

CHAPELLE PROJECT

METHODOLOGY

030282

Canadian Mine Development Ltd. proposes a two phase underground program on the "B" Zone at the Chapelle Project.

Phase I, an exploration drift, 4' x 7', with arched back, 325 feet long, is designed to verify the ore grade, width, and ground conditions of the drill indicated gold ore zone.

Phase II is dependent on favourable results being obtained in the exploration stage. Costing of the mining phase could be affected by the actual conditions encountered in Phase I.

CHAPELLE PROJECT

METHODOLOGY

PHASE I - UNDERGROUND EXPLORATION PROGRAM

Budgeted cost of this program is \$304,319.

It is proposed that a 4' wide by 7' high arched back drift be driven by jacklegs and slusher for a distance of 325 feet. Targeted ore intersections are contained in holes M86-23, M86-19, and 85-1. The slusher drift would be driven at -2 percent, but this could be modified by the actual collar elevation.

A lump sum provision of \$100,000 is included to cover surface excavation of the 20 - 30 feet of overburden, broken rock, and for the establishment of the collar.

Attached is the cost estimate and those services supplied by the Contractor and those the responsibility of the Company.

MULTINATIONAL RESOURCES INC.

CHAPELLE PROJECT

METHODOLOGY

PHASE II - UNDERGROUND MINING

Best estimate of cost for development and mining 40,000 tons is \$5,477,263 for Phase II.

Phase II is dependent on the results obtained during the underground exploration drift program. The budget mining estimate must be reviewed in light of the ore tenor, widths, continuity, and ground conditions. The cut and fill mining method employing dry fill should allow adequate recovery of the mineable ore. This method has been selected keeping in mind the actual results of the "A" Zone operations.

Access to the drill indicated zone would be by a ramp decline 13' x 10', driven in the footwall, at 18 percent, leaving a 25 foot pillar between the zone and the ramp. A 900 foot long ramp should access the bottom of the zone.

Mining access x-cuts will be driven to the zone. A sill drift, 4' x 6', or to ore width, will be driven to the strike limits. Ground support will be installed on both walls. We feel pattern bolting should prove adequate. A second cut will be excavated before filling. To access the third lift, the ramp x-cut would be slashed or a new x-cut driven.

Additional mining headings could be obtained by mining above the exploration drift.

It is estimated that 100 tons of ore per day will be produced.

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMETHODOLOGYPHASE I - UNDERGROUND EXPLORATION DRIFTEQUIPMENT LIST

1	slusher, 2 drum, 30 HP, electric
6	jacklegs, stopers
1	generator set, 125 KW
1	compressor, 75 HP, 315 CFM
10	cap lamps, c/w charger
1	fan, 18" diameter
1	fresh water pump, Beam, c/w water heater
1	discharge pump, Flygt, 13 HP
1	lot - first aid and safety gear
1	lot - shop tools, including welder
2	magazines, 1 explosives, 1 cap

CONTRACTOR'S CREW

Mining will continue on 2 shifts.

The site crew will consist of:

Project Superintendent	1
Cook	1
Mechanics and/or Electricians	2
Miners	4
Total	8

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMETHODOLOGYPHASE II - UNDERGROUND MININGEQUIPMENT LIST

1	jumbo, electric hydraulic, single boom
1	compressor, electric, 600 CFM
2	ST-2 seoptrams
1	JDT413 truck
1	ventilation fan, 75 HP
1	lot - cap lamps c/w charger
1	welder, 400 AMP
1	set - oxygen & acetylene torches
1	lot - shop tools
1	lot - first aid and safety gear
1	lot - survey gear
4	jacklegs & stopers
1	intermediate loader
1	fresh water pump
1	lot - water discharge pumps, Flygt (3)
1	Cat D-4 dozer
1	radio telephone
1	lot - grouting gear
2	magazines, 1 explosives, 1 cap

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMETHODOLOGYPHASE II - UNDERGROUND MININGCONTRACTOR'S CREW

Mining will continue on three 8 hour shifts, 7 days per week.

Crew will consist of:

Project Superintendent	1
Shiftbosses	3
Trades Leader	1
Mechanics and/or Electricians	3
Surveyor	1
Cook	1
Miners	6
Total	16

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTEXPLORATION AND MINING ESTIMATE

	<u>UNIT</u>	<u>QTY</u>	<u>UNIT PRICE</u>	<u>TOTAL</u>
<u>PHASE I - EXPLORATION</u>				
1.	Mobilization	L.S.	\$ 47,576.00	\$ 47,576
2.	Surface Set-up	L.S.	2,415.00	2,415
3.	Trench & Collar	L.S.	100,000.00	100,000
4.	Slusher Drift	ft	325 314.65	102,274
5.	Provision for Ground Support	L.S.	13,000.00	13,000
6.	Air Support during Excavation	L.S.	6,900.00	6,900
7.	Demobilization	L.S.	32,154.00	32,154
PHASE I TOTAL				\$ 304,319
<u>PHASE II - MINING</u>				
1.	Mobilization	L.S.	\$ 148,115.00	\$ 148,115
2.	Collar	L.S.	100,000.00	100,000
3.	Decline	ft	900 418.30	376,470
4.	Crosscuts	ft	250 418.30	104,575
5.	Sill Drift	ft	300 525.62	157,686
6.	Breasting	T	40,000 91.76	3,670,400
7.	Provision for Ground Support	L.S.	400,000.00	400,000
8.	Air Support during Excavation & Crew Transport	L.S.	401,497.00	401,497
9.	Demoblization	L.S.	118,520.00	118,520
PHASE II TOTAL				\$ 5,477,263
TOTAL PHASE I & PHASE II (excluding Phase I Demobilization)				\$ 5,749,428

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMOBILIZATION - PHASE I**Premob Labour**

Purchasing, packaging, and preparing equipment for transport.

