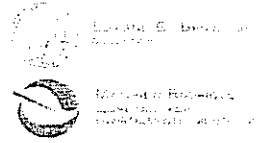


EXHIBIT R



Central Valley Regional Water Quality Control Board

6 April 2012

Richard Sykora
P.O. Box 622
Foresthill, CA 95631

Certified Mail #7010 1670 0002 0652 2296

**NOTICE OF VIOLATION AND REQUEST FOR A COMPLETED FORM 200,
RICHARD SYKORA - RED INK MAID AND BIG SEAM MINING CLAIMS, PLACER COUNTY**

Central Valley Regional Water Quality Control Board (Central Valley Water Board) staff has been provided with copy of a 16 March 2012 *Plan of Operations for Mining Activities on National Forest System Lands (Plan)* for Wildcat Mining Enterprises, LLC.

We note in Section III of the Plan, that the name of the mining claims where the operation is located is the Red Ink Maid and Big Seam mining claims. Furthermore, we noted that the name of the operator of the mining claims is Wildcat Mining LLC and that the name of the owner of the mining claims is Red Ink Maid LLC and Red Ink LLC.

On 6 December 2007, the Central Valley Water Board adopted waste discharge requirements Order No. R5- 2007-0181 (Order) for the Red Ink Maid and Big Seam mining claims. In Finding No. 3 of the Order, Richard Sykora is identified as the mine claimant and operator of the Red Ink Maid and Big Seam mining claims. Finding No. 3 of the Order also identifies Richard Sykora as the Discharger. Provision F.6 of the Order requires that in the event of any change in control or ownership of the facility, the Discharger must do the following:

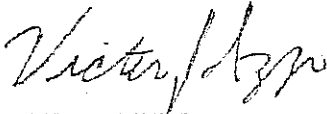
F.6. In the event of any change in control or ownership of the facility, the Discharger must notify the Forest Service and succeeding operator of the existence of this Order by letter, a copy of which shall be immediately forwarded to this office. To assume operation as Discharger under this Order, the succeeding owner or operator must apply in writing to the Executive Officer requesting transfer of the Order. The request must contain the requesting entity's full legal name, the state of incorporation if a corporation, the name and address and telephone number of the persons responsible for contact with the Regional Water Board, and a statement. The statement shall comply with the signatory paragraph of the Standard Provisions and state that the new owner or operator assumes full responsibility for compliance with this Order. Failure to submit the request shall be considered a discharge without requirements, a violation of the California Water Code. Transfer shall be approved or disapproved by the Executive Officer.

You are currently in violation of Provision F.6 of Order No. R5- 2007-0181. To assume operation as the Discharger under this Order, the succeeding owner or operator must apply in writing to the Executive Officer requesting transfer of the Order and provide the other information required in Provision F.6. Failure to submit the request shall be considered a discharge without requirements, a violation of the California Water Code.

By 11 May 2012, the new owner and operator of the Red Ink Maid and Big Seam mining claims shall submit a complete Form 200 (enclosed) describing the *Change in Ownership/Operator* in Section IV of the form. Form 200 is also available on the Central valley Water Board's web page at:

http://www.waterboards.ca.gov/publications_forms/forms/docs/form200.pdf

If you have questions regarding the contents of this letter, please contact Jeff Huggins of my staff at (916) 464-4639 or jhuggins@waterboards.ca.gov.



VICTOR J IZZO
Senior Engineering Geologist
Title 27 Permitting and Mining Unit

Encl. Form 200

cc w/o Encl:

Christian Carrigan, Director Office of Enforcement State Water Resources Control Board, Sacramento

Chris Fischer, District Ranger American River Ranger District, U.S. Department of Agriculture, Tahoe National Forest, Foresthill

Rick Weaver, Minerals and Geology Program Manager, U.S. Department of Agriculture, Tahoe National Forest, Nevada City

Bret Koehler, Senior Engineering Geologist Department of Conservation Office of Mine Reclamation, Sacramento

Ted Rell, Engineer, Placer County Community Development Resource Agency, Auburn

Ross Branch, Field Representative for Congressman Tom McClintock, Granite Bay

Ted Gaines, Senator First District, State Capitol, Room 3056