.13
2 0.077
2 0.42
2 0.022
2 0.099
2 0.14
2 0.51
2 0.18
2 0.006
2 0.29
43.2 Average 0.31
CROSS-SECTIONS (Drawing 4)
ZONE 'L' - Vertical channel 3.8 metres, % MoS2
Bottom to 1.8 m 0.86
1.8 m to top 0.010
Average 0.41
ZONE 'N' - Continuous chip samples over 26 metres vertical distance, on 1 x 1 m intervals, % MoS2
0.078
0.058
0.047
0.29
0.21
0.48
1.95
0.57
0.081
0.055
0.18
0.51
0.21
0.15
0.30
0.23
0.24
0.68
0.30
0.33
0.17
0.099
0.14
0.27
0.42
0.36
0.32 Average
Spot samples
Length % MoS2
7 m 0.43
4 0.19
1.5 0.062
1.5 -0.005
3 0.13
3 0.53
1 0.12
-0.005
0.092
0.037
0.66
0.16
0.16
0.045
0.42
0.75
0.11
Average 0.24
ZONE 'Z' - All continuous Chip samples for 3 metres on vertical lines, % MoS2
A
B
C
D
1200
1300
1400
1500
1600
1700
1800
1900
2000
2100
596 ZONE

Zone 'N'. Zone 'N' forms a large buttress on the south wall of the cirque. The upper contact of the alaskite is roughly planar and gently south-dipping on both flanks of the buttress; but a large apophysis and dike system juts upward about 100 m into the tactite in the centre. Twenty-six chip samples, each about 5 kg, were cut in a continuous 1 m x 26 m stip down the upper face, and returned 0.32 per cent MoS_2. Mineralization is similar to that in Zone 'M'.

Zones 'O', 'P', 'Q'. These zones are in the paths of uncontrollable ice falls and cannot be approached on the surface. Inspection from the helicopter suggests significant mineralization is present.

3.3 Tonnage Estimates (Current and Projected)

The volume of intrusive contained between the 'Z' and 'L' faces is about 6 million tonnes (it may be doubled if the intrusive extends downward well below the 1750 m contour on the 'Z' side). Although sample crews took care to accurately represent the rock, there are clearly not enough samples to assign a grade to this 6 million tonnes. (A "tonne" is 1000 kg or 1.1 tons).

Zones 'M' and 'N' might be considered as "blocks" of, say, a few million tonnes each, exposed on only one side. Sampling has not been sufficient to extrapolate the average grades of the chips. 0.31 and 0.32 per cent MoS_2, respectively, to the entire "block". Thus, none of these tonnages can be considered "ore reserves" at present.

The potential tonnage of mineralized alaskite (of a grade as yet unknown) will derive from extensions of the observed zones. These are: (1) extensions at depth and into the cirque wall to the south, between Zones 'L', 'M' and 'N' (the area proposed for testing in 1979); (2) extensions to the west of Zone 'N' and continuous through Zones 'O', 'P', and 'Q'; (3) extensions under the ice, north of zones 'L' and 'Q', or southeast of Zone 'Z'.

If testing should confirm only a few of these avenues for continuity of the alaskite and continuity of mineralization, and if it should establish an acceptable average grade of MoS_2, it is not difficult to visualize proving of an ore body of the following general dimensions:

$$\text{900 m (E-W) x 300 m (N-S) x 300 m (depth) x 2.7 T/m}^3\text{ (assumed density)} = 220\,000\,000\text{ tonnes}$$

or, in English units:

$$\frac{3000' \times 1000' \times 1000'}{12\text{ cf/t (assumed factor)}} = 250{,}000{,}000\text{ tons}$$