1 man - 2 weeks

\$13.50/hour x 8 hours x 14 days x 1.34	= \$	2,026
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Fares to Smithers

4 crew from Vancouver	\$178.00 x 2 (return) =	\$	1,424	
4 crew from Sudbury	\$709.00 x 2 (return) =		5,672	
2 supervisory trips	\$639.00 x 2 (return) =		2,556	
		\$	9,652	\$ 9,652

Freight to Smithers - Equipment

30 HP slusher & scraper	4,000 lbs			
250 KW genset	7,000 lbs			
300 CFM compressor	6,000 lbs			
Explosive magazines (2)	6,000 lbs			
Fuel tank	2,000 lbs			
Drills	2,000 lbs			
Fan	1,500 lbs			
Pumps	1,200 lbs			
=	29,700 lbs = 1 load	@ \$	5,340	= \$ 5,340

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMOBILIZATION - PHASE I**Air Transport - Smithers to Sturdee Strip****using Caribou aircraft - 8,000 lbs lift**

200 miles @ \$7.73/mile x 2 = \$3,092.00/trip

EQUIPMENT:

Genset	7,000 lbs		
Slusher & scraper	4,000 lbs		
Compressor	6,000 lbs		
Drills	2,000 lbs		
Fan	1,500 lbs		
Pumps	1,200 lbs		
Pipe	2,000 lbs		
Fuel & tanks, 1000 gals	6,000 lbs		
Explosives & magazine	6,000 lbs		
Misc.	2,000 lbs		
=	<u>37,700 lbs</u>		
		= \$	18,552
			3,800
			<u>22,352</u>
		\$	22,352
		=	2,000
			<u>24,352</u>
		\$	24,352
		\$	<u>24,352</u>
MOBILIZATION COST		\$	41,370
FEE 15%			6,206
			<u>47,576</u>
MOBILIZATION TOTAL		\$	47,576

MULTINATIONAL RESOURCES INC.

CHAPELLE PROJECT

MOBILIZATION - PHASE I

Set-up

Powder/cap magazine	2 M/S X \$210.00	= \$	420
Fan & heater	2 M/S x \$210.00	=	420
Power distribution	2 M/S x \$210.00	=	420
Genset installation	2 M/S x \$210.00	=	420
Compressor installation	2 M/S x \$210.00	=	420

Water from mill supply - use pump & hose to tank with pump to collar.

	<u>\$ 2,100</u>	\$ 2,100
Fee 15%		<u>315</u>
		\$ 2,415

Collar - Side Hill 45%

Face in bedrock	15 feet
Overburden	20 feet
Total Height	35 feet
Width at base	15 feet
Width at top	85 feet
Length $\frac{35}{.45}$	78 feet

Overburden	= 42,000 cu ft @ \$2.08/cu ft	= \$ 87,360	
		SAY	\$ 100,000
			incl. Fee

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMOBLIZATION - PHASE I**Aircraft Support during Stage I**

2 trips/week = 6 trips @ \$1,000

Twin Otter or Beech 19 = \$ 6,000

Fee 15% 900

\$ 6,900		\$ 6,900
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Demobilization*LABOUR for dismantling of installation
and transport to the Sturdee strip

2 days x 8 men x \$210.00 = \$ 3,360

AIR TRANSPORT

4 trips + 1 trip for crew @ \$3,092 = \$ 15,460

MOB & DEMOB - Caribou aircraft = 3,800

FREIGHT from Smithers, 1 load = 5,340

\$ 27,960	
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Fee 15% 4,194

\$ 32,154		\$ 32,154
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*Deduct if second stage is mobilized.

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMOBILIZATION - PHASE II**Fares for additional crew + 8 men**

ASSUME	4 from Vancouver	\$178.00 x 2	= \$	1,424	
	4 from Sudbury	\$709.00 x 2	=	5,672	
				<hr/>	
			\$	7,096	\$ 7,096

Freight to Smithers

EQUIPMENT:

2 scooptrams	Brampton to Smithers	\$	5,340	
1 truck	Brampton to Smithers		5,340	
1 One boom jumbo	Brampton to Smithers		5,340	
75 HP fan)			
D-4 Cat)		5,340	
Loader)			
Jacklegs & stopers)			
Welders)			
600 CFM compressor)			
Misc. pumps)		5,340	
			<hr/>	
		\$	26,700	\$ 26,700

PIPES & FITTINGS - 1300 ft - 4" & 2" LINE

	Wt/ft	Wt/ft
Pipe	4.30	1.95
Couplings	.20	.08
Valves	.08	.03
Tees	.03	.02
Misc.	.03	.02
Chain, Hangers	.10	.10
	<hr/>	<hr/>
	4.74	2.20

Total weight = 6,612 + 2,860 = 9,000 lbs

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMOBILIZATION - PHASE II

ELECTRIC CABLE - 1000 ft OF EACH

3 cond. #4/0	3,300 lbs/1000 ft
3 cond. #6/0	720 lbs/1000 ft
2 cond. #12/0	300 lbs/1000 ft
3 cond. #2/0	1,300 lbs/1000 ft
plus reels	380 lbs
Total	6,000 lbs/1000 ft

GROUND SUPPORT

Rockbolts - 1 per lined ft of development
 SAY 1000 bolts/6 ft @ 6.9 ea.
 = 6,900 lbs

PIPE, CABLE, ROCKBOLTS Vancouver to Smithers = \$ 3,500

Total Freight \$ 30,200

Air Freight - Smithers to the Sturdee Strip

Hercules aircraft - Mobilization \$ 25,000
 45,000 lbs capacity - \$8,500/trip

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTMOBILIZATION - PHASE II

EQUIPMENT & SUPPLIES:

2 scooptrams	50,000 lbs	
1 truck	30,000 lbs	
1 jumbo	20,000 lbs	
1 compressor	9,000 lbs	
Fan	1,500 lbs	
Pipe, cable, bolts	22,000 lbs	
D-4 Cat	30,000 lbs	
Explosives	70,000 lbs	
Drill steel bits & repair parts	40,000 lbs	
Total	272,500 lbs = 7 trips	= \$ 59,500
GROUND SUPPORT for loading and unloading		= 2,000
		<hr/>
Total Air Freight		\$ 91,500
		<hr/>
TOTAL MOBILIZATION COST		\$ 128,796
FEE 15%		19,319
		<hr/>
TOTAL MOBLIZATION		\$ 148,115

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTCONTRACTOR WILL PROVIDE - PHASE I

- Competent crew and supervision covered with all applicable insurance and permits.
- Mining equipment, as listed in Methodology.
- Parts inventory and maintenance of Contractor's equipment.
- All permanent materials, including:
 - 18" ventilation ducting
 - 1" hose, fresh water line
 - 2" air line
 - 2" water discharge line
 - rockbolts
 - power cable
 - screening
- All fuel, lube, and oil.
- All explosives and accessories.
- Work to good standards and abiding by all rules and regulations of the Province of British Columbia.
- Co-operation with Owner to achieve the most efficient and safe project. Advise the Owner in advance of any important requirements.
- Co-operation, preparation, and assistance in submission of various layouts required to obtain permits.

