



SUSANA MARTINEZ
GOVERNOR

JOHN A. SANCHEZ
LIEUTENANT GOVERNOR

State of New Mexico
ENVIRONMENT DEPARTMENT
Ground Water Quality Bureau
Harold Runnels Building
1190 St. Francis Drive, P.O. Box 5469
Santa Fe, New Mexico 87502-5469
Telephone (505) 827-2855
www.nmenv.state.nm.us



DAVE MARTIN
SECRETARY

RAJ SOLOMON, P.E.
DEPUTY SECRETARY

CERTIFIED MAIL—RETURN RECEIPT REQUESTED

April 19, 2011

Mr. Marc C. Henderson, President and CEO
Laramide Resources (USA), Inc.
The Exchange Tower
130 King Street West
P.O. Box 99
Toronto, Ontario NM5X 181

RE: Discharge Permit required for the proposed La Jara Mesa Project uranium mine

Dear Mr. Henderson:

Based upon a review of the draft Environmental Impact Statement for the proposed La Jara Mesa Project uranium mine (U.S. Department of Agriculture Forest Service, February 2011 ["draft EIS"]), the Ground Water Quality Bureau of the New Mexico Environment Department ("NMED") has determined that a Discharge Permit is required for some of the activities proposed in the draft EIS. Therefore, Laramide Resources (USA), Inc. ("Laramide") must submit a Discharge Permit application for the proposed La Jara Mesa Project uranium mine, pursuant to Section 20.6.2.3104 NMAC of the New Mexico Water Quality Control Commission ("WQCC") regulations.

The draft EIS indicates that Laramide's plans for this project include surface ore and waste rock storage facilities, as well as back-fill of underground mine workings. Discharge of effluent or leachate from these proposed activities has the potential to move directly or indirectly into ground water, which is prohibited under Section 20.6.2.3104 NMAC unless Laramide is discharging pursuant to a discharge permit issued by the NMED Secretary. The draft EIS also indicates that the facility will include a septic system, which will require a Discharge Permit if a discharge volume greater than 2,000 gallons per day is proposed. The operation and maintenance of fuel dispensing and explosives storage facilities also may need to be addressed under the Discharge Permit. The proposed mine operation is located in Cibola County, New

Mr. Marc C. Henderson, President and CEO of Laramide Resources (USA), Inc.
RE: Discharge Permit required for the proposed La Jara Mesa Project uranium mine
April 19, 2011

Mexico approximately 10 miles northeast of the city of Grants, within Sections 9 and 12, Township 12 North, Range 9 West.

Please complete and submit three copies of the enclosed Discharge Permit application, along with the \$100 filing fee. Please be advised that any discharge from this facility without prior written approval from NMED would be a violation of the WQCC Regulations.

Any appeal of this determination that a Discharge Permit is required must be made to the New Mexico WQCC within 30 days of receipt of this letter, in accordance with Subsection B of 20.6.2.3112 NMAC. A copy of the WQCC Regulations, 20.6.2 NMAC is enclosed, and is also available at the following website address: <http://www.nmcpr.state.nm.us/nmac/ title20/T20C006.htm>.

If you have any questions, please contact either David L. Mayerson at (505) 476-3777 or Mary Ann Menetrey, Mining Environmental Compliance Section Program Manager, at (505) 827-2944.

Sincerely,



William C. Olson, Chief
Ground Water Quality Bureau

Enc: Applying for a Discharge Permit: General Information
Discharge Permit Application, General Form, all parts
New Mexico Water Quality Control Commission Regulations 20.6.2 NMAC

copies: Lee "Pat" Gochmour, Gochmour and Associates, Inc.
Jennifer Ickes, District I Manager
David L. Mayerson, NMED
Mary Ann Menetrey, NMED
Nancy Rose, USFS
George Schuman, Pollution Prevention Program Manager
Mersh Ward, Laramide Resources (USA), Inc.

La Jara Mesa 2011 correspondence file

WCO/dlm