

## **1.2 LOCATION**

The Omai Gold Project is located in Guyana, South America (Figure 1). The proposed mine site is near the Omai River, a left-bank tributary of the Essequibo River, one of the largest rivers in the country (Figure 2). Although the property is close to this major waterway, rapids on the Essequibo River and low flows during the dry season preclude river transport to and from the coast. Access to this relatively isolated property requires a variety of alternate transportation modes.

The site can be reached, by road and pontoon crossing of the Essequibo River, in about five (5) hours from the capital city, Georgetown. An airstrip capable of handling small aircraft (Caravelle, Cessna 206, Skyvan, Islander, etc) is on the property; typical flying time is about 45 minutes.

The initial 120 kilometre segment has a two lane paved road from Georgetown to Linden, a city of about 30,000 inhabitants and the site of large open pit bauxite mines operated by Bosai of China. This section of road closely follows the east bank of the Demerara River. The Demerara River is navigable by ocean-going freighters as far as Linden for Shipment of Bauxite and for Import of fuel, etc. Several docks exist on the east bank of the river at Linden.

A single lane, timber pile supported railway bridge crosses the Demerara River at Linden to the west bank and Wismar side, Load restrictions apply to this bridge.

From Wismar an all-weather, laterite-capped road connects the area between the Demerara River and the Essequibo River. This 30 km long east-west road, known as the Rockstone road, links the town of Linden with the former logging wharf at Rockstone. Approximately midway it intersects with the north-south Mabura Hill Road. From this point, the Mabura road is followed to Km 102, the junction of the access road to the Brother "B" Landing.

A 13 kilometre long trail connects the Mabura Hill road to the east bank of the Essequibo River at Brother "B" Landing. A 1.5 km river crossing to a west bank landing of Essequibo River is required from this location thence an 8 Kilometre trail, paralleling the west bank, leads to the mine site (Fig 1).

## **1.3 HISTORY OF THE PROJECT**

The Omai area has been the subject of active gold exploration and actual production for over 100 years.

The first recorded production from the Omai claims was by local prospectors, locally referred to as porknockers, in the period from 1889 to 1896. During this time some 1870 kg (60,000 oz) of gold were recovered by simple hand methods, primarily from the creeks draining the mineralized area.

In 1896 a German Syndicate acquired the area and continued exploration through diamond drilling and tunneling. They produced 1910 kg (61,200 oz) of gold prior to selling the property in 1907. From 1907 to 1911 the claims area was subleased to porknockers who produced a further 460 kg (14,800 oz) of gold. Thus by 1911 a total of some 4,240 kg (136,400 oz) of gold had been recovered at Omai porknockers continue to work the area, but no records of production are maintained.

In 1937, ventures Ltd. Of Toronto, Canada acquired the property. No record of their program is available, however, it is expected that a tendency toward lower gold values with increasing deposit depth of the zone they tested, caused Ventures Ltd. to abandon the project.

Anaconda British Guiana Mines Ltd. Acquired the Omai Prospect in 1947 and completed detailed surface and underground exploration. Their investigations left some remarkable indentations on the landscape of the area. After installing a bulk sampling plant and continuing detailed exploration for three years. Anaconda terminated their operations in 1950.

Based on samples obtained during both the German Syndicate and anaconda drilling programmes, a doctoral thesis was submitted by R. Johnson to the University of St. Andrews in 1960. This dissertation describes the petrology and genesis of the Omai deposit and is generally accepted to be the most comprehensive geological description of the deposit to date. In 1969, S.P. Collins submitted a master's thesis to the Colorado School of Mines documenting geochemical work completed on the Omai deposit.

In 1985, Golden Star Resources Ltd., an Edmonton-based exploration company, acquired the Omai property and the data gathered during Anaconda's exploration efforts. SNC Inc. Golden Star's geological and engineering consultants subsequently prepared a conceptual feasibility study which estimated Omai reserves in excess of 55 986 kg god at that time.

In 1987, Placer Dome Inc. through its wholly-owned subsidiary Placer (Guyana) Ltd., entered into a joint venture agreement with Golden Star Resources Ltd. to explore and potentially develop the Omai property. On becoming project operator in March, 1987, Placer's Initial efforts focused on mobilizing personnel and equipment, upgrading and expanding camp facilities, and constructing a sample preparation facility. Since then and continuing through to 1990, Placer Dome Inc. conducted an exploration programme on the property; reserves were estimated at 71,500 kg gold.

In May 1990, Cambior Inc., a Val d'Or, Quebec, Canada based gold mining company, replaced Placer Dome in the Omai Project and, as project operator, submitted a bankable feasibility study. Gold Production by Omai Gold Mines Ltd. commenced in March 1994 and ceased in September of 2005 during which time a total of 3,800,000 ozs were produced.