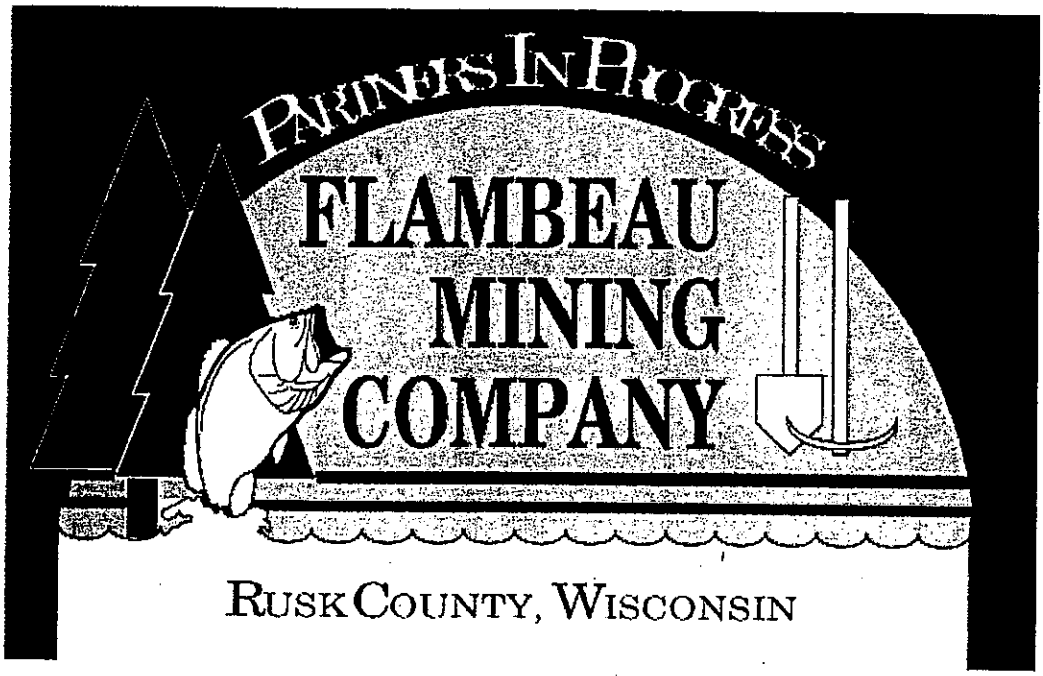
Exhibit 10

Excerpt from
Appendix B, FMC 2008 Annual Report

2008 Annual Report



January 2009

Flambeau Mining Company
N4100 Hwy 27
Ladysmith, WI 54848

Foth

Memorandum

January 29, 2009

TO: Jana Murphy, Flambeau Mining Co.

CC: Jim Hutchison, Foth Infrastructure & Environment, LLC
Steve Donohue, Foth Infrastructure & Environment, LLC
Master File, 08F777-5001

FR: Stephen Lehrke, Ph.D., Foth Infrastructure & Environment, LLC
Sharon Kozicki, C.E.M., P.G., Foth Infrastructure & Environment, LLC

RE: Flambeau Mining Company - 2008 Annual Report Groundwater and Surface Water Trends

Background

Groundwater and Flambeau River surface water sample results collected for the 2008 monitoring program were added to the analytical monitoring historical database as in previous years. These results were statistically tested and graphically displayed to determine whether any significant increasing or decreasing trends are occurring in the groundwater or surface water chemistry. Groundwater quality results, trend graphs and statistical test results are included as Attachment 1 for the quarterly monitoring parameters and Attachment 2 for the annual monitoring parameters. Surface water quality results, trend graphs and statistical test results are included as Attachment 3. Hydrographs are included as Attachment 4.

Intervention boundary wells included in the trend analyses are MW-1000P-R, MW-1002, MW-1002G, MW-1004P, MW-1004S, MW-1005, MW-1005P, MW-1005S, and MW-1010P. The in-pit wells included in the trend analyses are MW-1013, MW-1013A, MW-1013B, MW-1013C, MW-1014, MW-1014A, MW-1014B and MW-1014C. Wells MW-1015A and MW-1015B (also included in the analyses) were constructed in January 2001 approximately 1000 ft. northwest of the backfilled pit and adjacent to the compliance boundary.

