

**DEPARTMENT OF CONSERVATION***Managing California's Working Lands***OFFICE OF MINE RECLAMATION**

801 K STREET • MS 09-06 • SACRAMENTO, CALIFORNIA 95814

PHONE 916 / 323-9198 • FAX 916 / 445-6068 • TDD 916 / 324-2555 • WEBSITE conservation.ca.gov

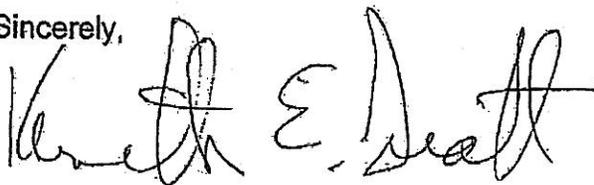
February 2, 2012

Rick Stoddard, Chairman and CEO
Kaiser Ventures, LLC
3633 Inland Empire Boulevard, Suite 480
Ontario, CA 91764

KAISER EAGLE MOUNTAIN QUARRY, CA MINE ID #91-33-0060

In connection with conversations regarding the Eagle Mountain Mine, I want to clarify certain misunderstandings that may have arisen with regard to the operating rights at the Mine. The Department of Conservation's May 31, 2011, letter did not intend to address or affect any questions about the mine's vesting status. The Department understands that the County of Riverside has treated, and continues to treat, the site as vested under local land use ordinances, though the Department has not recently reconfirmed this understanding with the County. The Department has focused on whether the mine is "idle" pursuant to the Surface Mining and Reclamation Act (SMARA), as well as ensuring compliance by the operation with other provisions of SMARA. We are currently working with you and your team on those issues and will continue to seek their resolution.

Sincerely,



Kenneth E. Trott, Manager
Reporting, Compliance and Review Unit

cc: Teresa Jakeway, County of Riverside
Jan Roberts, Kaiser Eagle Mountain, LLC
David Jones, Riverside County
Stephen Testa, State Mining and Geology Board
Mark Harrison
Ted Harris, California Strategies, LLC