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March 30, 2012

Project No. C384

Sharmon M. Stambaugh
Office of Project Management and Permitting
Alaska Department of Natural Resources
550 W. 7th Avenue Suite 900
Anchorage, AK 99501

Subject: Niblack Exploration Project
Draft 2011 Annual Report

Dear Ms. Stambaugh:

On behalf of Niblack Project LLC, this letter transmits the draft version of the 2011 Annual Report for the Niblack Underground Exploration Project. The draft Annual Report was prepared in accordance with the requirements of Waste Management Permit 2006-DB0037, Reclamation Plan Approval J072711, and the Water Quality Baseline and Site Monitoring Plan. The Annual Report addresses the following major reporting elements:

- Summary of Activities at the Project in 2011
- Water Quality Reporting
- Stormwater Pollution Prevention Plan Reporting
- Adequacy of Financial Responsibility.

Following receipt of the State's comments on this draft report, we will develop and submit in hard copy a final report which addresses and incorporates the State's comments.

S. Stambaugh
March 30, 2012
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If you have any questions regarding this submittal, please contact David Stone or me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alice R. W. Conovitz', written in a cursive style.

Alice R. W. Conovitz
Project Manager

Enclosure

cc: David Stone, Niblack Project LLC
Loretta Ford, Niblack Project LLC
Barry Hogarty, TECS-AK
Shannon Shaw, pHase Geochemistry