Statistical Methods

In previous Annual Reports October of 1997 was selected as the start date for trend tests since it is the beginning of the post-mining period. However, trend tests performed on these increasingly large data sets lose their ability to effectively identify shorter term or recent trends. To remedy this, an additional set of trend tests is included for the first time in this analysis. As in the past, trend tests beginning in October of 1997 are included to identify long-term trends during the post-mining period. However, trend tests based on the most recent five years worth of data are also included to identify recent trends.

2737 South Ridge Road, Suite 600 • P.O. Box 12326 • Green Bay, WI 54307-2326 • (920) 497-2500 • Fax: (920) 497-8516

Note that the long-term trend analyses begin in February, 1999 for the in-pit wells MW-1013B, MW-1013C, MW-1014A, MW-1014B and MW-1014C, and April, 2001 for wells MW-1015A and MW-1015B, which is when monitoring began. Trend analyses are also included for wells MW-1013, MW-1013A and MW-1014 beginning in October, 2005, at which time sufficient groundwater recovery occurred to collect samples.

For the annual monitoring parameters of barium, cadmium, calcium, chloride, chromium, lead, magnesium, mercury, potassium, selenium, silver, sodium and zinc, the long-term trend analyses begin with July 1999 since this was the recent start date of monitoring for these parameters.

The non-parametric Mann-Kendall test for trend was used to statistically determine existing trends in both the long-term and recent (5-year) data sets. This test indicates whether any general increasing or decreasing trends have occurred during these time frames. The results of the trend tests are best used in conjunction with the trend graphs of Attachments 1, 2 and 3 to properly evaluate trend conditions in the context of the broader site hydrology. It should be noted that a statistically increasing or decreasing trend does not necessarily indicate a substantial increase or decrease in actual parameter concentrations. There are situations where variation in the data is small, allowing slight consecutive concentration changes to be detected as a statistically significant trend. Although these minor trends may occur, they should not be construed as an indication of a broader impact on water quality.

The procedure for the Mann-Kendall test is given in Gilbert (1987)[1]. The Type I error for each test was set to 0.01 (two-tailed), with the exception of the 5-year trend tests for the annual parameters. In that case the Type I error (two-tailed) was set to 0.05 to increase the power of the test (power of detecting existing trends) to counteract the decrease in power due to small sample sizes. All non-detected values were replaced with a common value below the lowest detected value.

In the trend test results of Attachments 1, 2 and 3, a "+" indicates a statistically increasing trend and a "-" indicates a statistically decreasing trend. If neither a "+" or "-" is given, no statistically significant trend is present.

Trend Results

Quarterly Parameters (Attachment 1)

The majority of observable trends, increasing and/or decreasing, were exhibited in the groundwater results for the quarterly parameters of alkalinity, copper, hardness, iron, manganese, sulfate, TDS, conductivity and redox. A number of the observed trends are similar to those noted in the 2007 annual report.

[1]Gilbert, R.O., 1987. " Statistical Methods for Environmental Pollution Monitoring", Van Nostrand Reinhold, New York.

Trends reflecting either more recent concentration changes or greater changes in actual concentration levels are noted in the intervention boundary wells MW-1000PR, MW-1004S, MW-1005, MW-1010P and MW1015B, and the in-pit wells MW-1013B, MW-1013C, MW-1014A, MW-1014B and MW-1014C. Many trends indicated as statistically significant in other wells are the result of only small consecutive concentration changes over the post-mining period, with overall concentration change being very low.

The following narrative provides a more detailed discussion of the statistical trend results for each well, utilizing the historical trend graphs of Attachment 1 to interpret the results.

Intervention Boundary Wells

- MW-1000PR: Several parameters exhibited an immediate increase in concentrations at the beginning of the post-mining period. These are alkalinity, hardness, iron, manganese, sulfate, TDS and conductivity. Of these, hardness, manganese, sulfate, TDS and conductivity quickly began to again decrease, with sulfate and conductivity continuing decreasing trends in the recent (5-year) data. Alkalinity continues an increasing trend, however, with the rate of increase slowing considerably following 2002. Iron concentrations, while elevated between 1999 and 2004, significantly dropped between 2005 and the third quarter of 2007, but increased again during the fourth quarter of 2007. Iron concentrations then significantly dropped again during 2008.

- MW-1002: No recent (5-year) trends exist. Long-term decreasing trends are indicated for iron, sulfate and conductivity, but reflect only small consecutive changes in actual low concentrations.

- MW-1002G: No recent (5-year) trends exist. Long-term decreasing trends are indicated for sulfate and TDS, but reflect relatively small concentration changes.

