

Minnesota Department of Natural Resources

500 Lafayette Road • St. Paul, MN • 55155-4037



March 19, 2008

Paul Albers
Duluth Metals Limited
1347 E. Washington St.
Ely, MN 55731

Re: Minerals exploration plan for T62N-R11W and T61N-R11W (Lake County)

Dear Mr. Albers,

On March 3, 2008 we received your minerals exploration plan for your Spruce Road project, which calls for drilling 75 sites within Secs. 3, 4 and 5 of T61N-R11W and Section 34 of T62N-R11W (in Lake County). The work described in this plan would occur under the authorization of your state metallic minerals leases MM-9755-P (for T61-R11-S3), MM-9764-N (for T61-R11-S4), MM-9828 (T61-R11-S5), and MM-9756-P (for T62-R11-S34).

There is a natural heritage feature (classified by the MDNR's Natural Heritage and Nongame Research Program as a Special Concern species) in the SE1/4-NE1/4 of T61-R11-S3, near drill hole #190. The Endangered Species Environmental Review Coordinator (Lisa Joyal, 651-259-5109) has determined that the drill site and the access path will not disturb the feature. (The map that accompanied your plan indicates this drill site will be accessed in the winter. You must contact Lisa if you determine you need to access the site a different time of year.)

The surface administrator for all of the state parcels in your plan is the DNR's Division of Forestry, and the Area Forestry Supervisor (Mike Magnuson, 218-753-2580) has reviewed your plan. Mike requests that you minimize surface and timber disturbance as much as practical. You must contact Mike prior to commencing work in these parcels, or if there any changes to the plan.

We approve your plan with the understanding that you will comply with the conditions listed above, the state's exploratory borings laws and rules and, the state's laws regarding wetlands, and with the conditions of your lease. If you have any questions concerning this information, please contact Jon Wagner at (651) 259-5421 or Kathy Lewis at (651) 259-5404.

Sincerely,

A handwritten signature in cursive script that reads 'Kathy A. Lewis'.

Kathy A. Lewis, Attorney
Assistant Director
Division of Lands and Minerals

