

DENISON MINES (U. S.) INCORPORATED



NORTH 9107 COUNTRY HOMES BOULEVARD • SPOKANE, WASHINGTON 99218

509/484-3388

November 2, 1981

Mr. Glen Young
Mr. Fred Kraus
P.O. Box 315
Cave Junction, Oregon 97523

Dear Fred and Glen:

Please find enclosed all geophysical data on your Babcock Cabin property. Mr. John Steele, former chief geophysicist of Denison Mines, evaluated the geophysical information and his notes are included in the field sheets. According to Mr. Steele, line "Secret" crosses a possible weak conductor that is steeply dipping and possibly a series of narrow conductors.

If you have any questions concerning geophysical interpretations, please call and I will try to be of assistance.

Sincerely,

A handwritten signature in cursive script, appearing to read "S. Morris Hubbard". The ink is dark and the handwriting is fluid and somewhat slanted to the right.

S. Morris Hubbard
Project Geologist

SMH/cse

Encs.

FMC Minerals Corporation

Energy Center
717 17th Street Suite 1620
Denver Colorado 80202
303 623 1880



November 2, 1981

Mr. Steve McTimmons
3251 Rogue River Highway
Grants Pass, Oregon 97526

Dear Steve:

Enclosed are the assay results and a brief description of the samples taken on the Babcock submittal. The sample location map is not available to me at this time, but I will send it on when I receive it. As you can see, the gold values were quite low. Thus, this property is of no interest to FMC Minerals Corporation.

Thank you for considering FMC. Keep us in mind if you have other properties.

Sincerely,

A handwritten signature in cursive script that reads "Michael P. Schaub".

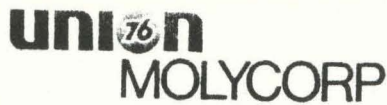
Michael P. Schaub
Geologist

MPS/js

Enclosures

Molycorp, Inc.

Exploration Department
North 2314 Cherry Street
Spokane, Washington 99216
Telephone (509) 928-2476



October 18, 1982

Head Office
P. O. Box 54945
Los Angeles, California 90054
(213) 977-6451

Fred Krauss
Rough and Ready Timber Co.
P. O. Box 519
Cave Junction, Oregon 97523

Dear Fred:

As Joe McAleer indicated in his telephone conversation with you on Friday, my program to explore for cobalt in southern Oregon-northern California has been curtailed and, as a result, we will not be picking up your Babcock property. It's unfortunate that the program turned out this way because I believe that the Babcock contains many geologic similarities to the Turner-Albright deposit and therefore has potential for cobalt and massive sulfide mineralization. At any rate, I sincerely want to thank you, Glenn Young, and Steve McTimmonds for all the help you've given us and I hope that you can find another company to take over work on the property.

In compliance with our agreement to carry out work on the Babcock, I'm enclosing copies of the preliminary geologic map of the property, a rock sample location and geochemistry overlay map, and rough sample descriptions for your information and possession. If you do indeed find another company to further evaluate the property and should any of you have questions concerning the results of our work, then please feel free to contact me at any time. Again, I want to thank you for your hospitality and fine friendship and wish you and your associates every success in your future mining endeavors.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mitchell".

MITCHELL L. BERNARDI
Senior Geologist

MLB/eh
Encls.

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November 2, 1981

Mr. Ronald C. Parker
724 Old Stage Road North
Cave Junction, Oregon 97523

Dear Ron:

Please find enclosed geophysical field information and interpretation on the Howard Creek, Days Gulch, Babcock Cabin, Iron Hat and Kerby Queen prospects for your files. Interpretation notes for each prospect furnished by John Steele, former chief geophysicist for Denison Mines, is summarized below.

Howard Creek

A possible conductive body with a vertical dip is located on Line GG at approximately 850 feet west. The anomaly is questionable due to its location near the end of the survey line (cube is 150' in unsurveyed area). Generally, all lines are too short to provide valid data.

Days Gulch

A possible anomaly at 100 feet west on Line D. The anomaly seems to be dipping steeply to the east with moderate conductive characteristics. Again, the validity of the anomaly is in question due to the length of the line.

Babcock Cabin

A possible conductive anomaly is located at approximately 375 feet west on Line secret. The anomaly appears to be weak and could be a series of very narrow conductive units. The units are dipping very steeply to perpendicular.