



August 10, 2006

Barry Olson
Vice President and General Manager
Coeur Rochester, Inc.
P.O. Box 1057
Lovelock, NV 89419

Ross E. De Lipkau
Registered Agent for Coeur Rochester, Inc.
333 Holcomb Ave., Suite 300
Reno, NV 89502

Re: Mercury Emission Reporting Violations

Dear Mr. Olson:

I write on behalf of Idaho Conservation League, Earthworks, and Great Basin Mine Watch to advise you of our concern over Coeur Rochester's compliance with certain federal toxic chemical reporting requirements.

Under Section 313 of the Emergency Planning and Community Right to Know Act ("EPCRA"), Coeur Rochester is required to annually file a report to the U.S. Environmental Protection Agency (standard Form R) stating Coeur's releases of mercury and other toxic chemicals to the environment. 42 U.S.C. § 11023. Mercury is a potent neurotoxin, causing significant neurological and developmental problems such as attention and language deficits, impaired memory and impaired vision and motor function.

For its 2004 Form R, Coeur Rochester reported 3 pounds of mercury emissions to the air from fugitive sources, and another 5 pounds of mercury emissions to the air from point sources. For its 2003 Form R, Coeur Rochester reported 3.2 pounds of mercury emissions from fugitive sources, and another 0.3 pounds of mercury emissions from point sources. Prior Form R submissions for years 1998 through 2002 state similarly low mercury air emissions.

After good faith investigation, we believe Coeur's Form R submissions grossly under-report the actual levels of mercury air emissions generated at the Rochester facility. Mercury is a highly volatile metal, which evaporates even at room temperature. Any process that involves heating of mercury-containing ore or product will generate mercury air emissions. Coeur Rochester's ore is very rich in mercury. Indeed, Coeur Rochester recently reported to the State of Nevada that it produced over 31,000 pounds of byproduct mercury in 2004. In order to achieve the relatively small reported levels of mercury air emissions, Coeur Rochester would have to be capturing mercury at over 99.99% effectiveness. Technology does not exist to achieve such a high capture rate.

Coeur's operations were not substantially different in any reporting year before 2004 so as to create the very low reported emission rates reported in those years.

Confirming that Coeur is not capturing mercury at such a high rate, airborne mercury concentrations in the retort area of the Coeur Rochester facility have been measured at levels exceeding the Occupational Safety and Health Administration's established permissible exposure limit for airborne mercury of 100 $\mu\text{g}/\text{m}^3$; and health tests conducted on mine workers have shown high levels of mercury in urine.

Coeur has violated Section 313 of EPCRA and federal regulations promulgated thereunder by failing to submit a complete Form R in each reporting year from 1998 through 2004, specifying the total amount of mercury air emissions at the Rochester facility.

EPCRA authorizes citizen suits against any person for failure to "complete and submit" Form R reports as required by Section 313 of EPCRA. 42 U.S.C. § 11046(a)(1)(A)(iv). In addition to injunctive and other relief such as an award of attorney fees and costs, penalties of up to \$27,500 per day per violation (for violations before March 15, 2004) and \$32,500 per day per violation (for more recent violations) may be imposed against Coeur Rochester for violating EPCRA. 69 Fed.Reg. 7121 (Feb.13, 2004). This letter constitutes the required 60-day notice of our intent to file suit.

As the U.S. Supreme Court and other courts have held, one of the principal purposes of the notice requirement under federal environmental statutes is to allow the parties to discuss resolution of claims short of litigation. Idaho Conservation League, Earthworks, and Great Basin Mine Watch are sending this notice letter, in part, to encourage settlement negotiations which could avoid the need for litigation. We would be happy to discuss possible settlement arrangements with you, if you wish.

Additionally, should you have any facts, documents or other information which you believe might bear upon the alleged violations set forth in this letter, you should provide those to us now in order to avoid unnecessary litigation.

Please do not hesitate to contact me at the address and phone listed on our letterhead, if you wish to discuss these matters further or if I can answer any questions. Alternatively, you may contact my clients at the following addresses:

Justin Hayes
Idaho Conservation League
P.O. Box 844
Boise, ID 83701
(208) 345-6933

Bonnie Gestring
Earthworks
P.O. Box 8383
Missoula, MT 59807
ph: 406-549-7361

Vanessa Conrad
Great Basin Mine Watch
505 S. Arlington, #110,
Reno, NV 89509
ph: 775-348-1986

Sincerely,

A handwritten signature in black ink, appearing to read 'W Eddie', with a long horizontal line extending to the right.

William M. Eddie, Attorney

cc:

Administrator Stephen Johnson
Environmental Protection Agency
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Washington, DC 20460

Wayne Nastri
Region 9 Administrator
Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA, 94105

Governor Kenny Guinn
Capitol Building
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Leo Drozdoff, Administrator
Nevada Division of Environmental Protection
901 South Stewart St. Suite 4001
Carson City, Nevada, 89701-5249