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTCONTRACTOR WILL PROVIDE - PHASE I

- Billings to Owner for work completed, as per Schedule of Payments, no later than 10 days after the end of the work period, the work periods being the 1st to the 15th and the 16th to the end of the month. Schedule of Payments to be agreed between the parties prior to project commencement.

- Agree to co-operate with Owner to reach a mutually satisfactory and just settlement should Contractor's advance be impeded by ground or water control requirements.

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTCONTRACTOR WILL PROVIDE - PHASE II

- Competent crew and supervision covered with all applicable insurance and permits.
- Mining equipment, as listed in Methodology.
- Parts inventory and maintenance of Contractor's equipment.
- All permanent materials, including:
 - 42" ventilation ducting
 - 2" fresh water line
 - 6" air line
 - 6" water discharge line
 - rockbolts
 - power cable
 - screening
- All fuel, lube, and oil for Contractor's equipment.
- All explosives and accessories.
- Work to good standards and abiding by all rules and regulations of the Province of British Columbia.
- Survey control.
- Co-operation with Owner to achieve the most efficient and safe project. Advise the Owner in advance of any important requirements.
- Co-operation, preparation, and assistance in submission of various layouts required to obtain permits.

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTCONTRACTOR WILL PROVIDE - PHASE II

- Billings to Owner for work completed, as per Schedule of Payments, no later than 10 days after the end of the work period, the work periods being the 1st to the 15th and the 16th to the end of the month. Schedule of Payments to be agreed between the parties prior to project commencement.

- Agree to co-operate with Owner to reach a mutually satisfactory and just settlement should Contractor's advance be impeded by ground or water control requirements.

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTOWNER WILL PROVIDE - PHASE I

- All access, work, environmental, and other permits required by governmental authorities.
- Payment to Contractor, as per Schedule of Payments and layouts enclosed, on a twice monthly basis, the work periods being the 1st to the 15th and the 16th to the end of the month. All invoices are due and payable 15 days issuance. Schedule of Payments to be agreed between the parties prior to project commencement.
- Progress certificates to Contractor after the end of each work period.
- Site representation with sufficient authority to accept or reject Contractor's progress on a daily basis.
- Co-operation with Contractor in order to achieve the most efficient and safe project. Advise Contractor in sufficient advance of any pending changes.
- Engineering, geological control, and assaying, as required.
- Water source within 2500 feet of the portal.
- Water discharge retention ponds, if required.
- Road access, maintenance, and snow removal throughout contract.
- Camp and shop - at no cost.
- One (1) pick-up on site - at no cost.
- One (1) Toyota station wagon on site - at no cost.

MULTINATIONAL RESOURCES INC.

CHAPELLE PROJECT

OWNER WILL PROVIDE - PHASE I

- One (1) hiab crane on site - at no cost.

- Agree to co-operate with Contractor to reach a mutually satisfactory and just settlement, should Contractor's advance be impeded by ground or water control requirements.

MULTINATIONAL RESOURCES INC.CHAPELLE PROJECTOWNER WILL PROVIDE - PHASE II

- All access, work, environmental, and other permits required by governmental authorities.
- Payment to Contractor, as per Schedule of Payments and layouts enclosed, on a twice monthly basis, the work periods being the 1st to the 15th and the 16th to the end of the month. All invoices are due and payable 15 days issuance. Schedule of Payments to be agreed between the parties prior to project commencement.
- Progress certificates to Contractor after the end of each work period.
- Site representation with sufficient authority to accept or reject Contractor's progress on a daily basis.
- Co-operation with Contractor in order to achieve the most efficient and safe project. Advise Contractor in sufficient advance of any pending changes.
- Geological control and assaying, as required.
- Water source within 2500 feet of the portal.
- Discharge retention ponds, if required.
- Road access, maintenance, and snow removal throughout contract.
- Power, 600 KW, from mill generators - at no cost.
- Air heating - equipment and fuel.
- Camp and shop - at no cost.

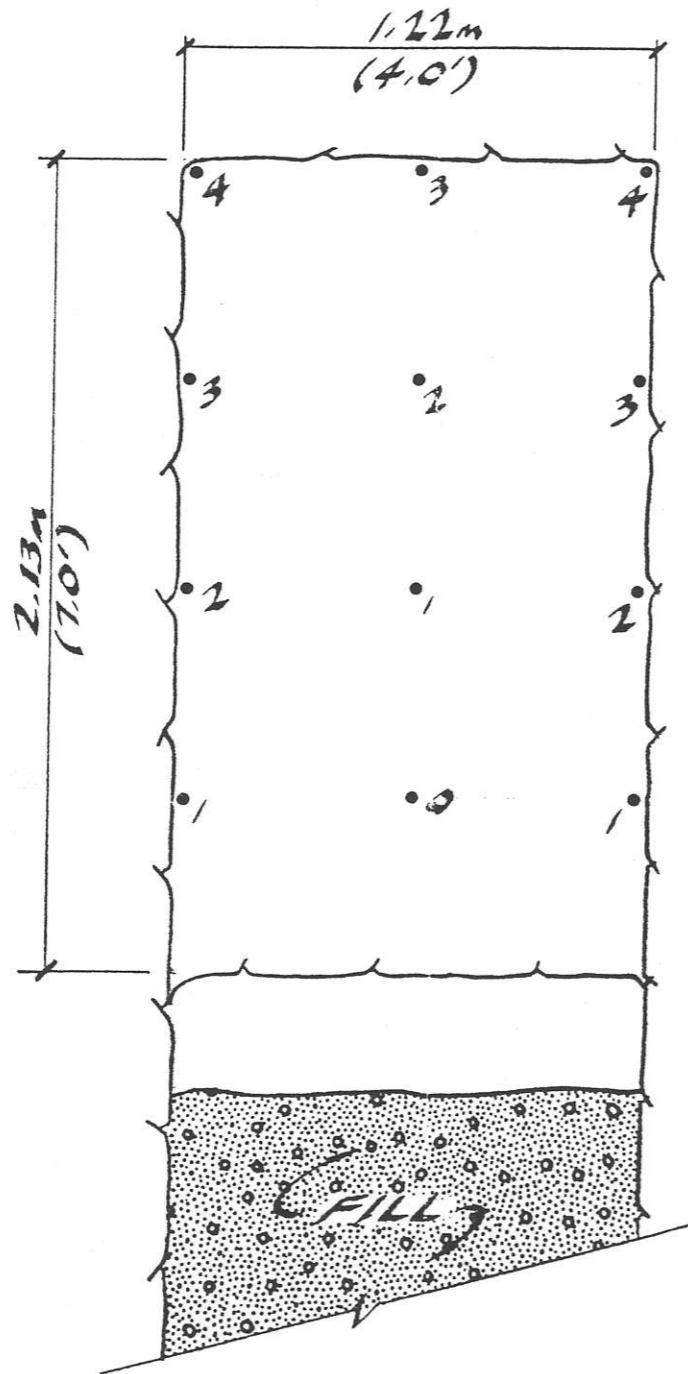
MULTINATIONAL RESOURCES INC.

