



VIA EMAIL

August 15, 2011

Chris Milles  
Northern Regional Manager  
Division of Mining, Land and Water  
Northern Regional Land Section  
3700 Airport Way  
Fairbanks AK 99709

Dear Mr. Milles,

For the past several months, Golden Valley Electric Association (GVEA) has been negotiating in good faith with members of the Blair family (Boot Hill Gold), as the underlying mining claim holders, to secure an Agreement for Mutual Use and Noninterference for the Eva Creek Wind project.

As late as Friday, August 12<sup>th</sup>, GVEA had a verbal agreement with Boot Hill Gold, in which GVEA addressed the concerns stemming from the colocation of the Eva Creek Wind project with their mining claims. This verbal agreement, with the updated tower locations, was put into writing, signed by GVEA and e-mailed to Boot Hill Gold on Friday.

Today, we were copied with an August 14, 2011 e-mail in which Boot Hill sent the State an objection to the Eva Creek Wind project. GVEA was taken aback by Boot Hill Gold's reversal and letter of objection. Despite this sudden turn of events, GVEA believes the wind project is not only compatible with development of a mine in the Eva Creek area, but it entails many features that will compliment a mining operation, should one be developed on the claims in the future.

GVEA believes the construction of the Eva Creek Wind project is a reasonable concurrent use of the land owned by the State with underlying mining claims. In fact, the road work proposed for Eva Creek provides improved access to mining claims and the proposed substation makes power readily available. These improvements will increase

the economic viability of the subsurface claims as it becomes easier to get equipment into the area for potential exploration and future development of a mine. Likewise, the proposed electric substation associated with the wind project represents a multi-million dollar infrastructure investment that improves the economics of a future mine.

GVEA believes a provision in the permit requiring reasonable accommodation to the concurrent mining use may be a logical assurance to Boot Hill Gold that their rights will be protected. The State's interest would be well served by receiving rents and royalties for both the surface and subsurface rights.

Sincerely,

A handwritten signature in black ink that reads "Brian Newton". The signature is written in a cursive, flowing style.

Brian Newton,  
President/CEO