

## MULTINATIONAL RESOURCES INC.

July 31, 1987

W. Clancey  
Multinational Resources Inc.  
795 - 885 Dunsmuir St.  
Vancouver, B.C.  
V6C 1N8

Dear Bill:

Re: Chappelle Gold Property - Toodoggone, B.C.

Enclosed is an updated longitudinal section along the B Zone on the Chappelle property with the 1987 holes highlighted. I have also updated our reserve estimate incorporating the recent drilling. The present reserves are estimated at 47,000 tons grading 0.587 oz Au/ton and 5.16 oz Ag/ton (0.2 Au cutoff and 20% dilution) or 63,000 tons grading 0.44 oz Au/ton and 3.10 oz Ag/ton (0.2 Au cutoff and 40% dilution). The details of the reserve estimate are shown on the attached table. These numbers are for internal use only.

The Phase 2 drilling program is outlined in Dr. Carter's brief report and will include three holes to test the downdip continuation of the B Zone.

Yours truly,



W. Meyer, P.Eng.  
Director

WM:jp  
Encl.

MULTINATIONAL RESOURCES INC.  
SUMMARY OF RESERVES

<u>Section</u>	<u>Drill Hole</u>	<u>True Thickness</u>	<u>Gold (oz/T)</u>	<u>Silver (oz/T)</u>	<u>Tonnes</u>
1	86-17	1.83	0.091	0.55	2,300
	87-12	2.80	0.362	0.30	3,000
1(a)	87-9	3.38	1.342	2.26	3,100
2	86-23	2.94	2.21	27.87	3,400
	86-14	1.95	0.319	5.21	2,200
3	86-19	4.03	0.631	1.79	4,500
	87-8	2.36	0.215	0.47	1,300
	86-19 (B-1)	1.83	0.978	0.655	4,610
4	85-1	2.14	0.392	6.18	2,620
	86-1	1.83	0.062	4.86	1,790
	86-10	1.83	0.326	0.80	1,790
	86-10 (B-1)	2.81	0.290	0.09	4,130
5	86-12 (B-1?)	1.84	0.176	0.13	2,700
	87-16	3.01	0.341	3.39	3,500
6	86-20	1.83	0.105	0.51	1,540

Drill Indicated:

Total 0.1 oz/T cutoff = 42,500 tonnes  
 20% dilution = 58,400 tons @ 0.490 oz/T Au, 3.14 oz/T Ag

Total 0.2 oz/T cutoff = 34,150 tonnes  
 20% dilution = 47,000 tons @ 0.587 oz/T Au, 5.16 oz/T Ag  
 40% dilution = 63,000 tons @ 0.440 oz/T Au, 3.10 oz/T Ag

Specific Gravity: 2.8

D.H.: 15 m either side.

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