- MW-1004P: An increase in iron and manganese concentrations occurred generally around 2002, however the 5-year trend tests indicate no current trends exist. Both parameters remain at concentrations similar to or below pre-mining conditions (pre-1993). Copper has a long-term decreasing trend, reflecting an isolated period of increased concentrations during 1997 and 1998.

- MW-1004S: Alkalinity, hardness, sulfate and conductivity have had small increasing trends since 2002, but concentrations remain generally low with alkalinity and hardness below pre-mining (pre-1993) concentrations. Statistical decreasing trends were noted for copper, iron and manganese but reflect only slight changes in already low concentrations.

- MW-1005: Moderate long-term decreasing trends have occurred for alkalinity, iron, and manganese. Of these, alkalinity continues to have a decreasing trend in the recent (5-year) data. Also, while the following have no recent statistical trends, hardness, TDS and conductivity had observable concentration decreases from 1993 through 2002, then

increases during 2003 with stabilized readings thereafter. Note this follows a moderate short term increase in groundwater elevation during 2002.

- MW-1005P: Copper, sulfate and redox have long-term decreasing statistical trends, but reflect only slight concentration changes. TDS also statistically has an overall long-term decreasing trend, however several 2008 sample concentrations increased again to levels observed in the pre-1993 data. This increase was not yet observed in enough samples however to be concluded as a significant trend. Conductivity has had a recent (5-year) increasing trend and iron, a long-term increasing trend, but both are at or below pre-1993 levels.

- MW-1005S: Alkalinity, hardness, manganese and conductivity observed increasing trends, but reflect only small changes in actual concentration levels which are near or below pre-1993 results.

- MW-1010P: Conductivity and redox have increasing 5-year trends after observing significant decreases during 2002, with current concentrations similar to pre-2002 levels. Long-term increasing trends were also observed for alkalinity, hardness, manganese and sulfate, however current concentrations have stabilized with no existing recent trends and levels still similar to, or below, pre-mining (pre-1993) conditions.

- MW-1015A: Several statistical trends were noted for alkalinity, manganese, sulfate and conductivity, however these reflect very small consecutive concentration changes. Concentrations remain generally stable and at lower levels.

- MW-1015B: Redox and conductivity have recent increasing trends, while manganese has a recent decreasing trend. Iron concentrations increased during 2002 to 2003, but have been generally consistent since.

In-Pit Wells

- MW-1013: No statistically significant trends were noted for the quarterly monitoring parameters in the available data, however, groundwater elevation generally increased between 2000 and 2004.

- MW-1013A: Conductivity and redox have had decreasing trends generally since 2005.

- MW-1013B: Copper continues to have an increasing trend since 2002. Concentrations appear somewhat seasonal, with the higher concentrations appearing during the summer or fall months. Iron was also following a significantly increasing trend until 2004, when concentrations suddenly fell to non-detectable levels and have remained ever since (now reflecting a long-term decreasing trend). TDS has had a moderately decreasing trend since 2002.

- MW-1013C: Long-term increasing trends were observed for alkalinity, iron and manganese, with iron continuing an increasing trend in the recent (5-year) results. Conductivity has a recent decreasing trend.

- MW-1014: Manganese and pH have recent decreasing trends.

- MW-1014A: Decreasing trends were noted for iron and manganese. Iron has generally been at non-detectable levels since 2004. A long-term increasing trend was noted for alkalinity, but reflected relatively smaller concentration changes with no recent trend.

- MW-1014B: Long-term decreasing trends were observed for hardness, manganese and TDS and conductivity. No recent trends are occurring with hardness, TDS and conductivity, but the decreasing trend continues with manganese in the recent data.

- MW-1014C: Long-term and recent decreasing trends were observed for hardness, iron, manganese, sulfate, TDS and conductivity. Long-term increasing trends are noted for arsenic and pH, but no recent trends are noted for these parameters.

Annual Parameters (Attachment 2)

Similar to past trend results, the annual groundwater parameters of barium, cadmium, calcium, chloride, chromium, lead, magnesium, mercury, potassium, selenium, silver, sodium, and zinc illustrated few statistically significant trends, and of those that are noted, most generally reflect small consecutive changes in actual low concentrations. Of the somewhat moderate trends, MW-1000P-R has had a recent decreasing trend of zinc and long-term decreasing trends (but no recent trends) of calcium and magnesium. MW-1014B has had long-term (but no recent) decreasing trends of cadmium and magnesium. MW-1014C has had recent and long-term decreasing trends of calcium, magnesium and zinc. A long-term increasing trend of barium was also detected in MW-1014C, however this trend is an artifact of the higher method detection limits utilized prior to 2003 than those currently in use.

