

Wings Enterprises

Fe2o4

Mag.Fe**Iron Ore Mining**

Fe2o3

Hem.Fe

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May 15, 2008

Mr. Kendall B. Hale, PE
New Source Review Unit Chief
P.O. Box 176
Jefferson City, MO 63102-0176

Dear Mr. Hale,

Wings Enterprises Inc, a Missouri Corporation, is requesting a determination letter regarding the permitting path for the scope of our proposed project. This project is initially limited to reopening the Pea Ridge Iron Ore Mine and constructing a pipeline under the preview of the Army Corps Engineers.

Wings Enterprises owns the Pea Ridge Iron Ore Reserve in Washington County Missouri. Wings intends to reopen the mine and produce iron ore oxide (the Pea Ridge Mine has a 38 year operational history without any environmental issues of significance). Wings intends to ship the iron ore in a slurry pipeline 44 miles to a location on the Mississippi River. From that location Wings intends to sell iron ore concentrate. The production and sale of iron ore oxide is a stand-alone business.

However, we are including mention of a potential pig iron production facility in the final design, as this would be incorporated in our final design of the project if it proves possible. However, the pig iron portion of the project may be entirely academic, as this technology is not yet proven on a commercial scale. If technology and/or permitting are not readily accessible Wings will forgo the pig iron production option.

Logistics at the river will be handled by American Milling / American Boat, a well established barge and rail trans-shipment Company. Wings will be less than 20% of American Millings total business.

Wings currently holds a Mining Minerals Waste Permit (MMWA #007) and an NPDS permit. Reopening the mine will also require an air permit. This air permit will be limited to the milling and benefaction of iron ore oxide concentrate. Wings anticipates that all air quality issues related to the crushing of ore will be within the legal limits of a ssp. Wings will also need to apply for other permits such as Land Disturbance and Septic Waste Land Application. The only other permitting issues, the pipeline, are exclusively within the preview of the Army Corps Engineers.

Wings would like to establish a determination on the permitting path, as these issues will prove critical to financing and development of the overall project. As this project is important to Wings Enterprises and the State of Missouri, a determination of the path forward is critical. Projects of this scope, potentially \$1.5 billion, require some level of confidence. I would appreciate a letter of determination regarding this project so that we

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can continue to move forward.

It is critical to the U. S. and local economies that we can continue our feasibility work towards completing this project. This project has the potential to offset between \$500 million and potentially \$2 billion a year in foreign trade (imports of iron oxide and potentially, pig iron).

The environmental impacts are also critical to all parties involved. All of the engineering for this project are designed to minimize environmental impact. Wings is committed to best practices within the current technological limits for all components of this project. Our goal is to be the state of Missouri's leader environmentally sound mining. We believe that the DNR will be a partner in this process.

I will be happy to provide any additional information.

Sincerely,

James C. Kennedy
President, Wings Enterprises
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