4.0 SAFETY

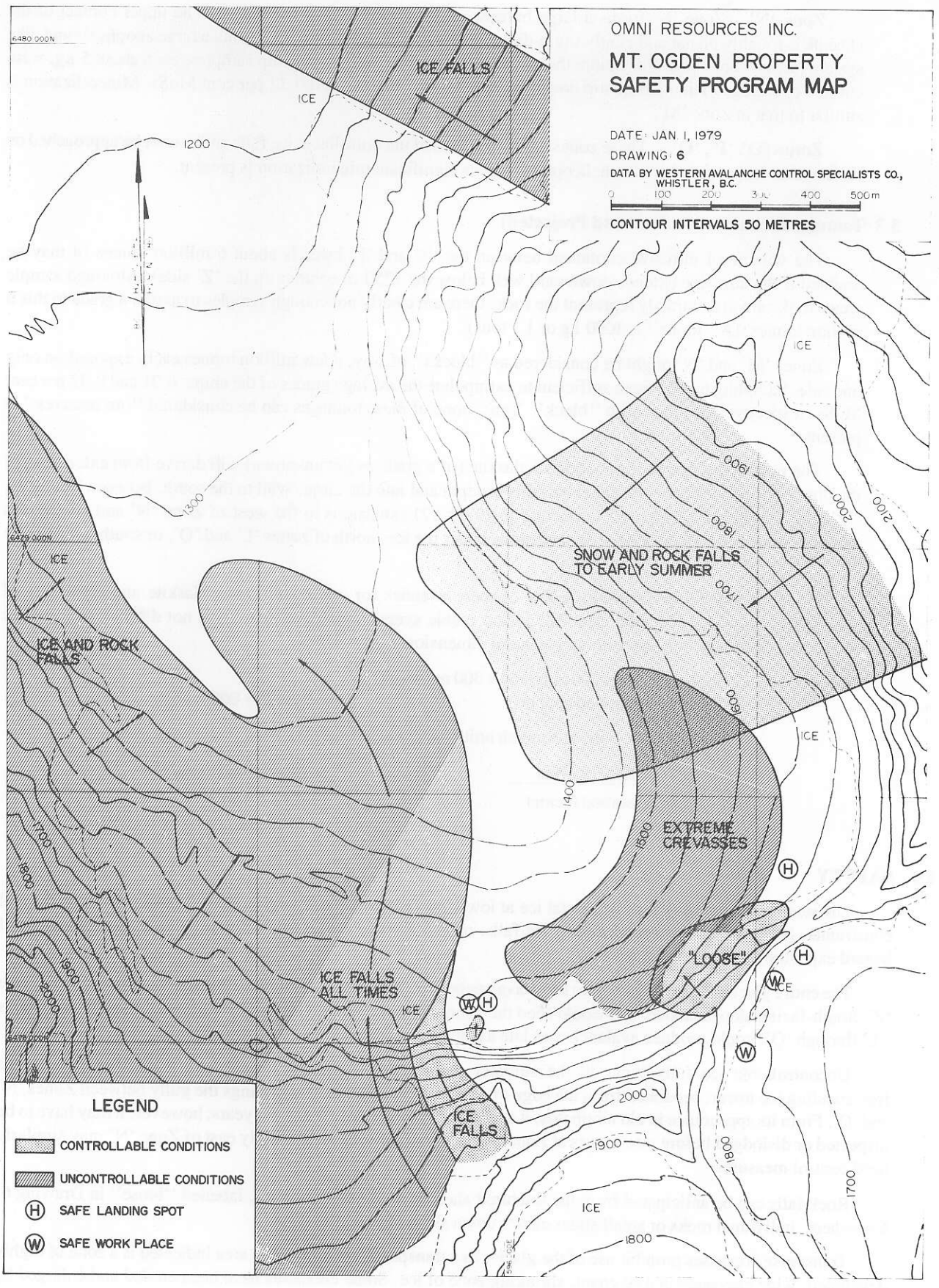
The steep rock ice faces and the glacial ice at lower elevations subject work in the mineralized area to several constraints. Hazards are snow avalanches, ice falls, rock falls, and crevasses. Drawing 6 indicates the extent of hazard exposure during summer months.

The entire glacial basin is exposed to snow avalanches all winter until April, with the possible exception of Zone 'Z'. South-facing slopes (above 'G') would shed their snow first and should be safe by the end of May. North slopes ('L' through 'Q') could produce avalanches as late as the end of June.

Uncontrollable ice falls occur in the summer months across Zones 'O' through 'Q'. A large serac (a free-standing ice tower, separated from the edge of a glacier by a crevasse) overhangs the gully between Zones 'N' and 'O'. From its appearance in old air photos, it appears unchanged for the past 30 years; however, it may have to be inspected or dislodged before work starts at Zone 'N'. A small ice wall immediately east of Zone 'N' may similarly need control measures.

Rock falls can be anticipated from the fractured alaskite in place at Zone 'L', labelled "loose" in Drawing 6. Elsewhere, individual rocks or small slides clatter down slopes frequently.

Transverse crevasses prohibit use of the glacier as a transportation route. The area indicated is a zone of highly developed, wide crevasses in a stagnant, shrinking zone of ice. Some crevasses have been eroded and enlarged by running melt water.


