390 South 600 East
St. George, UT 84770
PHONE/FAX (435) 634-1584

M/023/007

North Lily Mining Company
Silver City Operation

February 28, 1998

Mr. Tom Munson
State of Utah
Department of Environmental Quality
Division of Oil Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Subject: North Lily Mining Company and International Mahogany Corp. Ground Water Permit UGW230001 - Resignation of Paul C. Spor as Agent/General Manager

Dear Tom:

Due to personal and professional considerations I have resigned as North Lily/International Mahogany's Agent/General Manager on their Silver City heap leach operation near Eureka, Utah.

All future correspondence should be forwarded to the following responsible parties:

Mr. Gene Webb
North Lily Mining Company
1800 Glenarm Place, Suite 210
Denver, CO 80202
Phone (303) 294-0427
Fax (303) 293-2235

Mr. John Brown
International Mahogany Corp.
777 Hornby Street, Suite 2070
Vancouver, B.C. V6Z 1S4
Canada
Phone (604) 688-3391
Fax (604) 488-0076

If you have questions, please call me at (435) 634-1584.

Sincerely,

Paul C. Spor

cc: Beth Wondimu, Division of Water Quality
Roger Foisy, Central Utah District Health Department