

April 9th 1992.

Dr. Rod Kirkham,
Energy, Mines & Resources,
601 Booth Street,
Ottawa, Canada. K1A 0E8.

Dear Rod:

Thanks very much for the copy of your paper and the accompanying drawings.

As you know we went up to the site last summer and got a fair amount of work done; at least we are a little better acquainted with the country and the geology. We tried to do too much, cover too much ground with too little time and money. However, we did get some very interesting geochemical results, that extend considerably the indications that we had from the previous work. We sampled further up into the basin on the north side of the Treaty Ridge (see accompanying photocopy) and got distinct anomalies in Zn, Cu, As, Ba, Mo & Sb, and maybe a low Ag. As you can see from the accompanying assay sheet, the zinc was running from 3 to nearly 7 #/t in the silts. Given the location it would almost seem that this represents primarily detrital material as against precipitated residues. Both creeks, we call them TT1 and TT3, that headwater in that basin are anomalous, and pretty consistent and properly clinal in distribution as we are approaching the head of the basin.

We found very little evidence of mineralization, but got assays from several very highly fractured and leached mudstones immediately above the Dilworth. Much, if not all, of the south side of the ridge was inaccessible to us although we came equipped with climbing gear - and an eagerness to get down that side. The rock is simply too highly fractured to set any anchors of the kind that we had with us. It will take patience and better preparation, and a lot more money than we had available, to do anything conclusive on that hillside. I am afraid that, other than some exploratory stabs, I am afraid that we will be confined to working in the basin.

I haven't finished the report for last years work yet, but will be in the next few weeks. We may have solved the knotty problem of ownership. The courts, at an ridiculous cost, finally concluded that the encumbrance that had been placed on the other 40% was spurious. While anything could happen yet, at lest that challenge appears to have been put to rest.

We made a couple of logistical errors last summer. We camped at the small lake across Treaty Creek from the basin, thinking that we could cross the creek by some means or another. Easier said than done! We ended up having the chopper from Bell III come in every morning and take us out, and we built a Tyrolean Traverse to cross the creek to get home. Needless to say, we were forced to shorten our work program somewhat with the higher costs.

We found little confirmation of the magnetic or EM anomalies indicated in the Aerogeophysical survey results. Admittedly, it was only one season and the crew was not that experienced in the area. We found one other area of considerable interest. Over on the Drysdale arm of the ice, a number of very steep creeks come down from the eastern extension of the same ridges as noted above (see accompanying map). All had been sampled close to their mouths, and the upper two had a few interesting assays. We carried the sampling up the last three creeks right to the top of the ridge. The last, westernmost or upper creek (DT-7 in our nomenclature) returned some good geochemical results, shown on the accompanying report as # 10 to 18. Not too dissimilar from the others but clearly lower in As and Mo, and with lower, but still appreciable Zn. With the higher assays of Ba & Co and even a smell of Au the suite is clearly different from the basin results. Again nothing in the way of mineralization was found; primarily, because we didn't have the time and money to get back to that area, and of course, we didn't get these results until we had returned to the ranch.

I see that you have collected some of the fossils from the ridge area. I note that you mention that the transition from the SR & BL formations is well exposed along the creek below the basin, mentioned above. That is particularly interesting locale as the volcanics don't seem to appear up in the basin, and the nice folded stratigraphy exposed in the basin and along the ridge not only changes direction but character as well. The very sharp changes in terms of structure, attitude, lithology and degree of fracturing suggest some faulting must be present, but we could find no good evidence of any on the surface.

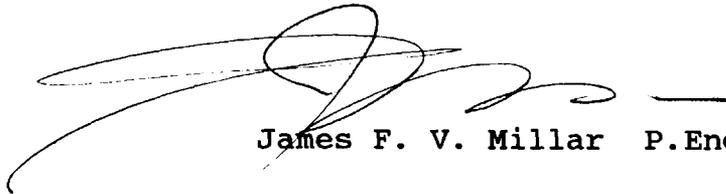
The structures down Treaty Creek, across into Drysdale Creek and northwest along the north side of the North Treaty Glacier are all reasonably consistent with the regional trends, with no sharp folding or very heavy fracturing and shearing. The portion along the Dilworth between the glacier on the south and the tip of the Treaty Glacier stands in sharp contrast, with the very heavy shearing, iron staining, and particularly the sharp folding as can be seen particularly in the Dilworth Fm. The discordant stratigraphy extends across the upper part of Treaty Creek a little ways up the north side of the valley, where it seems to change just as quickly back into the regional character. The disappearance of the Dilworth across the toe of the glacier

seems surprising considering its consistency and strength on the south side, or is that typical? It seems obvious that there is a minor syncline the plunges down the basin previously mentioned, and in which we are getting the geochemical readings.