CHAPELLE PROJECT

OWNER WILL PROVIDE - PHASE II

- On site vehicles: pick-up, Toyota station wagon, and hiab crane - at no cost.

- Agree to co-operate with Contractor to reach a mutually satisfactory and just settlement, should Contractor's advance be impeded by ground or water control requirements.



COP No	AMOUNT
0	1
1	3
2	3
3	3
4	2
TOTAL	12

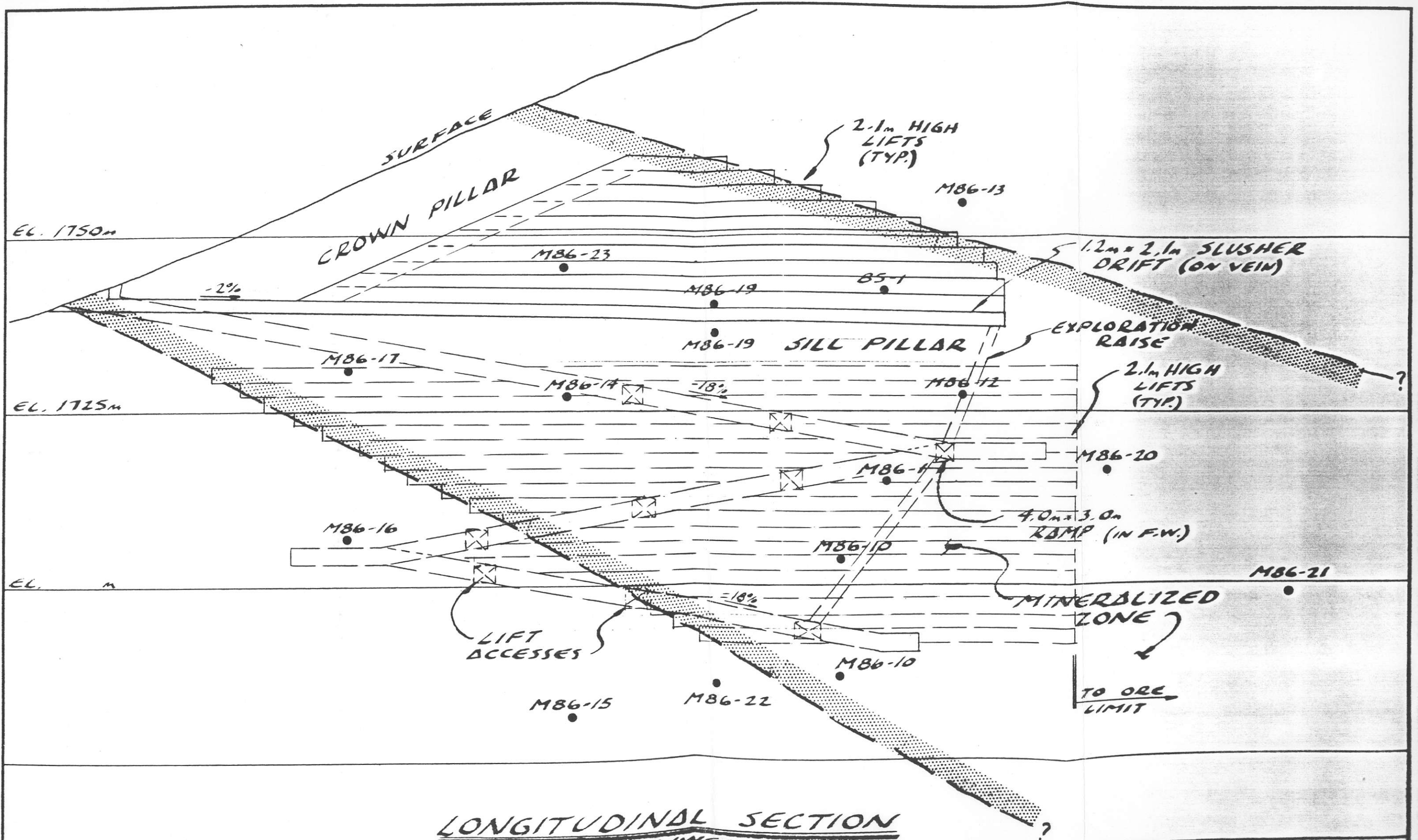
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BLAST 12 HOLES

SCALE: 1:20	DATE
DESIGNED: S.M.G.	
DRAWN: S.M.G.	18/07
CHECKED: KRW	"
APPROVED: KRW	"



