

675805
TAM
93N/13

Bernie Kehlet VP Expln.



**MAJOR GENERAL
RESOURCES LTD.**

10th Floor 900 West Hastings St
Vancouver B.C. Canada V6C 1E5
Tel: (604) 685-5254
Fax: (604) 685-2814

NAME: Osi

DISTRICT: Omineca Mining District

LOCATION AND ACCESS: 150 km. north-northwest of Fort St. James, B.C.

LAND POSITION: 118 units.

TARGET: Copper-gold porphyry similar to Milligan.

GEOLOGICAL SETTING: Situated within the Hogem Batholith; underlain by granite intruded by diorite and syenite plugs. It is close to the Takla volcanic contact.

HIGHLIGHTS:
 The property covers a very strong magnetic anomaly. Similar magnetic highs are associated with the nearby Lorraine Cu-Au deposits and the BP-Lysander "Cat" prospects.
 This is also similar to the magnetic footprint of the Mt. Milligan project where reserves are currently estimated at 385 million tons of .22% Cu and .016 per ton gold.
 Silt sampling located several anomalous samples anomalous in copper from two drainages. One copper showing was located from follow-up. Gold analyses were not completed.

AREA ACTIVITY:
 The BP/Lysander joint venture expects to spend \$1.2 million in 1990 at the CAT project located 20 kilometres due east.
 Major General's partner, Varitech, will spend a minimum of \$150,000 at the Tam project during 1990 where the Boundary deposit contains geological reserves of 7.7 million tons of .55% Cu with minor gold.
 Kennecott has indicated that they will be further exploring their Lorraine deposits containing 11 million tons of .65% Cu and 0.03 oz. gold per ton.
 Cyprus Gold have completed staking programs immediately to the south and west and are actively exploring their properties.

WORK HISTORY: Regional prospecting/geochemistry by UMEX in early 1970's provides a database for an advanced surface exploration program.

1990 PROGRAM: A drill target delineation program consisting of geological mapping, geochemical sampling and a magnetic survey followed by an IP survey.

BUDGET: \$100,000

PROPOSED TRADE TERMS: Option to earn a 50% interest.
 Net Smelter Return: 2%
 Option Requirements:

<u>YEAR</u>	<u>SHARES</u>	<u>PAYMENTS</u>	<u>EXPENDITURES</u>	<u>INTEREST EARNED</u>
Closing	100,000	25,000		
1		25,000	100,000	
2		25,000	150,000	
3		<u>25,000</u>	<u>200,000</u>	50%
	100,000	\$100,000	\$450,000	

Operator: Major General

ATTACHMENTS:

- I. Compilation of Geological, Geochemical, Geophysical and Other Data on the OSI Group of Mineral Claims, Omineca Mining Division, NTS 94C/4E.
- II. Draft Option Agreement



MAJOR GENERAL
RESOURCES LTD.

10th Floor, 499 West Hill Street
San Francisco, California 94111
Tel: (415) 774-1100
Fax: (415) 774-1101

EXPLORATION PROPOSAL SUMMARY SHEET

NAME: TAM OSI

DISTRICT: Omineca Mining Division

LAND POSITION: 5 claims, 88 units, staked August 1990.

TARGET: Porphyry Copper-Gold

GEOLOGICAL SETTING: Hogem Batholith intruded by Duckling Creek syenite complex.

HIGHLIGHTS: Several copper silt geochemical anomalies were detected in a creek draining syenitic intrusives on the property. These syenitic rocks host small copper with minor gold deposits at the adjacent Tam property and nearby Lorraine claims of Kennco. A strong magnetic anomaly in the north of the property is likely caused by unexposed syenite.

WORK HISTORY: Regional silt sampling.
Regional aeromagnetic surveying.
Prospecting.

PROPOSED PROGRAM: Geological mapping, prospecting, line cutting, lithochemical and soil sampling, magnetic and IP surveys.

BUDGET: \$100,000

PROPOSED TRADE TERMS: Net Smelter Return: 2%
Option Requirements:

<u>YEAR</u>	<u>SHARES</u>	<u>PAYMENTS</u>	<u>EXPENDITURES</u>	<u>INTEREST EARNED</u>
Closing	100,000	25,000		
1		25,000	100,000	
2		25,000	125,000	
3		<u>25,000</u>	<u>175,000</u>	50%
		\$100,000	\$400,000	

Operator: Hogem J.V.

