

January 23, 2015

VIA E-MAIL

Dwight French  
Administrator, Water Rights & Adjudication Division  
Oregon Water Resources Department  
725 Summer St NE Ste A  
Salem OR 97301-1271

Re: Red Flat Nickel Corp. LLC  
Withdrawal of Limited License Application LL-1533

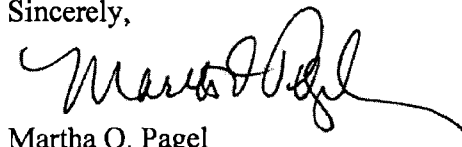
Dear Dwight:

On behalf of our client, Red Flat Nickel Corp., LLC (RFNC), I would like to thank the Oregon Water Resources (OWRD) for granting RFNC's Petition for Reconsideration, as reflected in the "Order Granting Reconsideration of Final Order on LL-1533" issued January 21, 2015. As described in its Petition, RFNC believes the order now being reconsidered contained inaccurate findings of fact and conclusions of law that do not support a decision to deny the application. We therefore appreciate OWRD's decision to reconsider.

As also explained in the Petition for Reconsideration, because of delays in completing a separate review process with the U.S. Forest Service, RFNC has no immediate need for water under a limited license. We expect the Forest Service process will take up to an additional year. In addition, it is likely that any future need for a limited license could be clarified and reduced in order to avoid some of the issues that arose in connection with LL-1533. Given these factors, and in light of OWRD's decision to reconsider, RFNC has authorized me to hereby withdraw Application LL-1533. If and when RFNC does have a future need for a limited license, a new and updated application can be filed.

Thank you for your assistance.

Sincerely,



Martha O. Pagel

cc: Client (*via email*)