

MULTINATIONAL RESOURCES INC.

BAKER MINE - PRELIMINARY CASH FLOW ANALYSIS

Ore Reserves - Zone B

Assumptions:

- 6 foot minimum mining width
- 20% dilution
- all values uncut

Reserves @ 0.1 oz Au/t cut-off
51,000 tons @ 0.518 oz Au/t-3.77 oz Ag/t

Reserves @ 0.2 oz Au/t cut-off
38,000 tons @ 0.66 oz Au/t-5.16 oz Ag/t

Cash flow projectionsAssumptions:

- road access - no road maintenance costs
- overall operating costs at \$150/t
- contract miner to supply mining equipment
- capital cost \$1.65 million (includes \$1 million mine development cost)
- working capital \$1.0 million
- mill at no cost

Gold Price	\$400/oz		\$350/oz	
	<u>0.10 Au</u>	<u>0.20 Au</u>	<u>0.10 Au</u>	<u>0.20 Au</u>
Cut-off grade				
Net cash flow (x10 ⁶)	2.015	2.678	1.149	1.857
NPV @ 15% (x10 ⁶)	1.693	2.270	.940	1.555