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GRAND JUNCTION FIELD OFFICE
DIVISION OF
RECLAMATION MINING & SAFETY

December 13, 2012

Mr. G. Russell Means
Senior Environmental Protection Specialist
Colorado Division of Reclamation, Mining and Safety
Grand Junction Field Office
101 S. Third St., Room 301
Grand Junction, Colorado 81501

RE: JD-6 Mine, Permit No. M-1977-310, Notice of Temporary Cessation

Mr. Means:

Pursuant to Colorado Hard Rock/Metal Mining Rule 1.13.5 and the request of the Division of Reclamation, Mining and Safety ("Division") dated November 9, 2012, Cotter Corporation (N.S.L.) ("Cotter") is requesting a change in the permit status for the JD-6 Mine, Permit No. M-1977-310, from intermittent activity to temporary cessation. This change is requested to be effective December 15, 2012, which also serves as the date of cessation.

Production at the JD-6 Mine has been suspended due to adverse uranium market conditions. The mining operation also cannot now resume due to the injunction ordered by the United States District Court for the District of Colorado in *Colorado Environmental Coalition v. Office of Legacy Management*, 819 F. Supp. 2d 1193, 1224-225 (D. Colo. 2011). Although the District Court subsequently amended its injunction to exclude from the injunction's scope certain maintenance and reclamation activities and other work, it did not exclude from the injunction and, accordingly, still does not authorize "exploration, drilling, [and] mining" on Uranium Lease Management Program lands. *Colorado Environmental Coalition v. Office of Legacy Management*, 2012 WL 628547 (D. Colo. Feb. 27, 2012).

The associated stormwater management controls will be inspected and maintained, as necessary, to provide control of stormwater run-off as described in the recently submitted Environmental Protection Plan ("EPP") for the JD-6 Mine, dated September 2012, attached as Exhibit T to Cotter's 110d Application Amendment ("Application Amendment") for the JD-6 Mine, dated September 2012. The EPP and Application Amendment also contain the measures to be taken to comply with reclamation requirements and/or other activities related to the performance standards of Section 3.1 of the Hard Rock/Metal Mining Rules, which will continue to be implemented during periods of temporary cessation and are incorporated by reference into this letter.

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The existing financial warranty of $19,000 is more than adequate to cover the reclamation liability of the site as it exists today. Reclamation activities that would be required at this time are re-contouring the mine waste material and closing the two vent holes. The affected area has not reached the permitted acreage yet; consequently, the mine waste material that would need to be re-contoured is less than the amount used for the bond calculation. Following the re-contouring effort, the currently stockpiled topsoil would be spread over the existing affected acreage. This area would then need to be seeded to promote re-vegetation of the site.

Cotter plans to resume production operations at this mine after the price of uranium returns to a profitable point. The plan for such resumption of mining is attached as Exhibit C to Cotter's Application Amendment.

Enclosed is a check for $115.00 to cover the fee associated with this Notice of Temporary Cessation.

If you have further questions regarding this submittal, please call me at Cotter's Nucla office, 970-864-7347.

Respectfully,

Glen Williams

Glen Williams
Vice President, Mining Operations