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

Dear Mr. Clancey:

Re: 1989 Toodoggone Prospecting Program

The following comments are based on results in hand from Peter DeLancey's July - August work.

Peregrine-Falcon Property

Recent work should be adequate for two years assessment work. Results are not all that encouraging but I concur with the recommendation that the property is worth maintaining. Bear in mind that approximately \$760 will be required for fees to record the two years work.

I have provided DeLancey with a paper sepia of the topographic map for preparation of the assessment report.

Chappelle Claims

Two new zones identified by the 1988 program include the Clancey and Peters Gully showings.

The Calncey showing in the central part of the Chappelle property includes narrow quartz veins with galena (lead sulfide) and gold values in Toodoggone volcanic rocks immediately north of their faulted contact with slightly older Takla volcanics in which most of the known veins on the property are contained. Gold values reportedly are dependent on the presence of galena which may be significant in interpreting previous work on the nearby North Black Gossan zone.

As suggested in my Report on 1988 Exploration, the general lack of gold values in surface samples at the North Black Gossan may be due to leaching which may also explain why no values of consequence have been found on surface above B Zone. Previous soil geochemistry at North Black Gossan has indicated anomalous lead values and this entire zone warrants more work.

The Peters Gully showing may have potential for some size, considering the 1 metre vein width and a similar width of sheared wallrocks adjacent to the vein.

Location of the Legal Corner Post for the adjacent Dave Price claim (Western Horizons-Sutton-Redfern) during the 1989 program and the known location of the Legal Corner Post for the MUT 2 claim (see diagram) indicates a wedge of open ground between these two claims. I believe that the showing is on one of the original 2-post Chappelle claims but this section should be covered by additional staking which apparently DeLancey has arranged for. The good news is that there appears to be additional room in which to explore this zone on Multinational ground.

It's interesting to note that original Kennco stream sediment sampling in the main drainage below this zone yielded some anomalous values.

Recommendations

Additional surface sample results for both the Clancey and Peters Gully showings should be available shortly and will provide more information as to their significance.

Pending these sample results, both zones warrant additional work in 1989 if possible. VLF-EM surveys may be useful in outlining extensions to these showings although it should be remembered that similar surveys, including resistivity measurements, were of no use at B and North Quartz zones. In any event, it's worth a try.

Winkie drilling could be considered for Peters Gully providing water supply is adequate and set-ups on bedrock are available.

N.C. Carter

Peter's Gully - Grabs 0.034 - 0.698^{As} - 2 m. wide

*Clancey - Flat - 0.723^{As} 23 opt Ag.
0.339^{As} 19. opt Ag.*

NTS G - 3000 opt^{As} - N. end + Qtz veins.

Carpel - Another^{As} + Ag. + B.M.'s.

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