ATTACHMENTS:

- I. Compilation of Geological, Geochemical, Geophysical and Other Data on the TAM OSI Group of Mineral Claims, Omineca Mining Division, NTS 94C/4E.
- II. Draft Option Agreement



MAJOR GENERAL
RESOURCES LTD.
10th Floor, 100 King Street West
Toronto, Ontario M5X 1C9, Canada
Tel: (416) 593-8888
Fax: (416) 593-8889

EXPLORATION PROPOSAL SUMMARY SHEET

NAME: DEN

DISTRICT: Omineca Mining Division

LAND POSITION: 4 claims, 80 units, staked August 1990.

TARGET: Porphyry Copper-Gold

GEOLOGICAL SETTING: Hogem Batholith intruded by Duckling Creek syenite complex.

HIGHLIGHTS: A number of anomalous silt samples were recorded from four creeks draining migmatitic syenites. Copper showings have been located, one sample assayed 0.46% Cu with 200 ppb Au. A strong boomerang shaped magnetic ridge runs through the centre of the property.

WORK HISTORY: Regional silt sampling.
Regional aeromagnetic surveying.
Prospecting.

PROPOSED PROGRAM: Geological mapping, prospecting, line cutting, lithochemical and soil surveys, magnetic and IP surveys.

BUDGET: \$100,000

PROPOSED TRADE TERMS: Net Smelter Return: 2%
Option Requirements:

<u>YEAR</u>	<u>SHARES</u>	<u>PAYMENTS</u>	<u>EXPENDITURES</u>	<u>INTEREST EARNED</u>
Closing	100,000	25,000		
1		25,000	125,000	
2		25,000	175,000	
3		<u>25,000</u>	<u>200,000</u>	50%
		\$100,000	\$500,000	

Operator: Hogem J.V.

ATTACHMENTS:

- I. Compilation of Geological, Geochemical, Geophysical and Other Data on the DEN Group of Mineral Claims, Omineca Mining Division, NTS 93N/13E&W.
- II. Draft Option Agreement



MAJOR GENERAL
RESOURCES LTD.
1000 Highway 10, Westport, B.C.
Canada V8T 1G5
Tel: (604) 675-1111
Fax: (604) 675-1111

EXPLORATION PROPOSAL SUMMARY SHEET

NAME: HAW WEST

DISTRICT: Omineca Mining Division

LAND POSITION: 5 claims, 98 units, staked August 1990.

TARGET: Porphyry Copper-Gold

GEOLOGICAL SETTING: Hogem Batholith intruded by Duckling Creek syenite complex.

HIGHLIGHTS: Several copper silt geochemical anomalies drain known areas of Duckling Creek syenite and associated migmatites. At the nearby Lorraine and Tam properties these migmatites host several 5-7 million ton copper porphyry deposits with minor gold.

WORK HISTORY: Regional silt sampling.
Regional aeromagnetic surveying.
Prospecting.

PROPOSED PROGRAM: Geological mapping, prospecting, line cutting, lithochemical and soil surveys, magnetic and IP surveys.

BUDGET: \$100,000

PROPOSED TRADE TERMS: Net Smelter Return: 2%
Option Requirements:

<u>YEAR</u>	<u>SHARES</u>	<u>PAYMENTS</u>	<u>EXPENDITURES</u>	<u>INTEREST EARNED</u>
Closing	100,000	25,000		
1		25,000	100,000	
2		25,000	125,000	
3		25,000	175,000	50%
		\$100,000	\$400,000	

Operator: Hogem J.V.

ATTACHMENTS:

- I. Compilation of Geological, Geochemical, Geophysical and Other Data on the HAW WEST Group of Mineral Claims, Omineca Mining Division, NTS 94C/4E4W and 93N/13E.
- II. Draft Option Agreement



MAJOR GENERAL
RESOURCES LTD.

10th Floor, 390 West Hastings St.
Vancouver, B.C. Canada V6C 1G5
Tel: (604) 681-1144
Fax: (604) 681-1213

EXPLORATION PROPOSAL SUMMARY SHEET

NAME: HAW EAST

DISTRICT: Omineca Mining Division

LAND POSITION: 5 claims, 86 units, staked August 1990.

TARGET: Porphyry Copper-Gold

GEOLOGICAL SETTING: Hogem Batholith intruded by Duckling Creek syenite complex.