Surface Water (Attachment 3)

Parameters currently included in the surface water monitoring are copper, hardness, iron, manganese, sulfate, zinc, pH and conductivity. No statistically significant trends were observed in either the upstream or downstream surface water monitoring results, with the exception of an increasing trend of zinc in SW-2. This increasing trend, however, is an artifact of the higher method detection limits utilized prior to 2003 than those currently in use.

The increase in manganese at both the upstream and downstream locations during August and September of 2007, which may in part have resulted from Flambeau River work completed by others at the North Dairyland dam, again decreased to historical levels.

Hydrographs (Attachment 4)

As observed in the hydrographs, all wells illustrating significant drawdown during the production period of 1993 to 1997 now appear to be substantially stabilized. The wells include MW-1000P-R, MW-1001, MW-1001G, MW-1001P, MW-1003, MW-1003P, MW-1004, MW-1004P, MW-

1004S, MW-1010P, OW-7, OW-39, OW-42, PZ-1006G, PZ-1006S, PZ-1007S, PZ-1008, PZ-1008G, PZ-1012, PZ-R1, PZ-S1, PZ-S3, ST-9-23 and ST-9-26.

Groundwater elevations increased steadily from 1999 through 2002 for the in-pit wells of MW-1013A, MW-1013B, MW-1013C, MW-1014, MW-1014A, MW-1014B and MW-1014C, but stabilized and began a decreasing trend in 2003. This trend once again reversed during 2008 with increasing elevations. Elevations for MW-1013 rose through 2004, but appear to have stabilized during 2005 and remained consistent since then.

Conclusions

Many of the concentration trends noted from the statistical trend tests reflected small but consecutive changes in actual concentration. The more significant trends occurred mainly with the quarterly monitoring parameters in the intervention boundary wells MW-1000PR, MW-1004S, MW-1005, MW-1010P and MW1015B, and the in-pit wells MW-1013B, MW-1013C, MW-1014A, MW-1014B and MW-1014C. Of the trend results listed above, the following are the main conclusions:

Intervention Boundary Wells

- Several parameters in MW-1000PR (alkalinity, hardness, iron, manganese, sulfate, TDS and conductivity) exhibited concentration increases following the rebounding of water levels after the production period ended. Of these parameters, alkalinity continues to increase, but the rate of increase slowed significantly following 2002. Sulfate and conductivity continue decreasing trends. The remainder have no trend occurring in the recent (5-year) data.

- Alkalinity, hardness, sulfate and conductivity in MW-1004S continue small increasing trends which began around 2002, but concentrations remain generally low with alkalinity and hardness below pre-mining (pre-1993) concentrations.

- Alkalinity continues a moderately decreasing trend in MW-1005.

- Conductivity and redox in MW-1010P have increasing trends in the recent (5-year) data after observing significant decreases during 2002, with current concentrations similar to pre-2002 levels.

- MW1015B has recent increasing trends of conductivity and redox, while a decreasing trend continues with manganese.

In-Pit Wells

- Copper has had a significantly increasing trend in MW-1013B since 2002. Concentrations appear somewhat seasonal, with the higher concentrations appearing during the summer or fall months. Iron was also following a significantly increasing

trend in this well until 2004, when concentrations suddenly fell to non-detectable levels and have remained since then.

- Between 1999 and 2008 a significantly increasing trend of iron has been noted in MW-1013C, and between 1999 and 2005 an increasing trend of manganese was also noted. Significantly decreasing trends of the same two parameters have been noted in MW-1014A. A significantly decreasing trend of manganese also continues in MW-1014B.

- Decreasing trends continue in MW-1014C for hardness, iron, manganese, sulfate, TDS and conductivity.

Few or no trends were noted for the annual groundwater parameters of barium, cadmium, calcium, chloride, chromium, lead, magnesium, mercury, potassium, selenium, silver, sodium, and zinc. Of the somewhat moderate trends, MW-1000PR has had a recent decreasing trend of zinc, and MW-1014C has had recent decreasing trends of calcium, magnesium and zinc.

No trends were noted for the Flambeau River surface water parameters (either upstream or downstream) of copper, hardness, iron, manganese, sulfate, zinc, pH and conductivity, with the exception of an increasing trend of zinc in SW-2. This increasing trend, however, is an artifact of the higher method detection limits prior to 2003 than those currently in use.