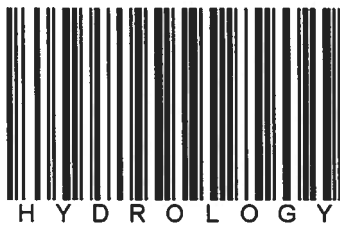


# Hydrology



QATESTOCR



**COLORADO OPERATIONS**

Henderson Mill  
19302 County Road 3  
Parshall, CO 80468  
Phone (303) 569-3221  
Fax (970) 725-0038

November 5, 2014

Via Email and UPS Tracking #: 1Z 804 847 03 7679 4144

**RECEIVED**

NOV 06 2014

✓ Mr. Peter Hays  
Division of Reclamation, Mining and Safety  
1313 Sherman St., Rm. 215  
Denver, CO 80203

**DIVISION OF RECLAMATION  
MINING AND SAFETY**

Re: ✓ Description of Leaching of Molybdenum Concentrate from the Climax Mine at the Henderson Mill, Permit No. M-1977-342 ✓

Dear Mr. Hays:

In follow-up to our conversation during your September 25, 2014 inspection at the Henderson Mine, Climax Molybdenum Company, Henderson Operations (Henderson) has prepared this letter to further explain the process changes around leaching molybdenum concentrate from the Climax Mine at the Henderson Mill.

The Henderson Mill currently has an acid leach circuit that removes impurities from its Grade B concentrate before the final filtering and drying stages of the process. In order to meet customer specifications, and considering that the Climax Mine, Permit No. M-1977-493, does not currently have a leach circuit, a portion of the concentrate from the Climax Mine is being packaged in "super sacks" per the normal Climax procedure and transported by truck to Henderson Mill to be introduced into the Henderson leach circuit.

Forklifts are used to unload and move the super sacks to an available storage area within the Mill Building. When it is time for processing, an existing overhead crane lifts the super sacks and places them onto a "bag splitter," which is simply a funnel-like device that contains a centrally located knife that pierces the underside of the sack. As a result, the concentrate drops into a receiving pipe that connects the splitter to an existing concentrate tank in the acid leach system, where Climax Mine concentrate is mixed with the wet Henderson concentrate. The inclusion of the Climax Mine concentrate does not affect the Henderson Mill processes. That is, after the Climax Mine concentrate is mixed with Henderson concentrate in the concentrate tank, all subsequent steps of the Henderson acid leach and subsequent Mill processes remain consistent with the existing process steps at Henderson Mill. The mixed concentrate is then filtered, dried and packaged for off-site shipment.

This process does not require any changes to a designated chemical or Environmental Protection Facility (EPF) listed in the Henderson Operations Environmental Protection Plan (EPP). Hydrochloric acid is

Mr. Peter Hays, DRMS  
November 5, 2014  
Page 2 of 2

currently included in the EPP as a designated chemical, however there will be no changes to its storage, transfer or use.

If you have any questions or require further information, please feel free to contact me at at (720) 942-3255.

Sincerely,



Miguel Hamarat  
Chief Environmental Engineer  
Climax Molybdenum Company  
Henderson Operations

cc (via email only):

Bryce Romig, CMC  
Tim Haynes, CMC