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January 20, 1988

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

Dear Mr. Clancey:

Re: 1988 Program - Chappelle Property

The following items warrant attention over the next few weeks as follows:

Report of 1987 Exploration Work

This lengthy report is in progress. Diagrams, including new and updated cross-sections, longitudinal section, drill plan, etc. should be drafted by the end of next week.

Two styles of report are being prepared - a summary report of work done, basic results, etc. to satisfy requirements for the FAME application, and a more detailed report with interpretation of results and recommendations for additional work for internal use.

1988 Drilling

As recommended in my letter report of November 30, 1987, additional drilling is proposed for fill-in on B Zone and for testing the new zone east of North Quartz and C Vein northwest of the camp. 7,000 feet may be adequate but 10,000 feet may be required depending on results.

Bids will be solicited both from J.T. Thomas and other contractors.

Surface Exploration

Geological mapping, prospecting and soil and rock geochemistry is recommended for the western property area. Rather than hire crews directly, I recommend contracting out at least some of the more routine work to outfits like Ashworth Exploration. This gives us much more latitude in terms of timing and saves on a significant amount of book-keeping.

The surface work will necessitate completion of topographic mapping at 1:5000 scale for this part of the property. We need to have a surveyor for a day or two to shoot in a number of points for control.

Potential Underground Program

I will be supplying Ed Yurkowski of Tonto with additional information in the next few weeks so that he can prepare a detailed estimate for an underground program should the decision be made to proceed with this in 1988.

Logistics

Multinational should negotiate with DuPont to assume responsibility for the camp and facilities for the 1988 season. I get the impression that Dave Barr would be receptive to such a proposal and it would definitely ease the situation for contractors.

Multinational needs a lease vehicle for the season rather than having to rely on DuPont vehicles at equivalent prices.

Potential Farm-Outs

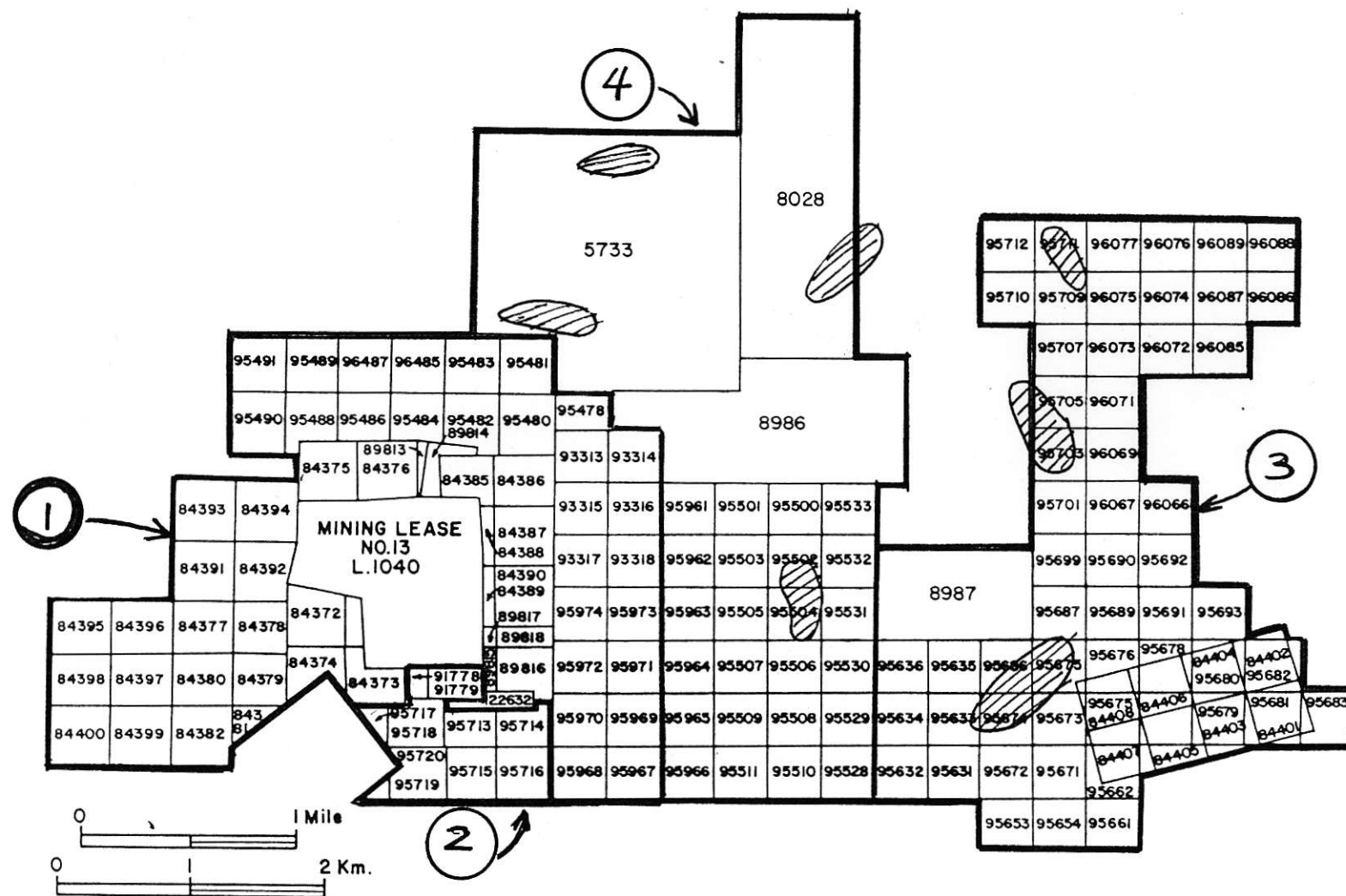
The attached diagram shows two areas for farm-out as well as the 10 DuPont claims and the western part of the property to be retained by Multinational.

The eastern half of the property includes a number of geo-chemically anomalous areas. Two blocks of claims could be considered for joint venture agreements as shown or it could be a single package.

Ideally, Multinational should be the operator, but the Company should establish some parameters for possible participation.


It should be noted that with the exception of the recently staked claims (8986,8987) all claims are in good standing until at least the early 1990's.

N.C. Carter



- ① MULTINATIONAL
- ② DUPONT CLAIMS
- ③ FARM OUT
- ④ FARM OUT

MULTINATIONAL RESOURCES INC. **CHAPPELLE GOLD PROPERTY** **MINERAL CLAIMS**

 Au-Ag Showings
- Anomalous Areas.

57°15'

127°05'

FIGURE :3