MULTINATIONAL RESOURCES INC.
CHAPPELLE GOLD PROPERTY
1.22m x 2.13m
BREASTING
DRILL & BLAST PATTERN

CANADIAN MINE DEVELOPMENT LTD. BRAMPTON, ONT. CANADA	DWG. No. 87 - 01 - 009	REV.
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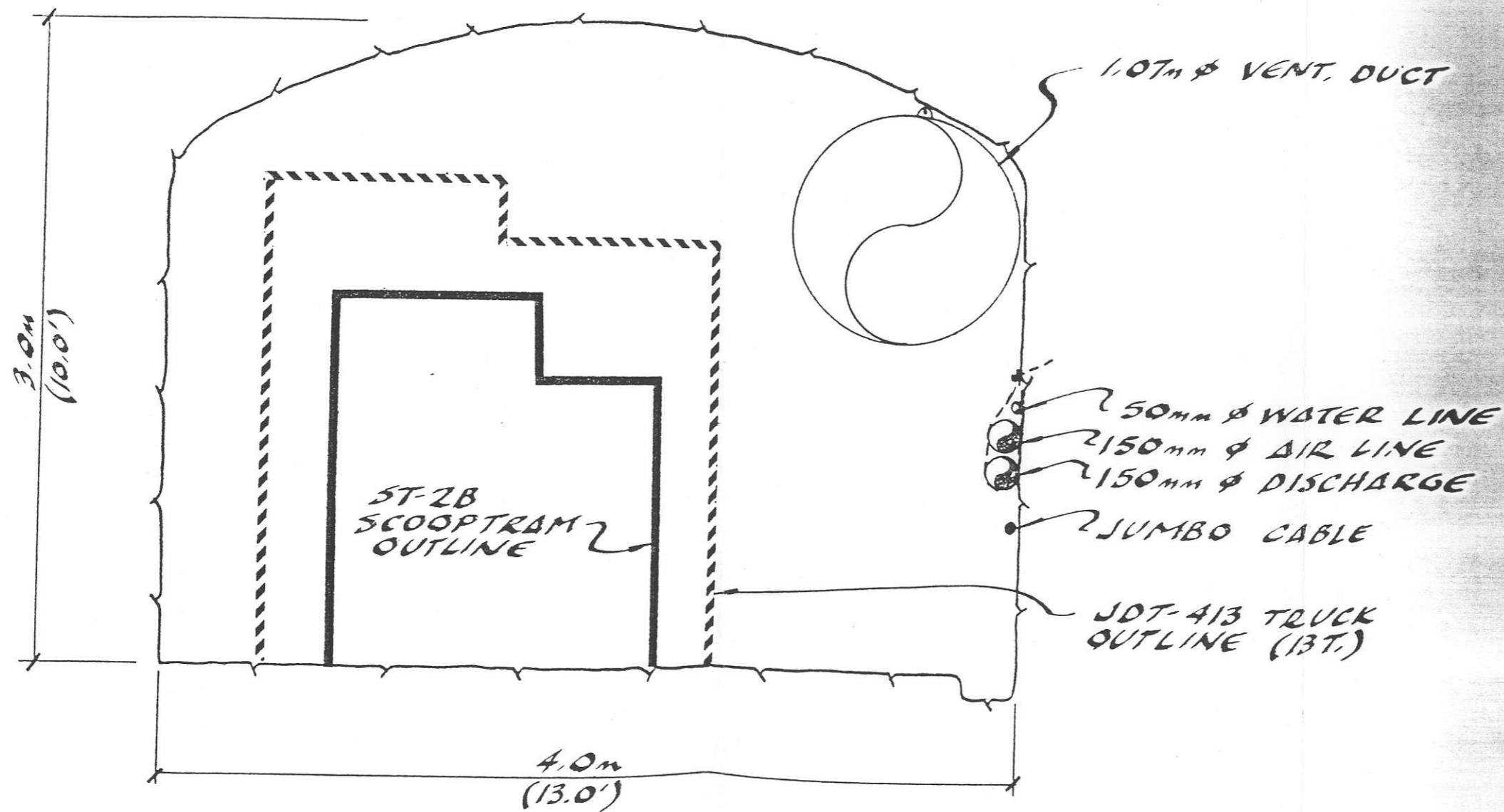
LONGITUDINAL SECTION
LOOK NORTHWEST

SCALE: 1:500	DATE
DESIGNED: K.W.	
DRAWN: J.M.G.	4/87
CHECKED: K.R.W.	"
APPROVED: K.R.W.	"



