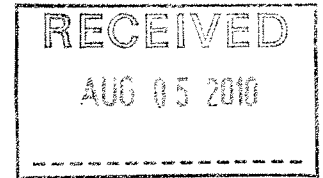


Erwin Kreft  
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July 13, 2010

Yukon Water Board  
Box 2703  
Whitehorse, Yukon

By Fax

Attn: Colin Beirsto

**Re: Water Use Application PM10-025; Nugget Gulch, tributary of Eldorado Creek**

This letter responds to your letter of May 26, 2010 with regards to the above mentioned Water Use Application.

1. See attached revised Schedule #4, the preferred method of contact is e-mail.
2. See attached revised Schedule #4.
3. See attached revised Cross Section Map.
4. See attached revised Schedule #4.
5. On Page 19, the distance between the two settling ponds is 70 meters measured from the end of pond one to the end of pond 2. This references the two settling ponds at the bottom of the "Overview of Mining Plan" drawing.
6. See attached updated "Overview of Mining Plan" drawing.
7. The size of tailings to be used will be between 1 and 6 inch diameter. Sufficient embankment will be put in place to ensure that spring freshet does not washout the tailings and reservoir structure.
8. The settling ponds will be pushed in, leveled and topped (capped) with fine material such as overburden (black soil), material that will be suitable for growth.
9. a) Overburden will be pushed against the left limit of the valley wall.  
b) See attached revised "Overview of Mining Plan" drawing.
10. These are existing roads, I believe that they have been built by other prospectors who have hard rock claims in the area.
11. See attached revised Page 41.

12. See revised Fuel Contingency Plan

13. See attached DFO Worksheet – Appendix B

Bernd will forward a copy of the project confirmation decision document from YESSA..

Should you have any further questions please e-mail me at [exildad@telus.net](mailto:exildad@telus.net)

Yours truly,

Erwin Kreft

Cc: Bernd Schmid

#### Attachments

Schedule 4  
Cross Section of Valley Map  
Overview of Mining Plan drawing  
Page 41  
Appendix B – DFO Worksheet  
Fuel Contingency Plan