

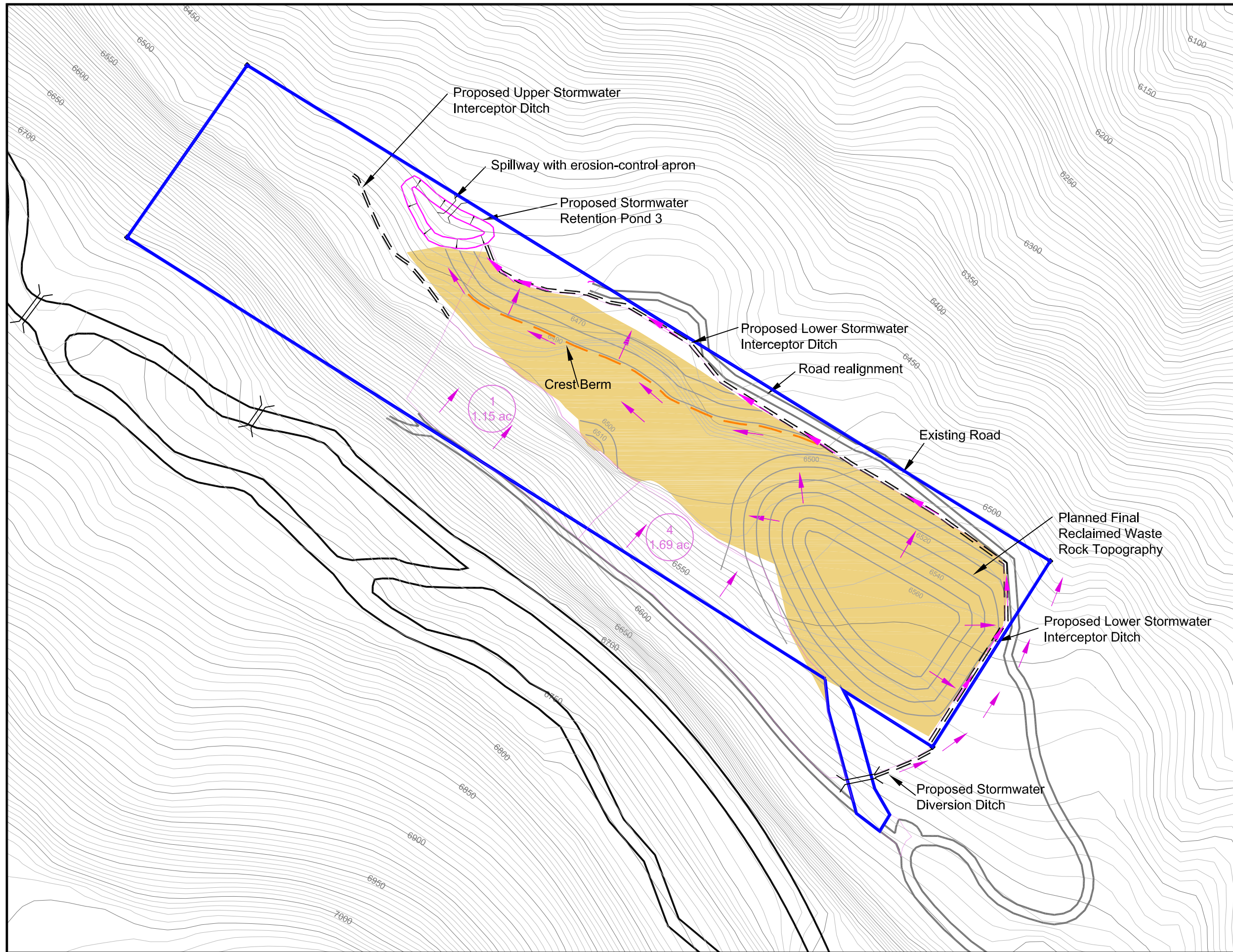
To: Russ Means and Tim Cazier (DRMS) 4122A
Glen Williams (Cotter Corporation, N.S.L.)
From: Susan Wyman, P.E., P.G. (Whetstone Associates)
Date: July 18, 2012
Subject: Response to DRMS Adequacy Review #2
Additional Stormwater Control Structure for JD-8 Mine

The revised Drainage Design Plan for the JD-8 Mine was prepared on July 3rd 2012 and submitted to the Division of Reclamation, Mining and Safety (DRMS) as part of Cotter Corporation (N.S.L.) (Cotter) response to Adequacy Review #2. The DRMS engineering staff reviewed the Drainage Design Plan and requested additional information about the post-mining drainage design in a letter from Tim Cazier to Russ Means dated July 16, 2012.

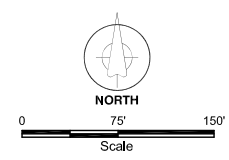
In response to the DRMS engineering review, an additional post-mining stormwater control structure is proposed for the JD-8 Mine. A new diversion ditch is proposed to divert non-contact stormwater that passes under the existing mine access road through an existing culvert away from the waste rock pile and Lower Stormwater Interceptor Ditch. The new proposed diversion ditch will be angled at approximately 70 degrees (N70E) from the culvert to southeast corner of the Doagy claim boundary. From the corner of the claim boundary, stormwater runoff would flow toward the natural existing drainage. The slope of the final diversion ditch will be evaluated during construction. If the slope on segments of the final constructed ditch are steep enough to require armoring based on the criteria specified in the Drainage Design Plan, then rock armoring will be installed.

Additional measures to prevent this non-contact stormwater from entering the Lower Stormwater Interceptor Ditch will include construction of the ditch as a ditch/berm system, with spoils from the interceptor ditch banked or bermed on the east side to prevent the entry of non-contact stormwater from the natural drainage.

The revised Figure 3 from the Drainage Design Plan is attached.



- EXPLANATION**
- Lower Mine Permit Boundary
 - Roads
 - Reclaimed Waste Rock (Planned Final)
 - Direction of Flow
 - Contributing Drainage Areas



Cotter Corporation (N.S.L.) P.O. Box 700 Nucla, CO 81424	
JD-8 MINE DRAINAGE PLAN	
FIGURE 3 POST-MINING STORMWATER ROUTING AND CONTAINMENT PLAN	
Scale: 1" = 150' 1:1,800	Date: 7/18/2012
Project No: 4122A	County: MONTROSE COUNTY, CO
Whetstone Associates	File: JD8 Reg Map-R27.dwg Drawn/Checked By: NH/SW