

Wallace H. Erickson
DRMS, Durango Field Office
691 CR 233, Suite A-2
Durango, CO 81301

Date: June 27, 2013
Via FedEx 8747 7700 7855

RE: File No. P-2013-101: Response to deficiency items relating to the Wanakah NOI

Dear Mr. Erickson,

In response to your letter dated June 24, 2013, Ouray 79 Mining, LLC ("Prospector") provides the following typographical corrections and clarifications pursuant to Rule 5.1.3(c).

1. Paragraph G, page 5 of the NOI contains a typographical error in that the 0 acres of land affected should be 0.5 acres of affected land. Attached hereto is a supplemental map indicating the estimated acreage of affected land pursuant to Rule 5.1.2(d)(iv). As you know, maps are part of the confidential information of the NOI and not to be publicly posted. Rock or core samples may be stored in the buildings identified in the map.
2. Prospector's activities will not affect historical surface waste rock. Prospector's only intended activity that may relate to surface rocks is its intent to use and maintain the historic roads in their existing alignment and configuration.
3. There is no potential for water drainage from any mine portal associated with the underground activities proposed by the NOI. The entry portals slope downward into the mine. Prospector will not pump any underground water it encounters out of the mine. If any underground water is encountered, then it will be sampled, tested and diverted to underground containment facilities to prevent it from encountering any underground traffic areas.
4. Although blasting may be included in the activities proposed by the NOI, it is unknown at this time whether blasting will occur or, if so, where because Prospector cannot commence prospecting until it receives a Notice to Proceed. Rule 5.1.2 does not require an NOI to include such specific technical information that prospector cannot obtain without first prospecting. In the event that blasting is determined to be necessary during prospecting, Prospector, will notify DRMS before any blasting activities and provide the appropriate blasting, vibration, geotechnical or structural engineering analysis that off-site areas will not be adversely affected by same. No activities (blasting or otherwise other than the aforementioned maintenance and use of the existing roads) proximal to the historic surface waste rock dumps and native cliffs are proposed by the NOI or planned by Prospector.

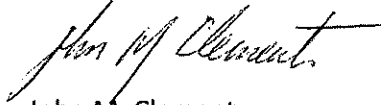
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Durango Field Office
Division of Reclamation,
Mining and Safety

If you have any questions regarding the foregoing, then please contact me. Thank you again for your assistance with the NOI.

Sincerely,

A handwritten signature in black ink, appearing to read "John M. Clement". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

John M. Clement
Exec. V.P. & General Counsel
Ouray 79 Mining, LLC