HIGHLIGHTS: Numerous silt samples anomalous in copper drain known areas of migmatitic syenite. Several copper showings sampled recently returned values up to 1.84% Cu; one had trace gold. Two old soil grids show open anomalies with values into the 1,000's ppm Cu. Silts and soils were not analysed for gold.

WORK HISTORY: Prospecting;
Regional silt sampling;
Regional aeromagnetic surveying;
Two restricted soil grid surveys.

PROPOSED PROGRAM: Line cutting, soil and lithogeochemical sampling, geological mapping, prospecting, magnetic and IP surveys.

BUDGET: \$150,000

PROPOSED TRADE TERMS: Net Smelter Return: 2%
Option Requirements:

<u>YEAR</u>	<u>SHARES</u>	<u>PAYMENTS</u>	<u>EXPENDITURES</u>	<u>INTEREST EARNED</u>
Closing	100,000	25,000		
1		25,000	125,000	
2		25,000	175,000	
3		<u>25,000</u>	<u>200,000</u>	50%
		\$100,000	\$500,000	

Operator: Hogem J.V.

ATTACHMENTS:

- I. Compilation of Geological, Geochemical, Geophysical and Other Data on the HAW EAST Group of Mineral Claims, Omineca Mining Division, NTS 94C/4E and 93N/13E.
- II. Draft Option Agreement



**MAJOR GENERAL
RESOURCES LTD.**

20th Floor, 400 West Hastings St.
Vancouver, B.C. Canada V7Y 1L3
Tel: (604) 681-1284
Fax: (604) 681-1285

***BACKGROUND OF THE HOGEM AND TAKLA JOINT VENTURES
OMINECA PORPHYRY COPPER-GOLD BELT, B.C.***

Major General Resources Ltd. holds interests in a total of 14 projects in the Omineca porphyry copper-gold belt of central British Columbia with a combined area exceeding 1,540 units (148.6 sq. miles). Major General's presence developed in 1990 and places the company among the largest property holders in the belt.

In early 1990, Major General acquired from UMEX Inc., a wholly-owned subsidiary of ACEC-Union Minière SA of Belgium, 32 Canadian mineral properties and all associated geological data associated directly or indirectly with properties. Included in the property portfolio was the TAM porphyry copper project (7.2 million tons grading 0.55% copper plus gold and silver credits), located in B.C., and a regional geological database developed by UMEX and Wenner Gren AG during the period 1969-1973 and centred over the Hogem Batholith in central British Columbia. The regional program covered approximately 800 square miles. Managed by Dolmage Campbell & Associates Ltd., it included airborne magnetic, electromagnetic and scintillometer surveys and follow-up prospecting, silt and soil geochemistry, mapping and limited drilling. UMEX's objective was base metals; gold potential was never evaluated.

Major General re-evaluated the data in light of increased activity in the region and the current understanding of the relationship between porphyry copper and gold. This work defined five exploration targets proximal to the TAM project and formed the technical basis for the Hogem Joint Venture.

The Hogem Joint Venture, a 50/50 association between Major General Resources Ltd. and Varitech Resources Ltd., includes the five proximal properties which are equally owned by the parties. The five properties (TAM-Osi, Osi, Haw East, Haw West, and Den) total 450 units (43.4 sq. miles). The TAM property itself consists of approximately 265 units (25.6 sq. miles) and Varitech has an option to acquire a 50% interest in the TAM project from Major General based on cash and share payments and a work commitment.

Following Major General's technical re-evaluation, the Takla Joint Venture was formed to stake exploration targets outside the TAM project area. The Takla Joint Venture, a 50/50 joint venture between Major General and the Hunter Joint Venture, includes eight properties equally owned by the parties. The Takla Joint Venture's current holdings (Joh, Darb, Tut, Pal, Hal, and three others) exceed 834 units (80.5 sq. miles).