Unless we get another challenge to our title, we will likely go back up this summer coming, when we will concentrate on the basin; we'll give it a saturation prospect and collect a whole mess of silt and rock samples. I am of two minds about what to do with it now. Clearly we are not equipped financially to go too far with it anyway, and few individuals should gamble against the huge odds against success - that's why there are public mining companies and the VSE. Its the old 'tiger and tail' trap.

In any even, I appreciate your interest and assistance. If you haven't been bored out of your mind and have any thoughts from all of the above, I would obviously appreciate any comments, assessment or suggestions, both favourable or unfavourable. Good luck.

Yours very truly,

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

James F. V. Millar P.Eng.

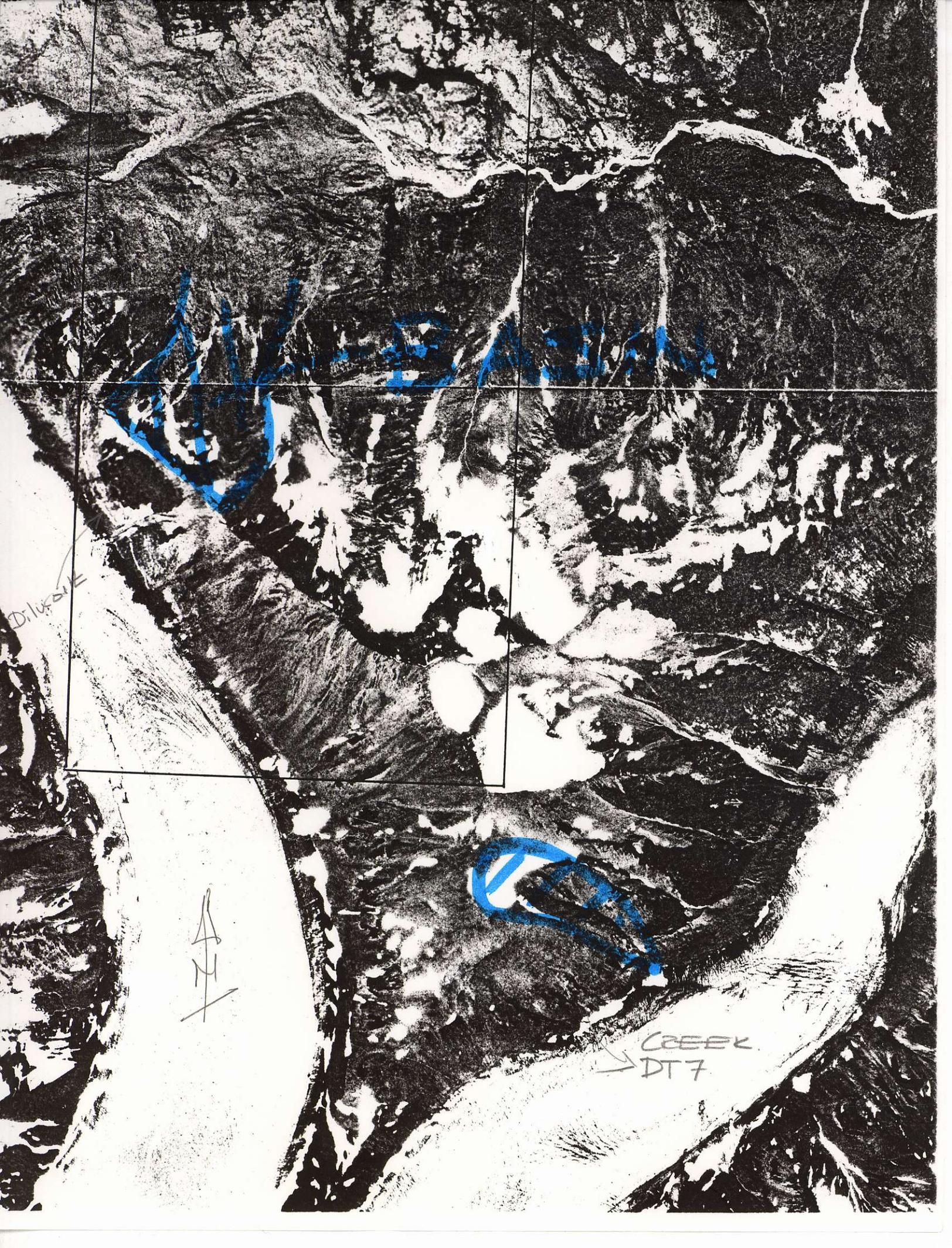
From the extreme west, steep creek from ridge into the
 Dryade Glacier.

