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MINERALS & MINING PROGRAM

March 3, 2011

Mr. Mike Cepak  
South Dakota Department of Environment and Natural Resources  
Office of Minerals and Mining  
523 East Capitol  
Joe Foss Building  
Pierre, SD 57501-3181

**RE: Letter of Support for Wharf Expansion**

Dear Mr. Cepak:

This letter is written on behalf of Black Hills Chair Lift Company (BHCLC) and is in support of Wharf Resources' plans to expand their current mining operations as being submitted to the South Dakota Department of Environment and Natural Resources.

BHCLC is the owner and operator of Terry Peak Ski Area. The ownership of BHCLC is comprised of a limited number of partners. Wharf Resources is one of the partners in the company, but there is no owner, including Wharf, that owns a controlling interest in the company.

As a partner in Black Hills Chair Lift Company, Wharf Resources' ownership interest has been beneficial to all parties. In the recent past, Wharf has helped to make the ski area more functional by providing material for parking lots, transferring ownership of wells, and assisting with investments in artificial snowmaking equipment, among many other things. Wharf's involvement in Terry Peak has and will continue to have a positive impact for the ski hill.

During the past two decades, nearby gold mining and recreational skiing have co-existed. Visual impacts of mining have not interfered with ski operation as visitor volume has increased over the past twenty years. BHCLC believes that expansion of Wharf's mining operations, with appropriate season mining activity, will not adversely impact ski activities.

BHCLC agrees that this project will mutually benefit Wharf Resources', Black Hills Chair Lift Company, and the community at large. BHCLC gives the proposed Wharf expansion project our fullest support. Please contact me at (605) 584-2165 if I can be of any further assistance.

Respectfully,

A handwritten signature in black ink that reads "Tom Marsing".

Tom Marsing  
President / General Manager

A handwritten signature in black ink that reads "Ron Waterland". Below the signature are the initials "TM" inside a circle.

Visit us at [www.terrypeak.com](http://www.terrypeak.com) for current snow conditions, events and information.

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