



COLORADO OPERATIONS

Henderson Mine
1746 County Road 202
Empire, CO 80438
Phone (303) 569-3221

December 29, 2015

Via Email and USPS Tracking #: 9590 9403 0226 5146 2755 06

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

Re: Mine Groundwater NPL Exceedance Notification, Permit No. M-1977-342

Dear Mr. Hays:

Henderson Mine is providing this written notification of an NPL exceedance for pH at groundwater point of compliance (POC) well MNGW-1, downgradient of the Henderson Mine, in accordance with Section 5.3 of the Henderson Groundwater Management Plan. This written notification is subsequent to the verbal notifications that were made to you on December 22, 2015.

MNGW-1 was sampled during the normally scheduled triannual monitoring event on December 8th, 2015, with a pH value of 6.1 standard units (s.u.). This exceeded the numeric protection limit (NPL) of 6.5-8.5. A follow-up pH measurement was taken on December 17, 2015, resulting in a pH of 6.3 s.u.

Henderson performed a trend analysis and the results did not appear to be anomalous, or obvious outliers. Henderson is currently working on further evaluation of the pH trends and the underlying water chemistry.

Henderson will provide a follow-up report to the DRMS, where results of additional sampling at MNGW-1 will be provided, including a water quality assessment. One of the objectives of the water quality assessment will be to provide further understanding of potential causes of reduced pH which can then be utilized to guide in further monitoring and/or develop a mitigation plan, as appropriate.

If you have any additional questions or concerns, please feel free to contact me at 720-942-3480 or Miguel Hamarat at 720-942-3255.

Sincerely,

Amber Parmet
Environmental Engineer II
Climax Molybdenum Company
Henderson Operation

cc (via email):

M. Hamarat, Climax
W. Koester, Climax
T. Haynes, Climax