

N.C. CARTER, Ph.D., PEng.

Consulting Geologist

1410 Wende Road
Victoria, B.C. V8P 3T5
(604) 477-0419

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Mr. William Clancey
President
Multinational Resources Inc.
795 - 885 Dunsmuir Street
Vancouver, B.C.
V6C 1N8

Dear Mr. Clancey:

Re: Peregrine - Falcon A Project
Toodoggone River Area, B.C.

A limited field program was carried out in the central part of the Falcon A mineral claim in 1987. This work was concentrated in the area of 1986 bedrock sampling which yielded significant lead, zinc, and copper values plus anomalous concentrations of gold and silver (area 'B' on attached diagram).

1987 Program

A 1:5000 scale topographic map and aerial orthophoto mosaics covering the claims area were prepared in June by OrthoShop of Calgary.

Field work was undertaken September 9, 16 and 18 and consisted of the collection 14 rock and 39 soil samples, principally at 50 metre intervals along 100 metre spaced east-west flagged grid lines (see attached sketch map).

Samples collected were geochemically analyzed for gold, silver, copper, lead and zinc.

Estimated costs for the 1987 program, including map and orthophoto preparation, are in the order of \$7,500.00.

Discussion of Results

Locations of the more significant rock sample sites are shown on the attached sketch map and results are listed in Table I.

Rock sample site 1 is the 1986 discovery area and results listed are an average of three analyses. Comparably high lead and zinc values with moderate gold and silver values in quartz were also found in samples 2 - 5 and 9.

Bedrock exposure is poor and most samples were collected from sub-crop making any estimate of widths difficult. The overall trend of the zone appears to be north-northwest.

Samples 7, 8 and 10 are of different character, having higher copper and lower lead-zinc values and significant (up to 1000 ppb) gold and silver (up to 107.9 ppm) concentrations.

Sample 8 is from a 3 ft.(?) wide quartz vein with chalcopyrite and which has an apparent northeasterly trend. Sample results listed are an average of three, one of which was analyzed in the field at St. Joe's lab.

Sample 7 is from quartz float, again with chalcopyrite, while 10 is from a 4 inch wide quartz vein.

Results of rock samples suggest two mineralizing events, one rich in lead-zinc and the other in copper and gold plus silver.

Soil sample results reflect the general north-northwest trend. Limits of anomalous values for all five elements are shown on the attached diagram. As might be expected, zinc and copper display the broadest dispersion while lead, silver and +15 ppb gold are central to the zone as shown on the sketch map.

The anomalous zone has a width of at least 100 metres and is open along strike in both directions.

Conclusions and Recommendations

Limited soil and rock sampling has further defined a zone with significant base and precious metals values in the central part of the Falcon A mineral claim.

This zone has an apparent width of at least 100 metres and has been traced over a north-northwest strike length of 500 metres. Two distinct types of mineralization are evident within the zone, including one with lead-zinc values and the other with copper, gold and silver.

Additional sampling is required to further define this zone prior to hand trenching and diamond drilling.

It is important to note that this zone is one of two indicated by limited work to date on the Falcon A claim. No work of any kind has been undertaken on the adjacent Peregrine claim and it is recommended that basic geochemical and geophysical surveys be carried out over the entire property area in conjunction with the definition of the mineral zone in the central part of the Falcon A claim.