OMNI RESOURCES INC.
MT. OGDEN PROPERTY
SAFETY PROGRAM MAP
DATE: JAN. 1, 1979
DRAWING: 6
DATA BY WESTERN AVALANCHE CONTROL SPECIALISTS CO., WHISTLER, B.C.
0 100 200 300 400 500m
CONTOUR INTERVALS 50 METRES
6480 000N
ICE FALLS
ICE
1200
1300
1900
2000
2100
1800
1700
1600
1500
1400
SNOW AND ROCK FALLS TO EARLY SUMMER
ICE AND ROCK FALLS
EXTREME CREVASSES
"LOOSE"
ICE FALLS ALL TIMES
ICE FALLS
2000
1900
1800
1700
LEGEND
CONTROLLABLE CONDITIONS
UNCONTROLLABLE CONDITIONS
SAFE LANDING SPOT
SAFE WORK PLACE

It is our opinion that exploration work can be conducted in this environment by observing the following:

(1) study all potentially dangerous features
(2) avoid unsafe areas
(3) use instrumentation or control procedures where necessary
(4) conduct as much drilling as possible from underground stations, or under timbered sheds
(5) maintain an on-site education and safety program.

5.0 PRELIMINARY 1979 PROGRAM

5.1 Objectives

The program proposed for 1979 has the following objectives:

(1) more accurately determine grade of MoS_2.

(2) acquire some knowledge on the extent and continuity of MoS_2 mineralization, particularly that grading near or above 0.17 per cent MoS_2, by means of long drill holes.

(3) provide the basis for continued work in 1980 and beyond, and decision-making in respect of such work.

5.2 Concept

A schematic map of the 1979 program is shown in Drawing 7 (see also Drawing 4 Cross-Sections).

The Zone 'N' buttress is chosen as the portal for an exploratory adit on the basis of (1) central location, (2) safety from slides, and (3) presence of better MoS_2 grades.

The reasons for an adit are: (1) To provide a safe work place for diamond drilling, (2) to gain access by drifting and drilling to Zones 'O' and 'P' to the west and northwest, (3) to provide bulk samples for accurate measurement of grade, and (4) to set the stage for deeper exploratory penetration into the mineralized zone in 1980.

Drill holes will be fanned out from underground stations in several directions and at several up- and down-angles (as shown in Drawings 4 and 7). Surface drilling would be undertaken from a station at Zone 'Z', and holes fanned out downward and to the north, northwest and west. Zone 'Z' is one of the few localities where safe working conditions can be attained and helicopter landings and take-offs can be made. The zone also is well mineralized.

Helicopters will be used for transporting each shift to and from work.

5.2.1 Adit

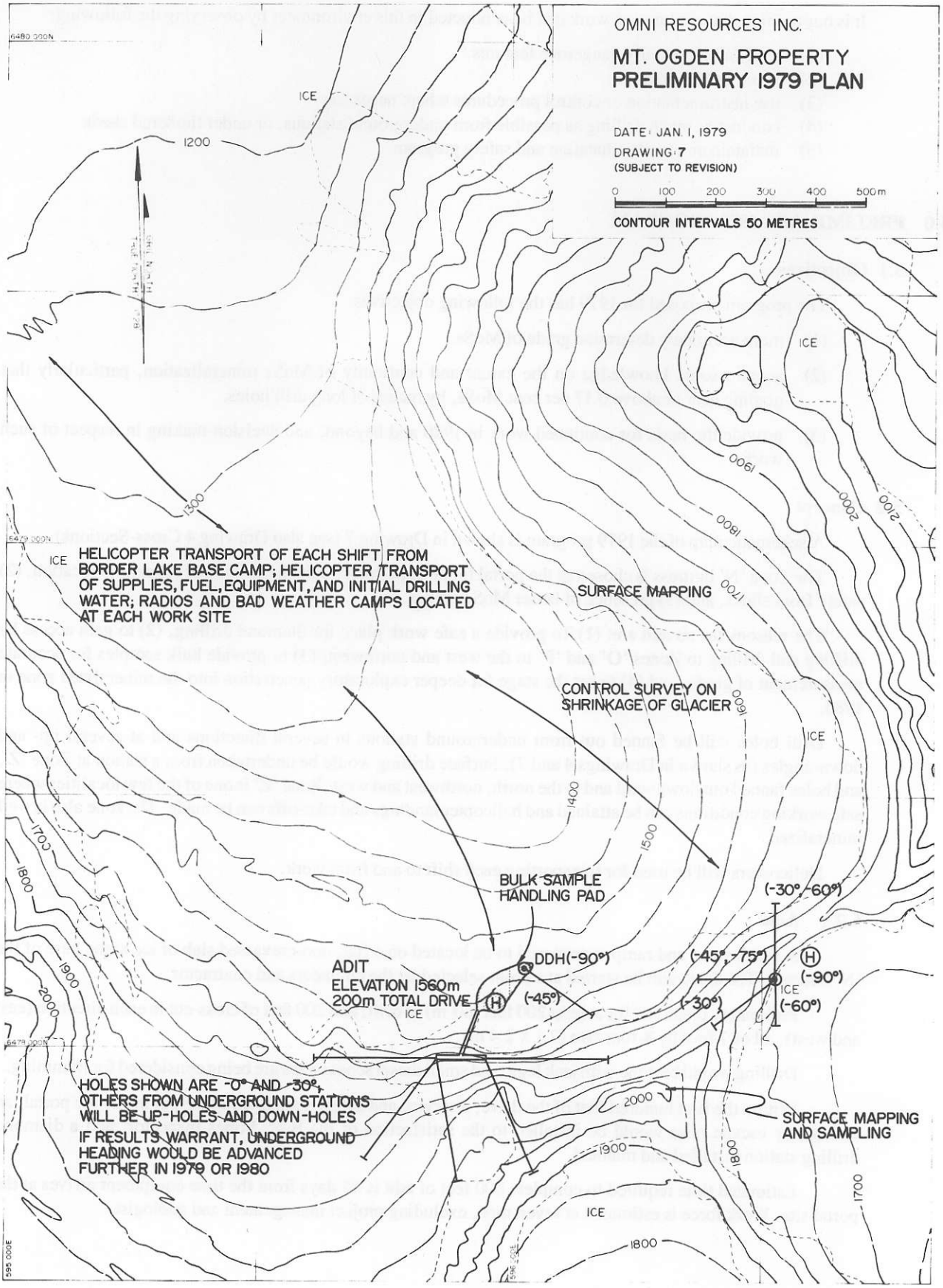
A service pad and ramp is proposed to be located on a flat, non-crevassed slab of ice at the base of the 'N' buttress. The drive will be started at a point selected by the engineers and contractor.

