

January 4, 1966

Mr. E.O. Chisholm  
Atlas Explorations Limited  
330 Marine Building  
355 Burrard Street  
Vancouver 1, B.C.

Dear Mr. Chisholm:

As you know by now, I was unable to meet you in Santiago. My work in Punta Arenas kept me from making the trip.

We are very pleased that you are interested in our property and we will definitely keep in contact with you. We have no definite value in mind for the property but would like a stock option or percentage in addition to a reasonable cash offer. The cash offer could be paid on an option basis with the property being returned to us in the event that you reject it or do not wish to carry on an exploration program. We have about \$ 5,000.00 invested so far in exploration expenses in addition to a considerable amount of labor.

As I mentioned in my previous letter, the entire zone should probably be staked for a total of about 90 claims. Of course this would depend upon your engineer's recommendations.

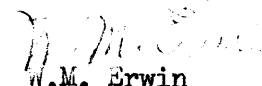
If you accepted the property and decided to stake the entire area, I assume that we would still be included in the additional claims. Would you please clarify this point.

I would be very happy to send a report on everything that we have done to date including location, general geology etc. if we have your word that the information is strictly confidential and that no one will stake around us. We also have a number of rock and soil samples which are presently stored in Calgary and probably could be sent in case you are interested. The reason for all the caution is that a highway parallels the zone as previously mentioned and the area could probably be staked quickly.

Naturally we would like to be compensated for our efforts and investment but our primary interest is in getting an aggressive company to do a thorough exploration of the zone and to gamble along with them by maintaining a percentage of the property.

We will be interested in receiving your comments.

Yours truly,

  
W.M. Erwin

UNITED GEOPHYSICAL COMPANY, S. A.  
Casilla 26 D  
Punta Arenas, Chile

December 23, 1966

Atlas Explorations Limited  
330 Marine Building  
355 Burrard Street  
Vancouver 1, B.C.

Dear Sir:

Being a stockholder both in the Dynasty and Atlas Exploration companies, I was interested to read in one of your reports that your company regarded geochemical anomalies as quite significant in your exploration program.

For this reason I am writing to submit a property that may interest you. A friend and myself have staked 10 claims in the Whitehorse area over a highly sheared and altered greenstone. The claims were staked during the summer of 1962 after a reconnaissance geochemical survey was made over the zone. Some radioactive float was supposed to have been found nearby and was the primary reason for the original investigation. The source of the float was never found.

The shear or fractured zone has a maximum width of 2,000 to 3,000 feet and can be traced for approximately 5 miles along its strike. One end is open and extends under a valley covered by glacial drift. No attempt has been made so far to pick up the extension on the other side but it is believed that the shear dies out somewhere in the middle of the valley. A government report which describes the zone does not mention its continuation although the report is only of a reconnaissance nature.

The zone lies along an all weather highway and is accessible year around.

The alteration products consist primarily of carbonates ( Ankerite and Calcite ) mixed with quartz and albite and small veinlets of quartz and calcite. Some small veins of copper and nickel sulphides have been uncovered in one area. The best assays on small selected samples for identification purposes ran 4% copper, 4% nickel and .01% gold. I should mention that these occurrences are very small but do indicate the presence of mineralization. About 4,500 feet from these occurrences another area approximately 800 feet square and composed of numerous exposed weathered carbonates contained about .2% lead and from .2% to .4% zinc. Soil samples extend this anomaly a possible 1600 feet more in length along strike

In 1965 about 30,000 feet of lines were cut to cover part of the area and then a magnetic and electromagnetic survey was made. The results of both surveys did not reveal any outstanding anomalies.

We believe that about 80 to 90 claims should be staked to cover the entire shear zone, a nearby anticline and a possible major fault that may be associated with the zone. Because of a good possibility for disseminated mineralization, an Induced Polarization survey along with a geochemical survey may be the best means of exploration.

About 90 to 95% of the area is covered with glacial drift that varies in thickness from a few inches to over 100 feet and may go considerably deeper in the valley. I would also like to add that the mineralized exposure which contains the low values of zinc and lead is a knob or hill and if economic mineralization exists at depth it could be possibly mined by open pit methods.

The geology appears to be favorable in the area as we have exposures of both granite and gabbro intrusions nearby.

We feel that the entire zone should be investigated and we are open to offers from any company that may be interested.

&

I plan on arriving back in Canada next spring will be in Whitehorse during the early part of the summer.

If your company is interested I would appreciate hearing from you by airmail as regular mail is very poor in this part of the world.

Yours truly,

*W. M. Erwin*  
W.M. Erwin

February 23, 1967.

Mr. W. M. Erwin,  
United Geophysical Company, S. A.,  
Casilla 26 D,  
PUNTA ARENAS, Chile.

Dear Mr. Erwin:

Thank you for your report on the C & E  
claims, Mile 87, Haines Road, British Columbia.

I regret that it would not be possible  
at present for us to undertake the type of work  
required to fully explore this property.

Please advise where I may send your  
report so kindly submitted.

Thank you very much.

Yours very truly,

ATLAS EXPLORATIONS LIMITED,

EOC: dh

E. O. Chisholm,  
Exploration Manager.

MEMORANDUM

TO: E.O. Chisholm

FROM: T.L. Sadlier Brown

Re: C. & E. Claim

The C & E Claim group is situated about 12 miles Northeast of the Tarr claims which were staked by J. Holmstrom and Atlas Exploration in the spring of 1966.

Mineralization of possibly economic interest on the claims is described as consisting of sphalerite, pentlandite and chalcopyrite. Cu and Ni assays of selected grab samples were good (plus 4%) but came from what appear to be sulphide bearing veins of limited size associated with shearing in a greenstone host rock.

Magnetic, electromagnetic, and geochemical surveys submitted by the owners of the property do not suggest the presence of any particularly extensive mineralisation. A geochemical survey which was done using a McPhar field kit, and later checked by a spectrograph has delineated an approximately north-south striking T.H.M. anomaly which seems to correlate well with the mineralization found in outcrop. The anomaly is about 5000' long, from four to eight hundred feet wide and appears to be open at both ends. It seems likely that it may follow the zone of shearing in the greenstones and that disseminated sphalerite, mentioned in the report, may account for much of the THM. Zinc assays of rocks from the area were not high but were sufficient to account for a low geochem anomaly. A later copper geochem survey proved that the anomaly was not caused by copper mineralization and spectrographic analysis did give high zinc results. Consequently it is felt that the geochemical survey outlines a sheared area containing only limited mineralization.

Although the showing is located in an area where interesting copper mineralization has been found, it does not seem worthy of further investigation by Atlas, at least at the present time.

TLNB:epj  
February 21, 1967