

October 26, 2012

Mr. G. Russell Means Environmental Protection Specialist Division of Reclamation, Mining and Safety 101 South 3rd Street, Suite 301 Grand Junction, CO 81501 OCT 2 6 2012 GRAND JUNCHON FIELD OFFICE DIVISION OF RECLAMATION MINING & SAFETY

and via email to Russ.Means@state.co.us

RE: Nuvemco, LLC's Last Chance Mine, File No. M-2008-012 Technical Revision No. 1

Dear Mr. Means,

Nuvemco has completed the construction of three ponds to control stormwater in accordance with the existing SWMP and the previously submitted of Technical Revision No. 1 for Nuvemco's above referenced Last Chance Mine permit. The as constructed details are enclosed in addition to volumetric calculations and certification.

We look forward to your inspection of these facilities on October 30, 2012.

Please advise if you need any further information or documentation.

Very truly yours,

AMEC Environment and Infrastructure

E. Thomas Caranang

E. Thomas Cavanaugh, CPG, PG Senior Associate

AMEC Environment and Infrastructure 1819 Denver West Parkway, Suite 100 Golden, Colorado 80401 Direct (303) 935-6505

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Exhibit 1a – Modifications required during construction, October 15 & 22, 2013 and PE certification

Nuvemco and AMEC, after consultation with DRMS, due to subsurface conditions and current configuration of the Waste Rock Pile (WRP), elected to construct three detention ponds to control stormwater runoff from the existing WRP. This configuration will allow more active management of runoff when mining resumes. Each of the ponds were constructed to contain more that the runoff created by a 100-yr 24-hour storm event, plus a 10-year 24-hour storm event. As detailed in Table 1 and described following, the cumulative volume of the three ponds is approximately 22% greater than required which will allow more flexibility when mining resumes and the WRP is enlarged and the configuration changes.

Figure No. 2a is aerial imagery from the NATIONAL AGRICULTURE IMAGERY PROGRAM (NAIP) from August 2011 which shows the current extent of the Waste Rock Area (WRA) and was utilized to locate the existing WRA. Figure 2b has the outlines of the three current drainage areas with respective locations of the receiving ponds. The locations and configurations of the ditches, berms and ponds which control stormwater runoff from the WRA will be determined and constructed in phases based upon mining activities. The Last Chance Mine is not currently being mined underground pending development drilling results and improved economic considerations. The WRA size and configuration is stable and smaller than the area used for calculations in the 2010 SWMP which provides latitude for alternative pond shapes to be constructed if they have equivalent volume. Nuvemco will revise the SWMP utilizing different sized, but volumetrically adequate detention ponds for sediment control. This modification will maximize the effectiveness of natural features. Figure No. 1a is a modification that shows the location of each ponds. The northern temporary ore stockpile area as presented in the 2010 SWMP remains the same, as do the other inputs and calculations of the plan. The north and west parts of the Last Chance Permit have significant area to expand detention ponds for properly authorized expansion of mining operations in the future.

Modifications of the SWMP include managing the southwestern runoff from the Area 3 of the WRA to Pond 3, and the northern runoff by Pond No. 1 with their respective berms and ditches. The berms prevent run-on from the undisturbed areas and the ditches direct WRA runoff to the respective ponds. These detention ponds were be constructed to control runoff from precipitation falling on the WRA and other disturbed ground, minimizing additional disturbance until mining resumes. As shown corresponding to Phase 1, the current area drained to the detention ponds is 36,844 sq ft. Areas draining to specific ponds include: Pond No. 1 is 18,148 sq ft; 12,630 sq ft to Pond No. 2; and the remaining 6,066 sq ft is drained to Pond 3. The Maximum Runoff Volume calculations on page 5 of the SWMP were modified accordingly.

All pond, ditch, and berm construction has been completed under the supervision of AMEC senior geologist Tom Cavanaugh. Following is a certification by Colorado professional engineer Kevin Garrett confirming that the detention pond facility is adequate for potential

Last Chance Mine Permit No. M-2008-012 Technical Revision #1 Dated May 31, 2012 As modified during construction October 15 & 22, 2012 Page 2

storm events and was constructed in accordance with the approved design plan and updated Environmental Protection Plan as required by Section 7.3.2 of the Rules and Rules Exhibit U.

Respectfully submitted,

E. Thomas Cavanaugh, CPG, P Senior Associate

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Pond 1 - volume calculations in feet Pond							
			width	depth		volume	Volumes ft ³
C1 + C2			8	8	0.5	160 ft ³	Volumoon
B		20	16	8	0.5	1280 ft ³	
D		20	8	8	0.5	640 ft ³	
E	=(20*3*5)+(20*5*5*0.5)+(20*3*9*0.5) 820 ft ³						
A	(20	20	8		3200 ft ³	
G		16	8	5	0.5	320 ft ³	
F		16	15	5		1200 ft ³	
H = G		16	8	5	0.5	320 ft ³	
I		50	11.5	5	0.5	1438 ft ³	
				olume of Po		9378 ft ³	7495 ft ³
			••				
	calculations in f					2	
F	L * W * D *0.5	22	4	4	0.5	176 ft ³	
E	L * W * D *0.5	14	6	4	0.5	168 ft ³	
D	L*W*D	16	4	6		384 ft ³	
В	L * W * D *0.5	18	8	12	0.5	864 ft ³	
Α	L * W * D	17	8	18		2448 ft ³	
G	L * W * D *0.5	18	3	8	0.5	216 ft ³	
Н	L * W * D *0.5	11	4	10	0.5	220 ft ³	
С	L * W * D	12	10	4		480 ft ³	
G1	L * W * D *0.5	10	2	-	0.5	40 ft ³	
J	L * W * D *0.5	8	12	3	0.5	144 ft ³	
1	L * W * D *0.5	25	4	10	0.5	<u>500</u> ft ³	
Approx Volume of Pond 2 = 5640 ft^3							5216 ft ³
Pond 3 - volume calculations in feet							
Pond 5 - Volume		length width depth				volume	
V1, rectangular	L*W*D	26	11	5.5		1573 ft ³	
V2, two tri prisms		26	11	5.5		1573 ft ³	
V3, tri prism	L*W*D*0.5	12	5.5		0.5	182 ft ³	
V4, N corners	L * W * D *0.5	11	5.5		0.5	166 ft ³	
V5, S end	L*W*D*0.5	21	6		0.5	126 ft ³	
10, 0 0.00	2 11 2 0.0		-	_		3620 ft ³	2505 ft ³
Approx Volume of Pond 3 = 3620 ft^3							2000 1
Sum of Detention Pond Volumes 18637 ft ³							15216 ft ³
Precipitation drainage areas as outlined on Figure No. 2							
• •		2	ft of precip			-3	
Area 1	18148 ft		0.413		7495		
Area 2	12630 ft		0.413		5216		
Area 3	6066 ft	£	0.413		2505	ft	
Total	36844 fi	2	0.413		15217	ft ³	

Table 1. Last Chance Mine SWMP Detention Ponds





