

EXHIBIT A

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September 11, 2007

Mr. Jeffrey C. Fereday
Givens Pursley LLP
P.O. Box 2720
Boise, ID 83701

Re: Galena Ridge LLC/Idaho Department of Environmental Quality
Water Rights & Diversion Points

Dear Jeff:

Reference our recent telephone discussions about DEQ's two surface water rights from Government Creek in Shoshone County, Idaho, and the willingness of DEQ to cooperate with Galena Ridge in applying for a new water right utilizing diversion points on land owned by DEQ. As you know, I represent DEQ as a special deputy attorney general with reference to land transfer matters associated with the 1600 acres that DEQ received title to from the United States within the Super Fund box. Much of that land is in Government Gulch, and includes Government Creek.

The relationship between DEQ and Galena Ridge goes back well over six years, and is based upon the economic development of the Silver Valley as a substitute for the departed mining industry. DEQ has already deeded over 560 acres of land to Galena Ridge for the purposes of developing a championship golf course project. My client is prepared to do anything within reason to assist Galena Ridge in making this effort a success. We have granted numerous off-site easements over adjoining property owned by DEQ to facilitate advancement of the project. Pipeline and diversion point easements would clearly be consistent with our past actions and have been authorized by my client.

As you know, my client is in the process of putting their water rights in the IDWR water bank for the intended purpose of leasing them to your client. If it makes more sense to convey our water right claims to your client for the purposes of establishing a new water right or processing a transfer of the existing water rights, my client has authorized me to state that we are willing to fully cooperate with such efforts. The use of water from Government Creek to advance Galena Ridge's project is clearly the highest and best use of the water, and in the best interest of the Silver Valley community.

There are additional advantages to diverting the flow of Government Creek from its natural stream bed. First of all, the stream bed of Government Creek contains heavy metals that are washed down into the South Fork of the Coeur d'Alene River and ultimately into Lake Coeur d'Alene. Secondly, the current stream bed of Government Creek segregates properties now owned by DEQ that could be used for commercial and governmental development. Bridging Government Creek would be very expensive concept.

In conclusion, my client does in fact own property on both sides of Government Creek in Sections 2 & 11, Township 48 North, Range 2 East, Boise Meridian, Shoshone County, Idaho. In fact, the vast majority of Government Creek's shoreline runs through my client's property. To the extent that diversion easements will not impair the value and utility of my client's property, we will grant pipeline and diversion easements upon request.

Sincerely



Freeman B. Duncan

Cc: client