SAMPLE IDENTIFICATION: 35 SILT SAMPLES RECEIVED AUGUST 23, 19:
 PROJECT: NONE GIVEN

ST#	Description	MS (ppb)	MC (ppb)	AS (ppb)	BA (ppb)	BI (ppb)	CO (ppb)	CU (ppb)	FE (%)	MO (ppb)	PB (ppb)	SB (ppb)	SM (ppb)	ZN (ppb)
1 -	DT 5 S-1	<5	.6	25	95	<5	50	96	5.36	4	14	5	<20	205
2 -	DT 5 S-2	<5	1.2	40	115	<5	88	131	6.87	10	14	10	<20	327
3 -	DT 5 S-3	<5	.4	20	85	<5	43	84	5.29	7	14	5	<20	232
4 -	DT 5 S-4	<5	.4	15	80	<5	34	76	5.09	2	12	10	<20	191
5 -	DT 5 S-5	10	.6	20	75	<5	37	77	5.40	4	14	<5	<20	184
6 -	DT 5 S-6	<5	.6	15	75	<5	40	78	4.88	4	20	5	<20	179
7 -	DT 5 S-7	<5	.4	20	105	<5	40	52	4.33	5	22	10	<20	127
8 -	DT 6-7 S-1	5	.6	15	35	<5	9	30	3.77	5	8	5	<20	109
9 -	DT 6-7 S-2	10	1.0	15	30	<5	25	32	3.94	5	12	10	<20	96
10 -	DT 7 S-1	10	2.0	35	255	<5	132	140	8.08	6	14	5	<20	331
11 -	DT 7 S-2	10	2.0	40	275	<5	107	145	8.33	7	28	10	<20	477
12 -	DT 7 S-3	<5	4.0	60	390	<5	195	199	9.40	13	28	20	<20	650
13 -	DT 7 S-4	10	1.8	40	215	<5	126	136	8.43	8	36	10	<20	441
14 -	DT 7 S-5	10	2.0	45	230	<5	153	167	9.03	10	30	15	<20	451
15 -	DT 7 S-6	10	2.2	45	290	<5	117	140	8.83	11	24	10	<20	491
16 -	DT 7 S-7	<5	1.4	25	225	<5	111	121	7.07	8	34	10	<20	330
17 -	DT 7 S-8	10	1.6	30	325	<5	151	108	8.58	4	38	5	<20	353
18 -	DT 7 S-9	5	1.2	30	160	<5	118	95	7.10	3	38	15	<20	289
19 -	TT 1 S-1	<5	2.8	120	135	<5	26	188	11.11	72	26	5	<20	2108
20 -	TT 1 S-2	5	5.2	115	160	<5	14	107	9.98	63	36	15	<20	1204
21 -	TT 1 S-3	<5	1.8	60	130	<5	21	103	8.45	29	24	15	<20	1666
22 -	TT 3 S-1	<5	3.2	125	170	<5	42	181	9.43	104	36	20	<20	3369
23 -	TT 3 S-2	5	2.6	180	165	<5	34	120	8.01	122	44	35	<20	1665
24 -	TT 3 S-3	<5	3.2	135	170	<5	45	165	8.26	60	36	40	<20	2887
25 -	TT 7 S-1	<5	.2	20	85	<5	22	51	4.43	4	26	<5	<20	233

page 1

These are from the 2 main creeks that drain the basin on the north side of the
 ridge above So. Treaty Glacier - all come from a few hundred feet above
 below the Kame Terrace.



DILKOSKI



CREEK
DT7