MULTINATIONAL RESOURCES INC.
 CHAPPELLE GOLD PROPERTY
STOPPING
LONGITUDINAL
SECTION

CANADIAN MINE DEVELOPMENT LTD.	CANADA
PROJECT NO.	REV.
87 - 01 - 003	



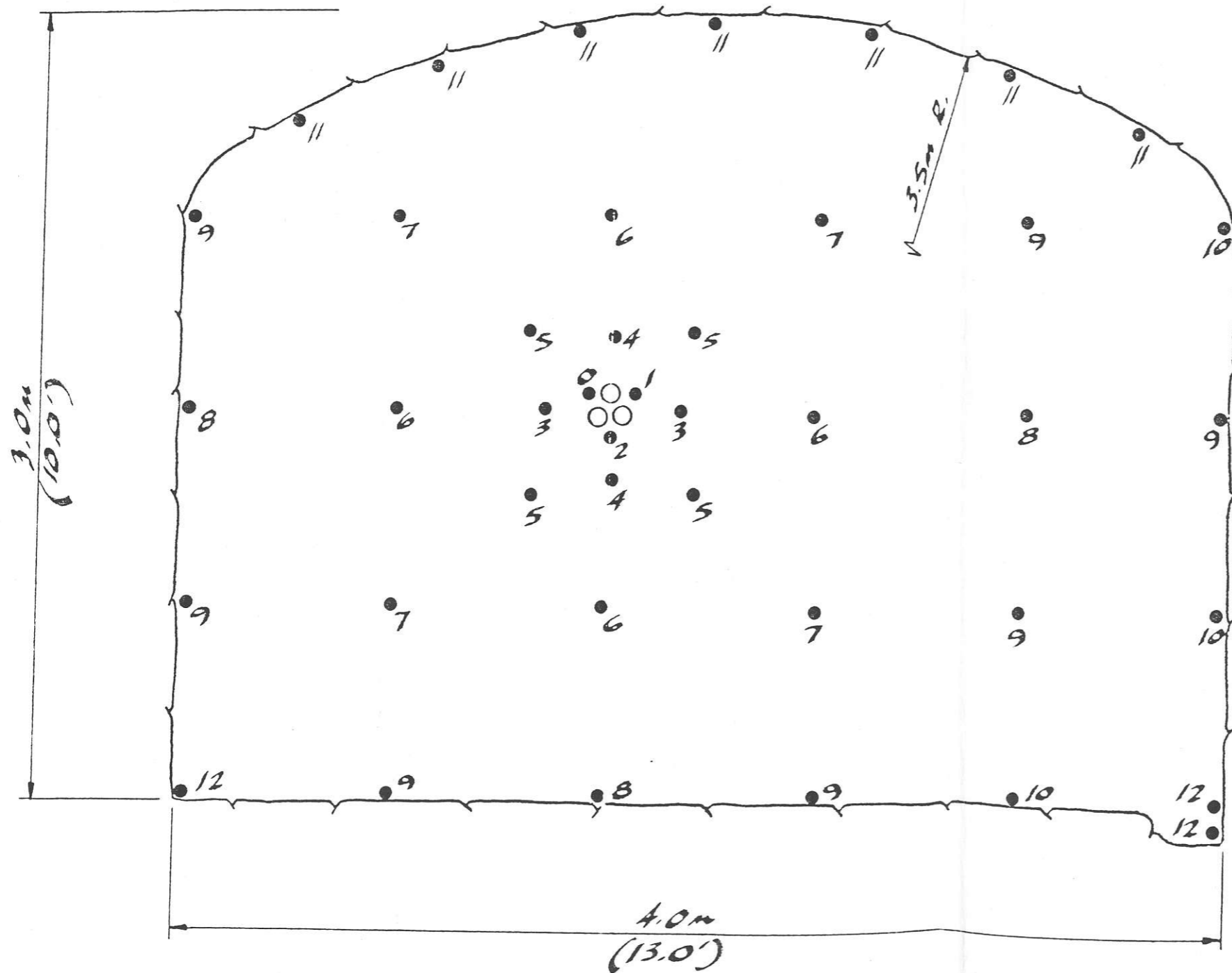
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DESIGNED: T.J.	
DRAWN: S.M.E.G.	JUNE 5/86
CHECKED: T.J.	05/06/86
APPROVED: T.J.	05/06/86



MULTINATIONAL RESOURCES INC.
CHAPPELLE GOLD PROPERTY

3.0m x 4.0m RBMP
TYP. X-SECTION

CANADIAN MINE DEVELOPMENT LTD. BRAMPTON, ONT. CANADA	DWG. No. .87 - 01 - 007	REV.
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CAP No.	AMOUNT
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2	1
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6	4
7	4
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9	7
10	3
11	7
12	3
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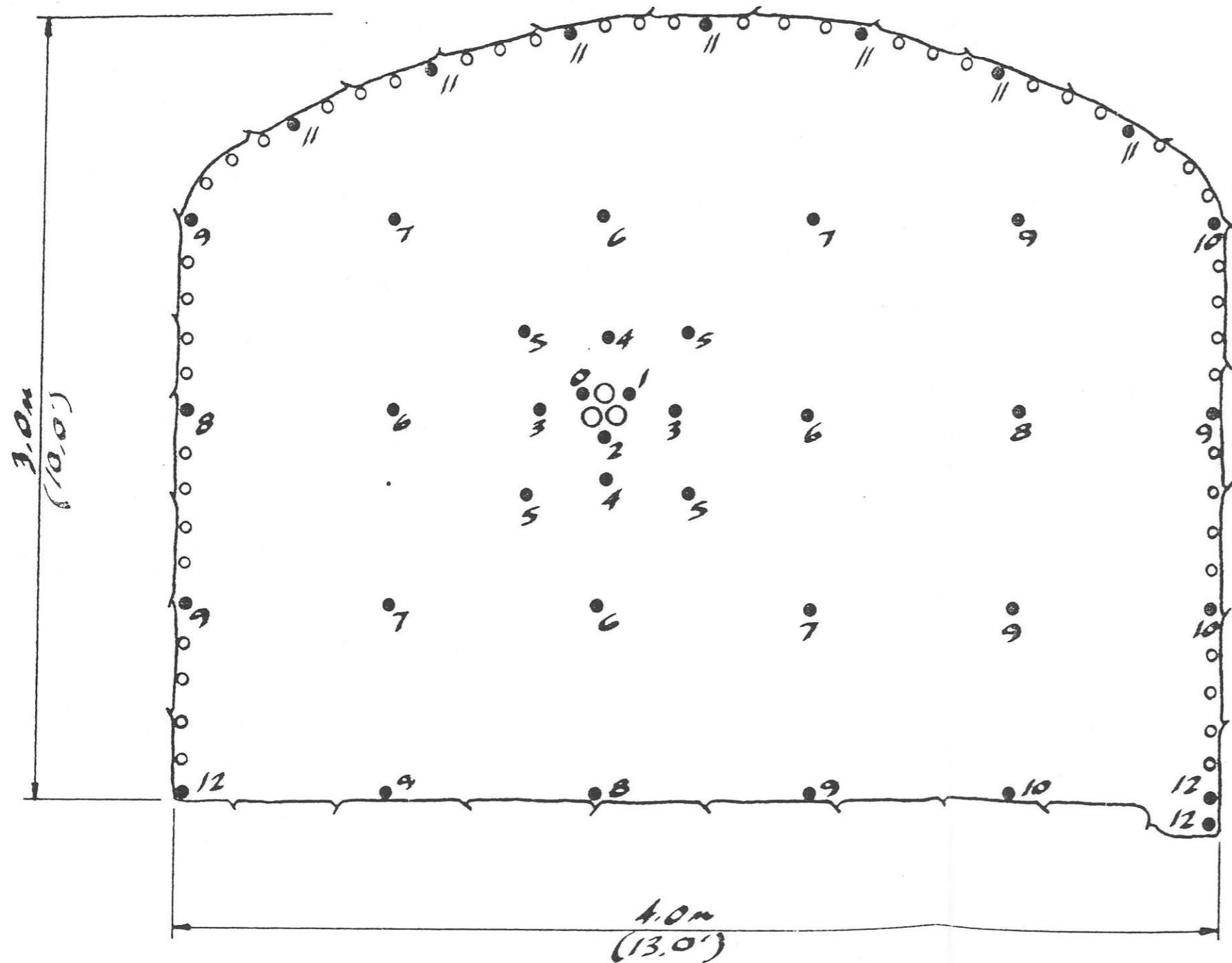
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BLAST 42 HOLES