Prelininary plans call for at least 200 feet (60 m) of drift, and 200 feet of cross-cut in each direction (east and west), all of 7-foot by 8-foot size (2.1 x 2.4 m).

Drilling would be done with jack legs, and small diesel scoot cretes are being considered for tramming.

Within the first hundred feet of the drive, a service and safety station would be put inside the portal, an emergency escape raise would be installed to the satisfaction of the B.C. Mines Inspector, and a diamond drilling station installed and manned.

Estimated time required to complete 600 feet of adit is 65 days from the time equipment arrives at the portal site. Work force is estimated at seven men, excluding project management and geologist.


OMNI RESOURCES INC.
MT. OGDEN PROPERTY
PRELIMINARY 1979 PLAN
DATE: JAN. 1, 1979
DRAWING: 7
(SUBJECT TO REVISION)
0 100 200 300 400 500m
CONTOUR INTERVALS 50 METRES
6480 000N
ICE
1200
1300
1400
1500
1600
1700
1800
1900
2000
2100
HELICOPTER TRANSPORT OF EACH SHIFT FROM BORDER LAKE BASE CAMP; HELICOPTER TRANSPORT OF SUPPLIES, FUEL, EQUIPMENT, AND INITIAL DRILLING WATER; RADIOS AND BAD WEATHER CAMPS LOCATED AT EACH WORK SITE
SURFACE MAPPING
CONTROL SURVEY ON SHRINKAGE OF GLACIER
BULK SAMPLE HANDLING PAD
ADIT
ELEVATION 1560m
200m TOTAL DRIVE
DDH(-90°)
(-45°)
(-30°,-60°)
(-45°,-75°)
(-90°)
(-60°)
(-30°)
HOLES SHOWN ARE -0° AND -30°, OTHERS FROM UNDERGROUND STATIONS WILL BE UP-HOLES AND DOWN-HOLES
IF RESULTS WARRANT, UNDERGROUND HEADING WOULD BE ADVANCED FURTHER IN 1979 OR 1980
SURFACE MAPPING AND SAMPLING
6479 000N
595 000E

5.2.2 **Drilling**

Clearly drill sites are at a premium and will be utilized to fan holes in several directions. The total amount of drilling to be conducted remains to be determined, but will probably range from 10,000 to 20,000 feet (3000 - 6000 m). Exact hole locations, azimuths and elevations likewise remain to be determined; initial holes will be planned in the design stages, and adjusted by advance field management. Subsequent holes will be dependent upon results from early work.

At present, plans are to drill several holes from one set-up at Zone 'Z', and perhaps one or more vertical holes through the glacier from sites north of the portal, depending upon the level of effort chosen for 1979 work.

Site preparation considerations in addition to the usual considerations for surface drilling will be: (1) stability of underlying ice, (2) insulation of ice from drill platform (3) timber sheds if needed, (4) initial and continuing water supply.

Underground drilling will be done from stations near the portal, and from each end of the cross-cut. This work could be extended into the fall if early results warrant and the Client chooses to proceed at a high level of effort.