MAJOR GENERAL RESOURCES LTD. "PROPERTY LOCATIONS"

OMINECA PORPHYRY COPPER-GOLD BELT



MINERAL INVENTORIES

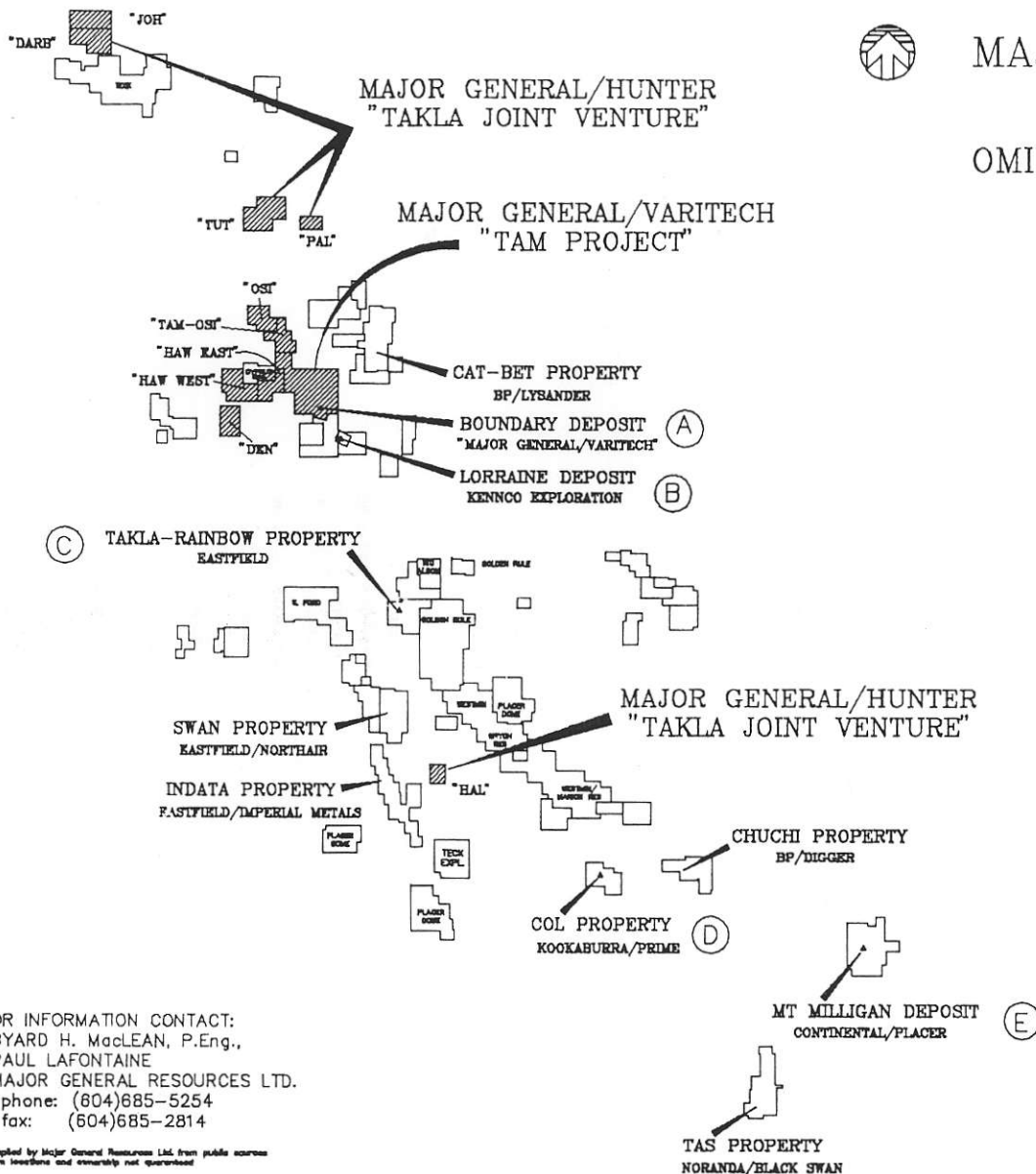
(A) Boundary Deposit = TAM
7.2 million tons
0.55% Cu & 0.12 opt Ag

(B) Lorraine Deposit
10 million tons
0.67% Cu & 0.006 opt Au

(C) Takla Rainbow
320,000 tons
0.25 opt Au

(D) Col Property
2 million tons
0.6% Cu

(E) Mt. Milligan Deposit
385 million tons
0.22% Cu & 0.016 opt Au



FOR INFORMATION CONTACT:
BYARD H. MacLEAN, P.Eng.,
PAUL LAFONTAINE
MAJOR GENERAL RESOURCES LTD.
phone: (804)685-5254
fax: (804)685-2814

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MGJ-V