

M/045/0008
TASK 2704



US Magnesium LLC

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October 22, 2008

Ms. Susan M. White
Mining Coordinator
Minerals Regulatory Program
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: US Magnesium LLC's - Mine and Reclamation Plan for the Stansbury Basin/Rowley Project - reference #M0450008, Tooele County Utah

Dear Ms. White,

Earlier this year, and with the assistance of the Utah Div. of Oil Gas and Mining, US Magnesium LLC completed the process of increasing the reclamation surety bond and enacting a new reclamation contract. In a meeting held on May 20, 2008, at your offices, US Magnesium LLC was also directed to compile and submit to the division a Mine and Reclamation Plan that complied with the current provisions of R647-4-110 of the Utah Large Mining Operations.

In that meeting (attended by you, Beth Ericksen, Leslie Heppler, Lee Brown (US Magnesium), and me) it was understood that the development of the reclamation plan would use as a basis the existing US Magnesium reclamation plan that had been previously approved by the Utah Div. of Oil Gas and Mining. It was also understood that the revised plan would add all other information required by section 110 of the regulation. It was also agreed in the meeting that the new reclamation plan would be reformatted to allow easy comparison of the plan's provisions with the regulation's requirements. Further it was understood that because US Magnesium's operations in the Stansbury are ongoing and essentially unchanged from time of the previously approved reclamation plan, it would be unnecessary to seek public comment as would be the case for a newly proposed new mining operation.

By this letter I am delivering by hand of US Magnesium LLC's Mine and Reclamation Plan that we believe complies with the provisions of section 110. We appreciate the help and attention the division has provided. If you have further questions please contact us.

Tom Tripp
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cc: Lee R. Brown

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UTAH DIVISION OF OIL GAS AND MINING