The number of drills employed will range from 2 to 4. The first two will be diamond drills, with a percussion drill under consideration for the third or fourth, depending in part upon experience and accuracy of sampling with the diamond drills.

Sample accuracy of diamond drill cores is expected to be a problem. It is generally a problem with moly deposits, and the very "coarse" texture — the thick and widely spaced moly veins — of the Mt. Ogden property is expected to exacerbate grinding in the core tube and consequent downgrading of moly values. Proposed measures to cope with loss of values are: (1) proper attention to the drilling contractor's selection of core barrels, (2) switching from BQ to NQ if needed, (3) sludge splitting, sampling and correlation, (4) drill hole orientations oblique rather than perpendicular to expected vein attitudes, (5) correlation of diamond drill results with bulk samples from the adit or with percussion drill results (this means "twinning" some sample locations with different methods), and (6) seeking advice from interested moly producers as regards grade control and statistical procedures.

Personnel requirements for running 2-4 drills round-the-clock are estimated at 10 to 16 people, including all drilling contractor's personnel and one or two sample handlers, but not project management, geologists or surveyor.

5.2.3 **Bulk Sampling**

It is proposed to split the muck from the drilling adit and obtain bulk samples for accurate assay data. Results will provide a control for 1979 and future work. The procedure for splitting and handling has not been designed yet; it might be conducted underground in the muck-tram-dump cycle, or on a pad on the ice surface.

No ultimate metallurgical problems would be anticipated since the moly is extremely coarse, however some testing will be undertaken.

Equipment requirements will include an extra small loader, a coarse ore bin, a small crusher, and a large riffle splitter; and additional personnel would be two people.

5.2.4 **Geologic Work and Other Surveys**

In addition to logging core and mapping the heading, geologists, accompanied by mountaineers, will endeavor to map the deposit and overlying tactite in detail appropriate to guiding further work. Other technical tasks unrelated to sampling to be undertaken will be:

(1) Surveying drill hole locations, underground headings and such control points as necessary.

(2) Taking new air photos for purposes of ice shrinkage data, avalanche control data, and geologic mapping.

(3) Preliminary rock mechanics survey underground to collect data in consideration of a block-caving mine.

(4) Installation and operation of a weather station (none exists in the region) for future use.

(5) Assessment work on U.S. claims.

5.2.5 **Support and Transport**

Border Lake will be the principal camp location. Housing will be in tents with plywood floors, and one or two permanent frame buildings will be built. At the peak of activity the personnel housed at Border Lake will consist of:

Tunnelers	7
Drillers	10-16
Bulk samplers	2
Geolgists	2
Mountaineers (including site safety-man)	2
Cooks, bull cooks, swampers	3-4
Helicopter crew	2
Management and staff (including first-aid man)	2-3
Provision for visitors: specialist engineers, consultants, charter pilots, Client's personnel, government officers	0-6
TOTAL	30-44

Transport and supply aspects of the project can be broken down into the components:

(1) Heavy equipment, bulky supplies, and fuel from Vancouver or Prince Rupert to a depot on the Taku River — probably by barge.

(2) Lifting of that material to Border Lake camp (by helicopter or Beaver) and to project sites (by large helicopter).

(3) Daily transport of crews and light supplies to project sites; removal of samples — by light turbine helicopter.

(4) Ongoing transport of personnel and supplies to and from camp — by fixed wing charters from Atlin, truck or aircraft between Atlin and Whitehorse, CP Air between Whitehorse and Vancouver.

(5) Demobilization of heavy equipment — reverse of items (1) and (2).

(6) Hospital or emergency transport — by air or boat to Juneau, Alaska; or by air to Atlin or Whitehorse.

Shift transport back and forth will be interrupted from time to time by poor visibility, and an allowance for this will be built into progress schedules. Provisions for extended stays will be made at all work sites. Otherwise, daylight hours will be adequate to operate on a 24-hour basis with all shifts transported by helicopter.

Communications within the project will be handled with portable VHF radios, and to external points with HF SSB radios. Project agents or expeditors will be located in Atlin, Juneau, Whitehorse and Vancouver.

5.2.6 **Organization**

Field management of the project will be under the direction of a senior engineer from Nevin/Sadlier-Brown/Goodbrand/Ltd. Staff and support personnel (assistant manager and secretary) geologists, mountaineers, sample handlers, cooks and swampers will be supplied by Bema Industries Ltd. or Nevin/Sadlier-Brown/Goodbrand/Ltd. from their full-time staff or as employees hired for the project.

Key contractors are the tunnel driving contractor and one or two drilling contractors; possibly one integrated mining contracting firm will perform both functions.

Other specialists or contractors to be employed for all or part of the project are:

(1) Helicopter contractor(s).

