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CHAPPELLE (BAKER MINE) GOLD PROPERTY
MULTINATIONAL RESOURCES INC.

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Most known gold-silver quartz veins on the Chappelle (Baker Mine) property occur in a window of late Triassic Takla Group volcanic rocks marginal to the Black Lake granitic stock. Takla Group andesites and dacites are in fault contact with, or are unconformably overlain by slightly younger Toodoggone volcanic rocks. Late Permian limestones and lesser cherts underlie Takla Group rocks south of the known vein structures.

Gold-silver bearing quartz veins strike northeast and east-southeast and several have a spatial relationship with quartz-feldspar porphyry intrusions which may represent feeders for lithologically similar Toodoggone volcanic rocks.

A Vein, mined by Dupont between 1981 and 1983, is part of a northeast-striking, steeply northwest-dipping quartz vein system known to extend over a strike length of 400 metres. Better gold-silver grades (initial estimate: 90,000 tonnes grading 33.9 g/t gold and 680.2 g/t silver) were contained in a flat-lying shoot with a 200 metre strike length, a width of 2-3 metres and a thickness of 40 metres. Principal ore minerals in A Vein were fine grained electrum and acanthite (argentite) which occur with disseminated pyrite, chalcopyrite and sphalerite in a quartz and minor carbonate gangue.

Extensive cross^s-faulting resulted in greater than anticipated dilution, such that recovered grades were about half those originally estimated.

Takla Group volcanic rocks contain disseminated pyrite and highly gossanous areas occur throughout the area of known quartz veins in the western part of the property. Propylitic alteration is ubiquitous and the rocks exhibit moderate to intense silicification, and sericite-clay mineral alteration marginal to quartz veins.

Multinational Resources Inc. acquired the mineral rights to the Chappelle property from DuPont Canada Inc. in mid-1985 and embarked on an exploratory drilling program to test several of the other known vein systems. Two holes were drilled on the B Zone, 400 metres northeast of A Vein, and one of these yielded significant gold-silver assays.

B Zone had been discovered during the earliest stages of exploration on the property and limited trenching revealed east-southeast striking, moderately north-dipping, 0.6 metre wide quartz-pyrite veins and closely spaced 0.5-1 cm quartz stringers which yielded low precious metals values. One hole drilled by DuPont in 1981 did not intersect significant values.

Additional diamond drilling by Multinational in 1986 disclosed the presence of a northeast-striking, steeply northwest-dipping quartz (carbonate) vein over a strike length of at least 150 metres and true widths in the 2 to 7 metre range. The structure apparently terminates below surface and is oblique to the trend of the veins and stringers exposed in surface cuts. These are hosted by volcanic rocks displaying moderate to intense sericite and clay mineral alteration and are interpreted to represent a hangingwall alteration zone.

B Zone occupies an extension of the northeast structure

B Zone is apparently the northeast extension of the structure which hosts A Vein. Mineralogy of the two zones is similar and better mineralized sections in both are concentrated near the hangingwall of the structure. Work to date indicates B Zone is not as structurally complex as A Vein.

Some exceptionally good intersections on B Zone include 58.4 g/t gold and 728 g/t silver over a core length of 5 metres in the last hole drilled in 1986. Better grades apparently occur in a gently northeast raking shoot over a 60 metre vertical interval within the plane of the vein. Work to date indicates some 50,000 tonnes grading 17-20 g/t gold and 140 g/t silver within B Zone which is open along strike and to depth. A significant exploration and development program is scheduled for 1987.