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DESIGNED:	
DRAWN: S.M.C.G.	JUNE 4/86
CHECKED: T.J.	05/06/86
APPROVED:	



MULTINATIONAL RESOURCES INC.
CHAPPELLE GOLD PROPERTY
3m x 4m RAMP
DRILL & BLAST PATTERN

CANADIAN MINE DEVELOPMENT LTD. BRAMPTON, ONT. CANADA	DWG. No. 87 - 01 - 006	REV.
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CAP No.	AMOUNT
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2	1
3	2
4	2
5	4
6	4
7	4
8	3
9	7
10	3
11	7
12	3
TOTAL	<u>42</u>

DRILL 93 HOLES
BLAST 42 HOLES

SCALE: 1:20	DATE
DESIGNED:	
DRAWN: S.M.C.G.	JUNE 4/86
CHECKED: T)	05/06/86
APPROVED: T)	

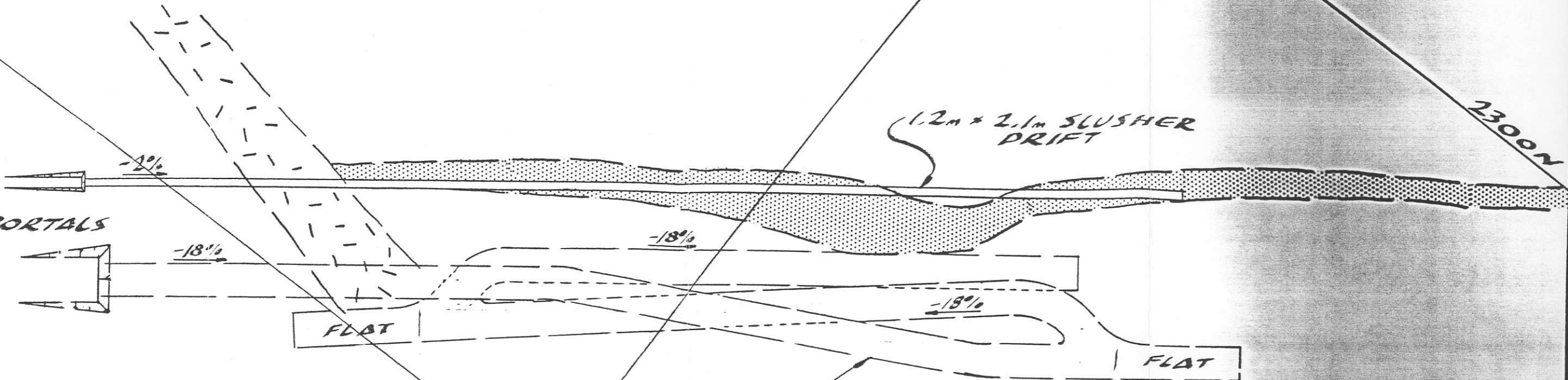


MULTINATIONAL RESOURCES INC.
CHAPPELLE GOLD PROPERTY
3m x 4m PORTAL
DRILL & BLAST PATTERN

CANADIAN MINE DEVELOPMENT LTD. BRAMPTON, ONT. CANADA	REV.
DWG. No. 87 - 01 - 005	



PORTALS



FLAT

FLAT

4.0m x 3.0m RAMP

12300E

2300N

2200N

12400E

SCALE: 1:500	DATE
DESIGNED: K.W.	
DRAWN: S.M.G.	JAN 7/87
CHECKED: R.R.W.	" "
APPROVED: K.P.W.	" "