(2) Fixed wing charter operator(s).

(3) Barging and trucking contractors.

(4) Mining engineer, on ground support and caving analysis.

(5) Materials handling engineer, on crushing and splitting bulk samples.

(6) Surveyor.

(7) Airphoto and photogrammetric mapping contractor.

(8) Assayer(s).

(9) Computer service contractor.

(10) Meteorological consultant.

Contracts will be awarded on consultation with the Client on the basis of past experience with the firm, ability to perform, and estimated cost to the Client.

The Client and project managers expect to maintain liaison with several other parties in the planning and execution stages, including:

(1) B.C. Ministry of Mines.
   (a) Mines Inspector.
   (b) Geological Division.

(2) Canada Customs.

(3) a number of representatives of major mining companies.

5.2.7 **Timetable**

Only a short season is available for efficient surface work at Mt. Ogden, and various lead times are required for the project. A summary of the timetable is shown in Drawing 8. Key deadlines are:

(1) February 15 — for Client approval to design the program, estimate quantities and weights, select tunnelling and drilling contractors, estimate costs, arrange for permits.

(2) March 15 — to firm up orders, mobilize heavy and bulky supplies and fuels to barge loading point, assign or hire most personnel, make early reconnaissance visit to work and camp sites.

(3) May 20 — for camp construction and site preparation crews to begin work, barge to arrive in Taku River.

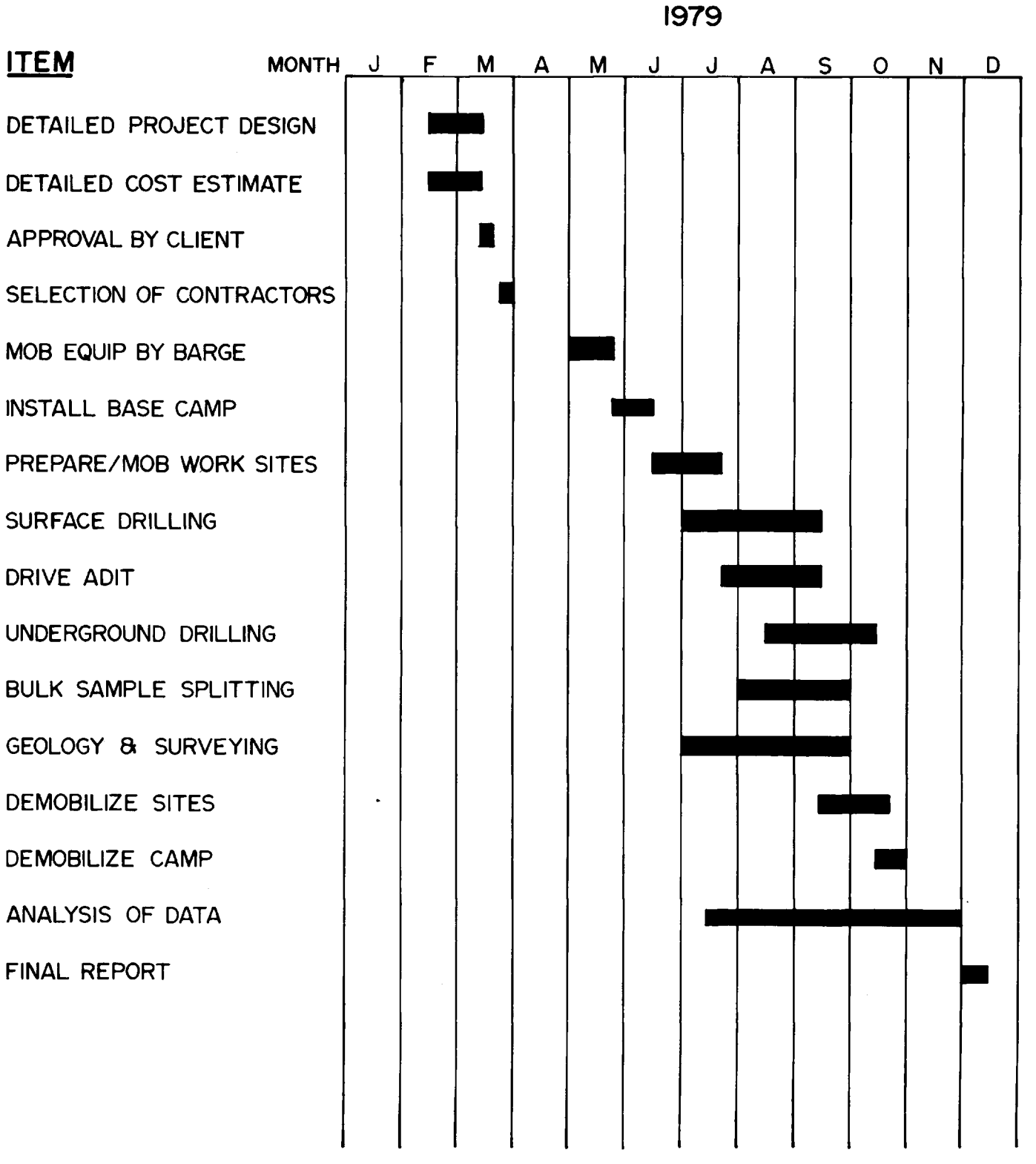
(4) July 1 — to begin drilling and tunnelling.

