



OMNI RESOURCES INC.

1985 EXPLORATION UPDATE

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to update your Company's continuing progress in exploration of the Skukum Creek property in the Wheaton River region located 30 miles south of Whitehorse, Yukon. A major exploration program consisting of prospecting, soil geochemistry and diamond drill testing of gold and silver bearing zones has been in progress since early June. The drill program is being conducted under the direction of F. Marshall Smith, P.Eng., the Company's consulting engineer. A total of 15 drill holes have been drilled in the "Rainbow" and "Road" zones with the 16th hole (#85-19) currently being drilled. Eight of the diamond drill holes have tested the Road zone to date and assays are pending. Mr. Smith has suggested that our emphasis be directed to the Rainbow zone where 7 holes have been cored and initial results have been most encouraging.

Diamond drill hole #85-4 (the discovery hole of the Rainbow Zone) produced assays of 0.174 oz/ton gold and 11.24 oz/ton silver over a width of 21.4 feet. Diamond drill hole #85-14 located 100 feet uphill from hole #85-4 returned assays of 0.170 oz/ton gold and 20.51 oz/ton silver over an interval of 22.4 feet (a gold equivalent of approximately 0.567 oz/ton gold). Diamond drill holes 85-15 through 85-18 have all intersected the Rainbow Zone and assays are expected shortly.

In a report to the company dated September 21, 1985, Mr. Smith notes that "the Rainbow Zone appears to have a strike length of at least 300 feet and should average greater than 15 feet wide. The pitch of the shoot is as yet untested and would appear to run to the west at a fairly flat angle".

"There are probably several other significant gold vein occurrences on the property based on the surface soil gold geochemical results but only the Rainbow zone was examined in detail." Mr. Smith also notes "In summary the property clearly has the potential for development of a series of economically significant gold/silver epithermal vein deposits that tend to pitch at a shallow angle into the mountain. Each of the veins can be expected to continue from surface for considerable depth due to the nature of these deposits to have a dip extent of 500 to 900 feet. I believe that the current drilled vein represents the upper portion of a significant gold/silver deposit that will improve in gold grade at the expense of some loss of silver credits with depth...".

In addition, Mr. Smith also concluded that "As there are a significant number of very anomalous soil sample anomalies rich in gold from portions of the property as yet not examined by the writer and these zones are similar to the magnitude of the soil anomaly at the current drill site vein, there is considerable chance that there are several more gold/silver veins worthy of drill testing on the property."

Due to the exciting results obtained from the current drilling program, your Skukum Creek holdings have been expanded from 44 to 152 claims. Road access to the property is well established and the probable economics of mining and milling appear to be nearly ideal. The AGIP-Erickson Mt. Skukum property, which adjoins Omni's property to the North, is expected to be in commercial production by January 1986.

The encouraging assay results and widths of mineralized material encountered in drill testing of the Rainbow zone together with the potential of additional epithermal systems on your property, have management confident that further exploration will confirm the potential for a number of economic mineral deposits on Omni's Skukum Creek Property.

Yours truly,

Jon Bergvinson
Operations Manager

September 26, 1985