

N.C. CARTER, Ph.D., P.Eng.

Consulting Geologist

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

April 12, 1988

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

Dear Mr. Clancey:

Re: Proposed 1988 Program - Chappelle Property

A 6,000 - 10,000 ft. diamond drilling program is proposed for 1988. Approximately half of the drilling will further test B Zone and the remainder will be directed to other zones in the western property area.

B Zone

Additional drill holes are required to test the possible strike extension of the zone between the 1725 and 1800 metre levels. Two or three short holes should be drilled in the upper part of the main zone.

North Quartz and New Zone

Six to eight inclined holes totalling 2,000 ft. are proposed for these areas northeast of B Zone. One hole on North Quartz in 1987 intersected 5 ft. of 1.9% lead, 2.5% zine and 1.58 oz/ton silver.

Grab samples from the New Zone yielded copper, lead and zinc and anomalous gold and silver values. This area should be opened up by backhoe trenching prior to drill testing.

C Vein, northwest of the camp area, was tested by two DuPont holes in 1981. Detailed surface work, including geophysics, should be done prior to additional drilling. Road construction is required to access this area.

Geological Mapping, Geochemistry, Prospecting

The entire western half of the property requires geological mapping and soil and rock geochemistry. It will be necessary to complete a topographic map to facilitate this work.

Tailing Pond

Power auger sampling of the tailing pond could be carried out early in the season.

Underground Program

An exploratory drift and some raising could be carried out late in the season as part of a possible Phase II program.

Estimated Costs

Phase I

Camp rental and fuel (4 months)	\$ 25,000.00
Diamond drilling (8,000 ft. @ \$30/ft.)	240,000.00
Trenching, road building	15,000.00
Analytical costs	8,000.00
Supervision, technical assistance	30,000.00
General travel	6,000.00
Supplies, freight	7,000.00
Topographic map, surveying	5,000.00
Tailing pond sampling	5,000.00
Geology, geochemistry, prospecting	45,000.00
Vehicle rental and fuel	7,200.00
Report preparation	5,000.00
Contingencies	<u>51,800.00</u>
Total	\$450,000.00

Phase II

Underground Program	
450 ft. 9x13 exploration	
drift and 200 ft. raising	\$450,000.00

Yours truly,



N. C. Carter