As noted in Drawing 8, surface work can continue to about mid-September, and would be terminated either by design, or by anticipation of an increasing number of lost days due to bad flying visibility. Underground drilling, it is expected, could continue until about October 15 if desired, and demobilization will take place in stages from September 15 - October 30.

The Client may choose to begin with the basic program, and scale up to the accelerated program provided the project managers have preliminary advice and that the decision is made by July 15.

5.3 **Levels of Effort**

Based on current evidence it is likely that exploration and development work on the Mt. Ogden property will proceed for several seasons. The question of the appropriate amount of work for 1979 is governed by factors other than the desire to reach a "go" or "no go" decision at the end of the season. The minimum level is set by the high cost of mobilization and access; and the maximum level by avoiding wasteful spending in attempting too much too fast.



DRAWING 8 - TIMETABLE FOR PROPOSED 1979 WORK PROGRAM

The suggested basic program calls for 10,000 feet of drilling and 600 feet of drifting; and the accelerated program calls for 20,000 feet of drilling and 1,000 feet of drifting. These suggestions are open-ended, in that a program designed for 7,500 feet of drilling, or one for 30,000 feet of drilling, or one in-between, could be carried out in a workmanlike manner.

The open-ended nature of early stage mineral exploration also allows the management to terminate the season's program short of the arbitrary "footage" goal if a budget overrun is anticipated, owing to unexpected events, and still be quite satisfied with the information obtained by the program.

5.4 **Estimated Costs**

Preliminary estimates of costs for the two programs presented are shown in Table 1, and summarized:

Basic: 10,000′ drilling, 600′ drifting	$1,113,000
Accelerated: 20,000′ drilling, 1000′ drifting	$1,586,000

Individual components are shown in the table, and most have a built-in factor for unexpected events or other contingencies.

As per the discussion in the previous section, a level of effort could be selected by the Client anywhere in the range $1-million to $2-million.

6.0 ON-GOING WORK

6.1 **Exploration**

Results from 1979 will determine the course and speed of continued exploration. If results remain favourable exploration drilling and tunnelling will probably continue in 1980 and 1981, and eventually transform into closely spaced development drilling.

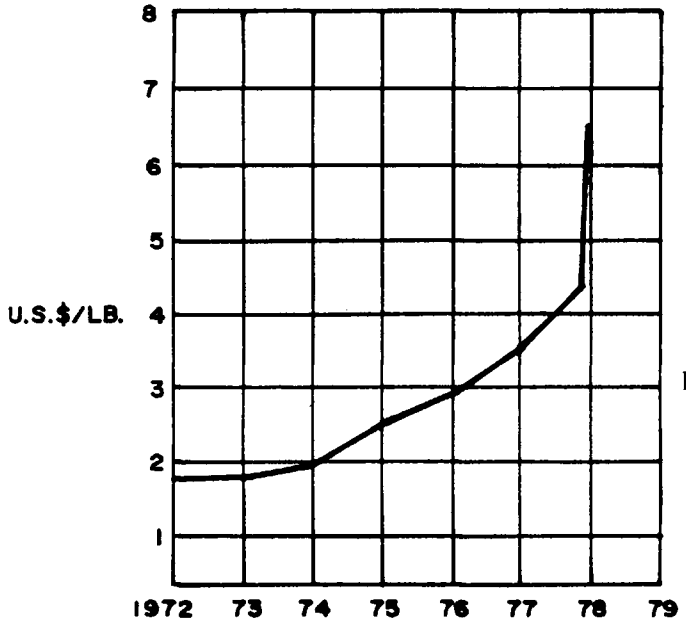
6.2 **Development**

At this stage it appears clear that the only suitable means of access for production purposes would be a long haulage tunnel under the prospective deposit, and the only suitable mining method would be block caving. If these are held feasible, the location of the deposit 16 miles (26 km) from tide water would suggest a better competitive position than the extraordinarily difficult exploration access appears to imply.