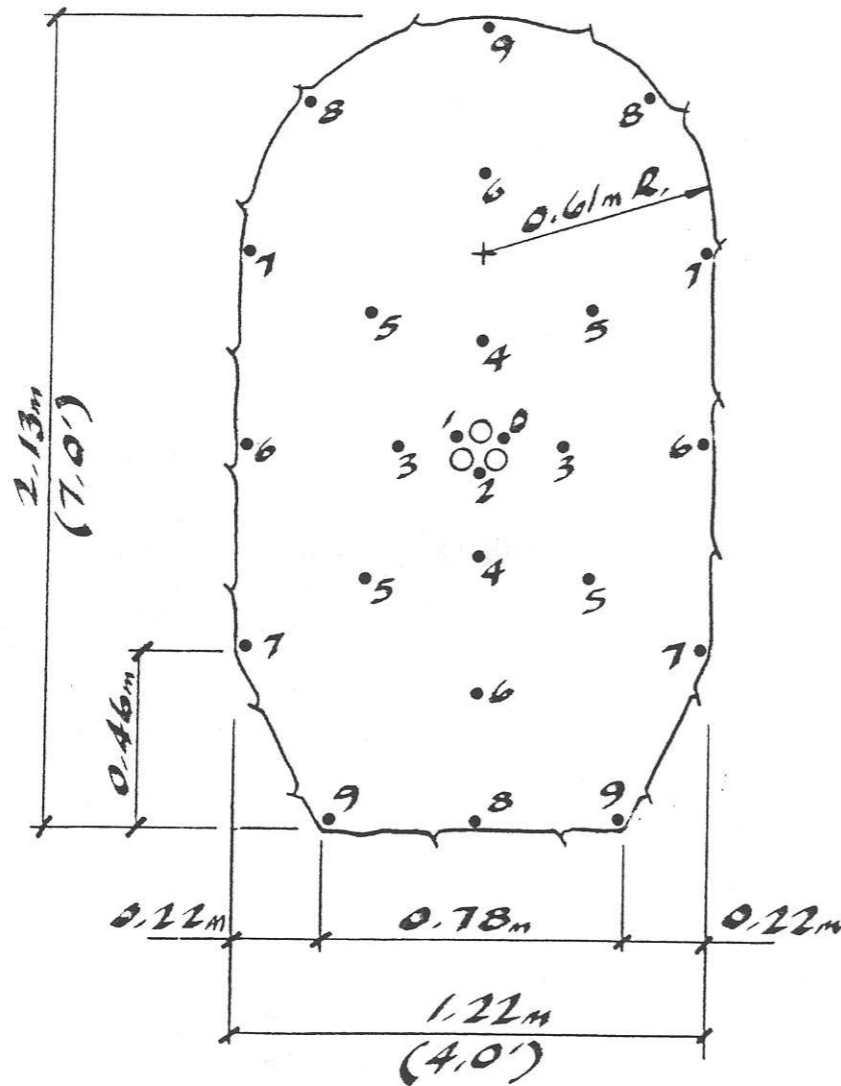
MULTINATIONAL RESOURCES INC.
CHAPPELLE GOLD PROPERTY

CANADIAN MINE DEVELOPMENT LTD.
BRAMPTON, ONT. CANADA

PLAN VIEW

DWG. No. 87 - 01 - 004

REV.



CAP No.	AMOUNT
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4	2
5	4
6	4
7	4
8	3
9	3
TOTAL	25

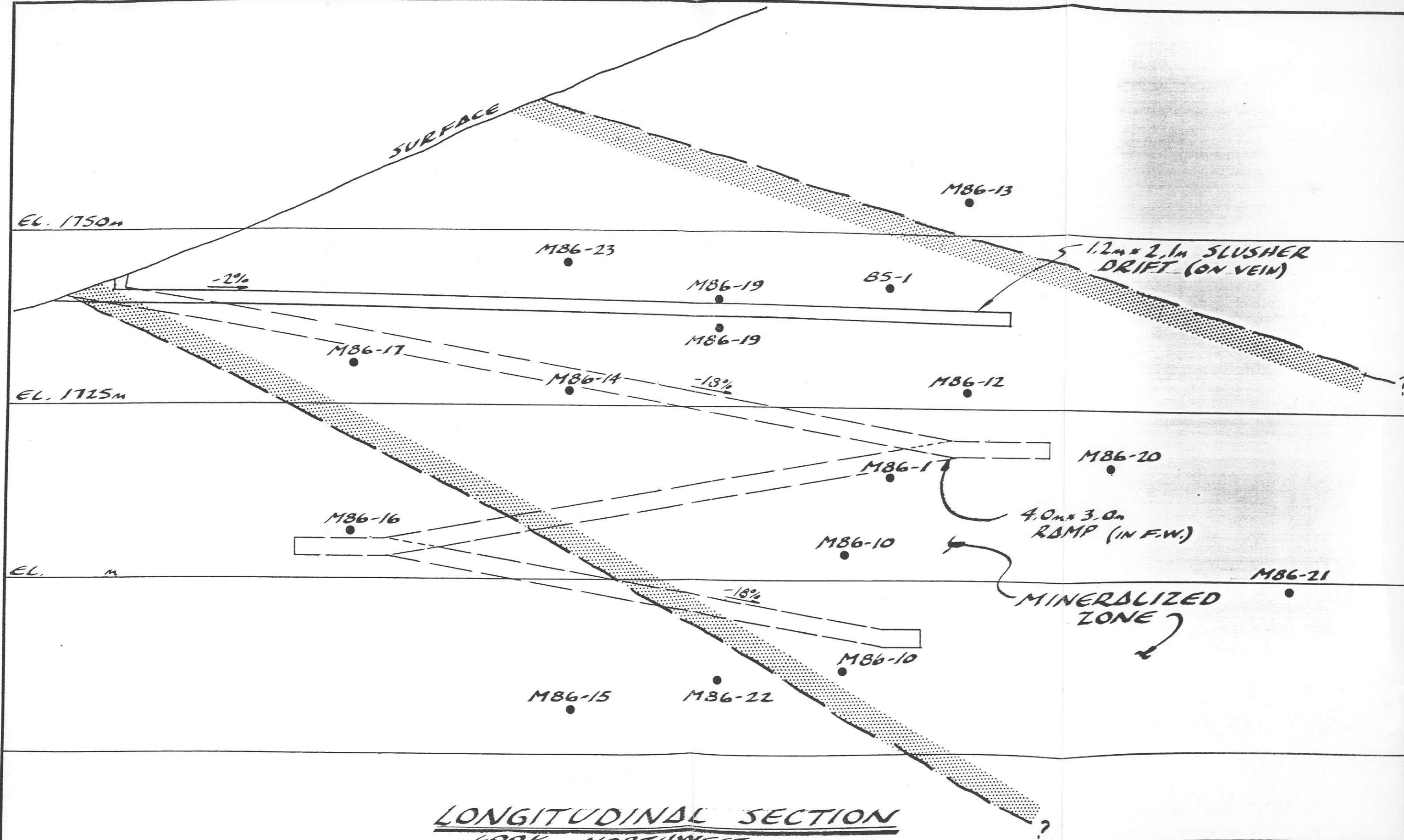
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BLAST 25 HOLES

SCALE: 1:20	DATE
DESIGNED: G.V.	
DRAWN: S.MCG.	JAN/87
CHECKED: KRW	"
APPROVED: KRW	"



MULTINATIONAL RESOURCES INC.
CHAPPELLE GOLD PROPERTY
1.22m x 2.13m
SLUSHER DRIFT
DRILL & BLAST PATTERN

CANADIAN MINE DEVELOPMENT LTD. BRAMPTON, ONT. CANADA	DWG. No. 87 - 01 - 003	REV.
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LONGITUDINAL SECTION
LOOK NORTHWEST

SCALE: 1:500	DATE
DESIGNED: K.W.	
DRAWN: S.M.G.	JAN 1987
CHECKED: KAW	"
APPROVED: KAW	"



MULTINATIONAL RESOURCES INC. CHAPPELLE GOLD PROPERTY	CANADIAN MINE DEVELOPMENT LTD. BRAMPTON, ONT. CANADA
LONGITUDINAL SECTION	DWG. No. 87 - 01 - 002 REV.