

LOGTUNG RESOURCES LTD.

1424 - 355 Burrard Street
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November 29, 1977

REPORT TO SHAREHOLDERS

Dear Shareholder:

Logtung Resources Ltd. was incorporated in British Columbia on April 4, 1977 to acquire two separate mineral discoveries from the Bath-1976 Uranium Partnership; a partnership created in 1976 to finance a regional exploration program proposed by Cordilleran Engineering Limited. The financing partners provided the 1976 partnership with \$227,000. in exploration funds and in 1977 provided Logtung with its initial treasury of \$80,000. Logtung was underwritten for an additional \$200,000. and on June 28, its shares commenced trading on the Vancouver Stock Exchange with the ticker symbol LGR.

Logtung's mineral interests include:

- (1) The Logjam Creek Tungsten/Molybdenum property, located near the Alaska Highway, 125 miles south-east of Whitehorse, Yukon; which is currently being explored by Amax Potash Ltd.
- (2) The Trout Lake Uranium property, located 34 miles east of Atlin, B. C. which is being explored by Canex Placer Ltd.
- (3) A 5% interest in a 1977 Limited Partnership which has discovered and staked a tungsten, tin, molybdenum prospect in the Yukon.

LOGJAM CREEK

In 1977, Logtung granted Amax an option to earn a 60% interest in this property by spending \$2,000,000. on property development and paying Logtung \$900,000. by March 1, 1983. Before January 1, 1978, Amax must commit to paying Logtung \$100,000. by March 1, 1978 to maintain its option.

During 1977, in addition to paying Logtung \$100,000. Amax expended \$400,000. on property development. Fourteen holes were diamond drilled for a total of 2840 metres (9315 feet), a road connecting the property to the Alaska Highway was reconstructed and geological, geochemical, and geophysical surveys were undertaken. A location plan and summary of drill hole assays is included with this report.

Three mineralized zones were investigated; the B. C., the Central and the Yukon Zones. Drilling activity was concentrated on the latter two which now appear to be continuous and open on three sides and to depth.

Within this zone, scheelite, molybdenite, fluorite, beryl, sphalerite, galena, wolframite, cosalite and occasionally chalcopyrite mineralization have been found to occur in all rock types. Scheelite and molybdenite mineralization occurs mainly in a well-developed quartz vein stockwork; disseminated scheelite also occurs in bands or pods of dark green skarn. The balance of the minerals occur as accessory vein minerals.

While the ultimate size and grade of the Yukon/Central mineralized zone will not be established, for some time, results of the 1977 program suggest that greater than 100 million tons of material may be available for open pit mining at an approximate grade of 0.12% WO₃ and 0.048% MOS₂. The mineralized zone covers an area 2000 feet X 2000 feet as defined by holes 5 through 10. Within the Yukon/Central zone and surrounding untested contiguous areas, the possibility remains open of establishing a smaller tonnage, higher grade deposit.

Further drilling and metallurgical testing are required to fully evaluate this property. Both commodities (tungsten and molybdenum) have recently reached record high market prices.

TROUT LAKE URANIUM PROPERTY

During 1977, Logtung granted Canex Placer an option to earn a 60% interest in this property by spending \$750,000. on property exploration and development and paying Logtung \$250,000. by February 1, 1983. Placer has exceeded its 1977 exploration commitment and may extend its option by paying Logtung \$20,000. on or before February 1, 1978 and committing to a cumulative exploration expenditure of \$125,000. by February 1, 1979. Placer is currently reviewing the results of its 1977 program which has confirmed the presence of an unusually high amount of radioactivity.

MINEX 1977 LIMITED PARTNERSHIP INTEREST

Logtung holds a 5% interest in this partnership which owns a tungsten, tin, copper, molybdenum prospect north of Swift River in the Yukon. Several companies have indicated interest in this new discovery, however, to date, no decision, with respect to its future development has been made.

In addition to being involved in the exploration and development of these exciting prospects, Logtung enjoys an enviable financial position with a working capital position which exceeds \$220,000. Your company's first six months can only be described as active and successful.

On behalf of the Board of Directors, it gives me great pleasure to submit the above report to the company's shareholders.



W.J. COULTER
President

DRILL HOLE SUMMARY

(Metres X 3.28 = Feet)

<u>HOLE #</u>	<u>HOLE LENGTH (METRES)</u>			<u>ASSAYS</u>		
	<u>FROM</u>	<u>TO</u>	<u>OVER BURDEN</u>	<u>CORE</u>	<u>%WO₃</u>	<u>%MOS₂</u>
<u>B. C. ZONE</u>						
LT 77-1	0	123.2	2.0	121.2	0.040	0.010
LT 77-2	0	107.4	4.0	103.4	0.040	0.007
LT 77-3	0	145.6	1.8	143.8	0.040	0.003
LT 77-4	0	60.0	6.0	54.0	0.037	0.006
<u>YUKON/ CENTRAL ZONE</u>						
LT 77-5	0	223.3	6.0	217.3	0.092	0.036
Containing	128.0	146.0	-	18.0	0.146	0.103
LT 77-6	0	221.7	-	221.7	0.092	0.072
Containing	32.0	86.0	-	54.0	0.135	0.050
	82.0	164.0	-	82.0	0.083	0.107
LT 77-7	0	363.3	-	363.3	0.120	0.058
Containing	80.0	190.0	-	110.0	0.125	0.038
	190.0	292.0	-	102.0	0.133	0.097
	336.0	363.3	-	27.3	0.175	0.091
LT 77-8	0	241.6	8.5	233.1	0.134	0.048
Containing	56.0	136.0	-	80.0	0.182	0.059
	126.0	136.0	-	10.0	0.476	0.084
LT 77-9	0	191.1	18.5	172.6	0.173	0.036
Containing	124.0	148.0	-	24.0	0.487	0.059
	134.0	146.0	-	12.0	0.817	0.073
LT 77-10	0	268.0	-	268.0	0.127	0.034
Containing	22.0	38.0	-	26.0	0.299	0.074
	130.0	152.0	-	22.0	0.314	0.049
	182.0	202.0	-	20.0	0.259	0.078
LT 77-11	0	238.5	-	238.5	0.059	0.029
LT 77-12	0	166.8	-	166.8	0.044	0.054
LT 77-13	0	250.0	-	250.0	0.031	0.021
LT 77-14	0	200.4	-	200.4	0.023	0.008

