



COLORADO

Division of Reclamation,
Mining and Safety

Department of Natural Resources

1313 Sherman Street, Room 215
Denver, CO 80203

February 20, 2018

Paul Newman
Colorado Legacy Land LLC
4601 DTC Blvd., Suite 130
Denver, CO 80231

RE: Revised Approval of SO-01 with Conditions, Transfer of Permit for Colorado Legacy Land, LLC as Successor Operator, Schwartzwalder Mine, Permit No. M-1977-300

Dear Mr. Newman:

On February 16, 2018, the Division of Reclamation, Mining and Safety approved the transfer of permit and succession of operator from Cotter Corporation to Colorado Legacy Land, LLC ("CLL") for the Schwartzwalder Mine, Permit No. M-1977-300, with conditions. The conditions for approval are as follows:

1. The new estimated liability amount of \$8,900,000.00 for the Schwartzwalder Mine exceeds the \$4,339,003.39 bond currently held. Please submit financial warranty in the amount of \$8,900,000.00. SO-01 will not be fully approved until the Division has received and approved a properly executed financial warranty not less than \$8,900,000.00. Questions regarding surety submittal should be directed to Financial Assurance Specialist, Barbara Coria, phone (303) 866-3567, extension 8148, or by email at Barbara.Coria@state.co.us. The financial warranty will be maintained at a level which reflects the current cost of reclamation, which includes all measures taken to assure the protection of water resources. Therefore, the financial warranty, currently set at \$8,900,000.00, is subject to adjustment and may be increased or reduced as necessary to ensure the completion of reclamation in the event of permit revocation and forfeiture of financial warranty.
2. CLL shall amend Permit No. M-1977-300, pursuant to Rules 1.1(6) and 1.10, affirming the permanent cessation of mining activities, provide a conceptual site model, provide a plan addressing the physical and chemical stabilization of the mine pool and specifically addressing the concentrations of dissolved uranium and other constituents as required under the conditions of the permit, and updating the reclamation and environmental protection plans (the "Amendment"). In addition to the standard public notice requirements, CLL shall provide timely notice of the Amendment, which shall include the conceptual model and all underlying assumptions and data used in the model, to Denver Water and City of Arvada.
3. Subsequent to the Division's review and approval of the permit Amendment described above, CLL may further modify the permit through the Technical Revision or Amendment process, addressing the long term cost of operating of the water treatment plant and managing the mine pool. The Division anticipates such demonstration will be based on



three consecutive years of data which verify the physical and chemical stabilization of the mine pool. Upon such demonstration CLL may request a reduction in financial warranty in accordance with Rules and Regulations for that portion of the financial warranty attributable to the water treatment and management of the mine pool. In addition to the standard public notice requirements, CLL shall provide timely notice of any/all requests for reduction of financial warranty to Denver Water and City of Arvada.

4. CLL will share its monthly and quarterly water quality monitoring sampling data with Denver Water and the City of Arvada and allow Denver Water and the City of Arvada access to the site sample taps to collect samples.

With the acceptance of the above four conditions, CLL is now the permitted operator of the Schwartzwalder Mine, and as such is responsible for all provisions in M-1977-300, as well as those specified in the Rules and Regulations. Cotter Corporation is relieved of all responsibilities concerning this operation.

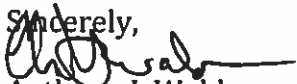
Please Note:

- All of the application materials, as amended and supplemented, are an integral part of your permit. They have been incorporated into the permit by reference. We presume you have a copy of all these materials; therefore, none have been enclosed with this mailing. We suggest you keep a copy of the permit and the permit application at the mining operation as a reference for operation personnel, to help ensure compliance with the terms of the permit.
- Changes in the mining and reclamation operations which differ from those described in the permit may require a modification to the permit. We suggest consulting the Rules and Regulations and/or contacting us to determine if a modification to the permit is necessary. Rule 1.10 pertains to Amendments, Rule 1.9 to Technical Revisions, and Rule 1.11 to Conversions.
- On your permit anniversary date each year, you must submit an annual fee and annual report to us. Please consult the Rules, Act, and your permit for specific requirements. Annual reports, maps and fees must be filed electronically using the Division's ePermitting portal. If you have not done so already, you will need to sign up for electronic filing of your annual report, map, and fee by visiting the Division's web site (<http://mining.state.co.us>) clicking on "ePermitting" on the home page, and then clicking on the "Sign up for Minerals Annual Report Electronic Filing" link.

The transfer of this permit does not result in the transfer of any other permits or licenses, with this Division, the State, or Federal Agency, which might be associated with this operation.

If you have any questions please contact me.

Sincerely,



Anthony J. Waldron
Minerals Program Supervisor