



KENNECOTT EXPLORATION COMPANY

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Dean M. Peterson, Ph.D.
Senior Research Associate
Economic Geology Group
Natural Resources Research Institute (NRRI)
5013 Miller Trunk Highway
Duluth, MN 55811

Dear Dr. Peterson:

On behalf of Kennecott Exploration Company, I would like to offer our encouragement for your continued efforts to develop a Precambrian Research Center in Minnesota. I believe the endeavor, as summarized in your proposal, has the potential to provide significant value to the university, the state and the country.

Kennecott has been involved in mineral exploration in Minnesota since the 1950's and currently has active exploration programs in several parts of the state. Kennecott has also benefited from the employment of a number of UMD graduates over the years. However, over the last few years, Kennecott has found it increasingly difficult to find highly qualified geologists and geophysicists to support our exploration programs in Minnesota and elsewhere. The most critical shortage being, in young geologists, with well developed field navigation, observation and mapping skills, the backbone of successful mineral exploration.

Some of the current shortage of well qualified geologists is clearly attributable to the recent protracted period of low metal prices, reduced global exploration and the resultant reduction in demand for geoscientists. However, I believe a significant part of the problem also comes from a steady change in emphasis in the teaching of earth science at the university level in North America. This change in teaching emphasis, away from field based, observation intensive studies toward more desktop or laboratory type studies, has left many new geology graduates poorly prepared to collect and interpret the basic geologic data required for a successful mineral exploration program.

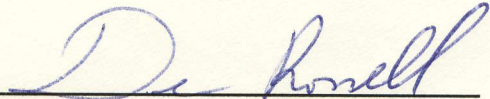
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The Precambrian Research Center, with its proposed emphasis on teaching skills directly pertaining to the collection and integration of field data, has the potential to significantly increase the pool of geologists with these critical skills. Basing the center in Northern Minnesota also could help fill Kennecott's more specific need for geologists with experience mapping and working in glaciated, low relief and forested areas with limited bedrock exposures. Special skill sets are required to work in these types of difficult, but highly prospective terrains.

Kennecott would also view a renewed emphasis on the geologic mapping of the complex and varied Precambrian terrains of northern Minnesota, and the rest of the Lake Superior region, as an important benefit of the new research center. Successful mineral exploration requires a steady stream of high quality data and new ideas. I believe Kennecott's recent discovery of the high grade Eagle Ni-Cu-PGE deposit, in a previously little explored portion of Northern Michigan, is strongly indicative of the remaining potential for new mineral discovery in this region.

In closing, I would urge UMD to seriously consider the Precambrian Research Center proposal. There is a clear and important need for this type of training and ongoing research in the United States.

Sincerely,



Dean Rossell
Chief Geologist - Nickel Program
Kennecott Exploration Company

Cc. David Simpson