TABLE 2 — Estimated Range of Costs by Work Component

		Basic Program		Accelerated Program
1.	Mobilization — Barge to Taku River	$ 35,000		$ 35,000
	— Helicopter heavy gear	55,000		60,000
	Demobilization — Barge	35,000		35,000
	— Helicopter heavy gear	40,000		45,000
	Mob — demob all personnel	15,000		18,000
		$ 180,000		$ 193,000
2.	Camp construction, supplies, equipment	75,000		80,000
	Cook, bullcooks, swampers	27,000		36,000
		$ 102,000		$ 116,000
3.	Adit — contractor's charges (600')	175,000	(1,000')	300,000
	fuel	7,000		10,000
	daily transport	28,000		37,000
		$ 210,000		$347,000
4.	Drilling — site preparation (1-2 surface sites)	6,000	(2-3 surface sites)	8,000
	contractor's charges (10,000')	250,000	(20,000')	450,000
	daily transport	25,000		50,000
	sample handling	10,000		18,000
		291,000		526,000
5.	Bulk sample handling	$ 50,000		$ 70,000
6.	Technical work			
	Logging and underground mapping	10,000		12,000
	Surface geology, incl. helicopter	40,000		40,000
	Airphotos, safety, weather station surveying	25,000		25,000
		$ 75,000		$ 77,000
7.	Other costs			
	Pre-mob design and administration	20,000		25,000
	On-site management and staff	35,000		40,000
	Communications equip. and costs	5,000		5,000
	Expeditors charges	8,000		8,000
	Helicopter costs not included above	30,000		35,000
	Fixed wing charters, Camp-outside	15,000		20,000
	Trucking, freight, other travel	15,000		20,000
	Assays	12,000		24,000
	Analysis of data, reporting	25,000		30,000
	Engineering and management fees	40,000		50,000
		$ 205,000		$ 257,000
	TOTALS	$1,113,000		$1,586,000

6.3 **Marketing**



Drawing 9 — Price history of molybdenum in concentrate (sources Merrill Lynch, Metals Week, *Northern Miner.)*

Metal market data indicate current strong demands for molybdenum, as reflected in the price history (Drawing 9). Indications are that the demand will continue to be strong and the price firm (Butterfield and Ganshorn). Moly has been subject to the ups and downs of the steel industry in the past. In the foreseeable future its demand will be enhanced by unique alloying applications in the energy-conscious economy, including use for weight reduction in vehicles and use in pipeline steels for strength and low temperature performance.

Respectfully submitted,
NEVIN/SADLIER-BROWN/GOODBRAND/LTD.

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

January 15, 1979

Appendix 'A' — Certificate

I, Andrew E. Nevin, hereby certicy that:

1. My residence address is 926 Montroyal Blvd., North Vancouver, B.C., my office address is 5th Floor-134 Abbott Street, Vancouver, B.C. V6B 2K4; and that I am a Geologist by occupation.

2. I hold a B.Sc. in Geophysics from St. Lawrence University, an M.A. in Geology from University of California, Berkeley, and a Ph.D. in Geology from University of Idaho. I have been practicing my profession since 1961, and I am a member of the Association of Professional Engineers (Geological) of the Province of British Columbia, and a Registered Professional Geologist in the State of Idaho.

3. I have examined the Moly-Taku claims, directed recent work, and reviewed the data thereon personally.

4. I hold no direct or indirect beneficial interest in the above property nor in the securities of Omni Resources Inc. Another partner in Nevin/Sadlier-Brown/Goodbrand/Ltd. staked certain adjoining claims, in the United States, in trust for Omni Resources Inc., which are in process of being conveyed directly to that company.

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

January 15, 1979

Appendix B: References

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Statutory Rights of Rescission and Withdrawal

Sections 61 and 62 of the Securities Act of the Province of British Columbia provide, in effect, that where a security is offered to the public in the course of primary distribution: —

(a) the purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus, together with financial statements and reports and summaries of reports relating to the securities as filed with the Superintendent was not delivered to him or his agent prior to delivery of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell within 60 days of the date of delivery of the written confirmaton, but no action shall be commenced after the expiration of three months from the date of service of such notice.

(b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right can be commenced by a purchaser after expiration of 90 days from the latter of the date such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Please refer to the said Act for the complete text of the provisions under which the foregoing rights are conferred.

Certificate of the Company

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities being offered by this Prospectus as required by Part VII of the British Columbia Securities Act and the regulations thereunder.

DATED at Vancouver, B.C. this 15th day of February, 1979.

(Signed) ERNEST BERGVINSON,
President, Director & Promoter

(Signed) WILLIAM ROBERT HOYE,
Vice-President, Treasurer,
Director & Promoter

(Signed) MILTON HILMAR ZINK,
Secretary & Director

(Signed) PATRICK SLANEY,
Director