

**COLORADO OPERATIONS**

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

April 20, 2021

Via Email

Mr. Russ Means
State of Colorado
Division of Reclamation, Mining and Safety
1313 Sherman St., Rm. 215
Denver, CO 80203

Re: Removal of Three Peaks Ranch from Proposed Financial Warranty - Climax Molybdenum Company, Henderson Operations, Permit No. M-1977-342

Dear Mr. Means:

Henderson is providing this letter per our email correspondence and conversation on April 19, 2021 to remove Three Peaks Ranch from the proposed Henderson Financial Warranty Package submitted on October 1, 2020. Three Peaks Ranch is located in Gunnison County, near Crested Butte, Colorado. The United States Forest Service (USFS) recently confirmed their interest in exchanging the Three Peaks Ranch property for USFS land adjacent to the Keystone Mine, where ongoing reclamation efforts are underway by Mount Emmons Mining Company. In order to assure its unencumbered availability for this proposed land exchange, Henderson would like to remove the Three Peaks property from our proposed financial warranty.

The October 1, 2020 financial warranty proposal includes \$1,568,250 for Three Peaks Ranch, which would be replaced with a corporate surety bond. With this adjustment, the total proposed land assets would be reduced from \$22,321,000 to \$20,752,750. A summary of these changes is provided in the table below.

Proposed Financial Warranty Package		
Financial Instrument	October 1, 2020 Proposal	Current Proposal
Corporate Surety Bond	\$129,456,777	\$131,025,027
Letter of Credit	\$3,130,001	\$3,130,001
Water Rights	\$16,217,475	\$16,217,475
Land	\$22,321,000	\$20,752,750
Total	\$171,125,253	\$171,125,253
Land & Water Percent of Total	22.5%	21.5%

Henderson intends to work with the Division's financial warranty specialist to increase the corporate surety bond as expeditiously as possible.

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Please feel free to contact me at (720) 942-3255 if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Miguel Hamarat". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Miguel Hamarat
Environmental Manager
Climax Molybdenum Company
Henderson Operations

cc (via email):
Jeff Fugate (AG's Office)
Sheila Deely (Freeport)
Jim Sanderson (WSMT Law)