

**CURIS RESOURCES (ARIZONA), INC.
FLORENCE COPPER PROJECT
FOURTH QUARTER 2008 MONITORING REPORT**

**UIC PERMIT AZ396000001
AND
APP PERMIT 101704**

April 22, 2010



April 22, 2010

Ms. Nancy Rumrill
U.S. Environmental Protection Agency
Region 9, Ground Water Office, WTR-9
75 Hawthorne Street
San Francisco, California 94105-3901

RE: MONITORING REPORT FOR UNDERGROUND INJECTION CONTROL (UIC) PERMIT
NUMBER AZ396000001
FOURTH QUARTER 2008 REPORT

Dear Ms. Rumrill:

As you are aware, in late 2008, Florence Copper, Inc. (Florence Copper) discontinued its water monitoring activities and, although groundwater monitoring data for the fourth quarter of 2008 had been collected, such samples were neither processed nor submitted to the Arizona Department of Environmental Quality (ADEQ) or the U.S. Environmental Protection Agency (USEPA). In February, 2010, Curis Resources (Arizona) Inc. (Curis Arizona) purchased all of the assets of Florence Copper and the right to apply for the transfer of its permits to Curis Arizona, including the Aquifer Protection Permit (APP) and UIC permit, provided that it assumes the compliance obligations of those permits. As requested by you and Ms. Carrolette Winstead of ADEQ, Curis Arizona agreed to submit the Fourth Quarter 2008 report even though it was not the responsible party at that time.

Curis Arizona is submitting this report in accordance with the reporting requirements of Parts II.G.2.(a) through (j) of the referenced permit. It pertains to monitoring activities conducted at the Florence In-Situ Mine Site from October 1 through December 31, 2008. Copies of records required by Part II.G.1 are maintained at the mine site along with other information that is summarized below.

The Florence Copper Project is subject to the requirements of UIC Permit No. AZ396000001 issued by the USEPA on May 1, 1997, and APP No. 101704 issued by the ADEQ on June 9, 1997, and last amended on July 16, 2004.

As you are aware, Florence Copper discontinued hydraulic control on September 1, 2004 in order to conduct groundwater quality tests in accordance with Part II.H.2 of the APP and Part II.I.2 of the UIC Permit. A report of the results has been provided to the ADEQ and USEPA for review. The pumping wells have remained off until a plan for further activity can be approved. As a result, no extraction flows are reported under Section (b) below, and the water level measurements that are reported in Section (b) reflect natural conditions, not hydraulic control.





(a) A map showing the current status of the mine.

Figure 1 shows the current monitoring area including the Point of Compliance (POC) wells and the wellfield. Figure 2 shows the approximate layout of the wellfield and denotes the four well pairs. There are four injection/recovery wells and nine pumping wells. Five observation wells were installed to demonstrate net inward hydraulic gradient for the 90 days required by the permit. Solution injection began on October 31, 1997, and ceased on February 8, 1998.

(b) A table and graph showing daily cumulative injection flows and extraction flows in each active mine block over the reporting period.

Hydraulic control was discontinued on September 1, 2004 for purposes of collecting groundwater samples following a 90-day period of no hydraulic control, and remains discontinued for evaluation of results. Accordingly there are no injection or extraction flows to report.

(c) A table and graph comparing average daily head in the four observation wells.

Although hydraulic control was not required during this reporting period, water level measurements were continued by manual measurements in the four observation wells and their nearest inward neighbors. Figure 1 of Attachment 1 and the supporting data show the groundwater elevations in the four well pairs.

(d) A table showing POC monitoring wells analytical results and alert levels.

The attached report, *Florence Project Quarterly Compliance Monitoring Report – Fourth Quarter 2008*, by Brown and Caldwell and sealed by Ms. Barbara Sylvester, Professional Engineer (Attachment 2), contains the POC monitoring records and results. Brown and Caldwell, along with Project personnel, conducted compliance sampling on October 6 through 8, 2008.

Quarterly parameters were conducted for 29 of the 31 POC monitoring wells. POC monitoring wells M32-UBF and M33-UBF were dry and could not be sampled. All results were below the Alert Levels (ALs) or Aquifer Quality Limits (AQLs). The results are discussed in the report.

(e) Results of the monthly analyses of organic in the injectate

Organic analyses are not required because no solution was injected during the reporting period.



(f) Results of monitoring required by 40 CFR 146.33 (b)(1)

No solution was injected.

(g) Results of the mechanical integrity tests

No mechanical integrity test was required.

(h) Results of the annular conductivity monitoring

Although injection ceased in early 1998, annular conductivity measurements have continued to the present time. A graph showing measurement results for this reporting period is presented in Attachment 1, Figure 2. No unusual conditions were noted.

(i) Well and core hole plugging and abandonment.

None of the existing wells and core holes were abandoned during the report period.

(j) A summary of closure operations during the reporting period.

There were no closure operations during the reporting period.

Curis Arizona believes that you will find this report complete and in compliance with all permit conditions. Please contact me at (604) 684-6365 should you have any questions regarding this report.

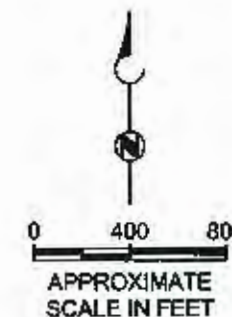
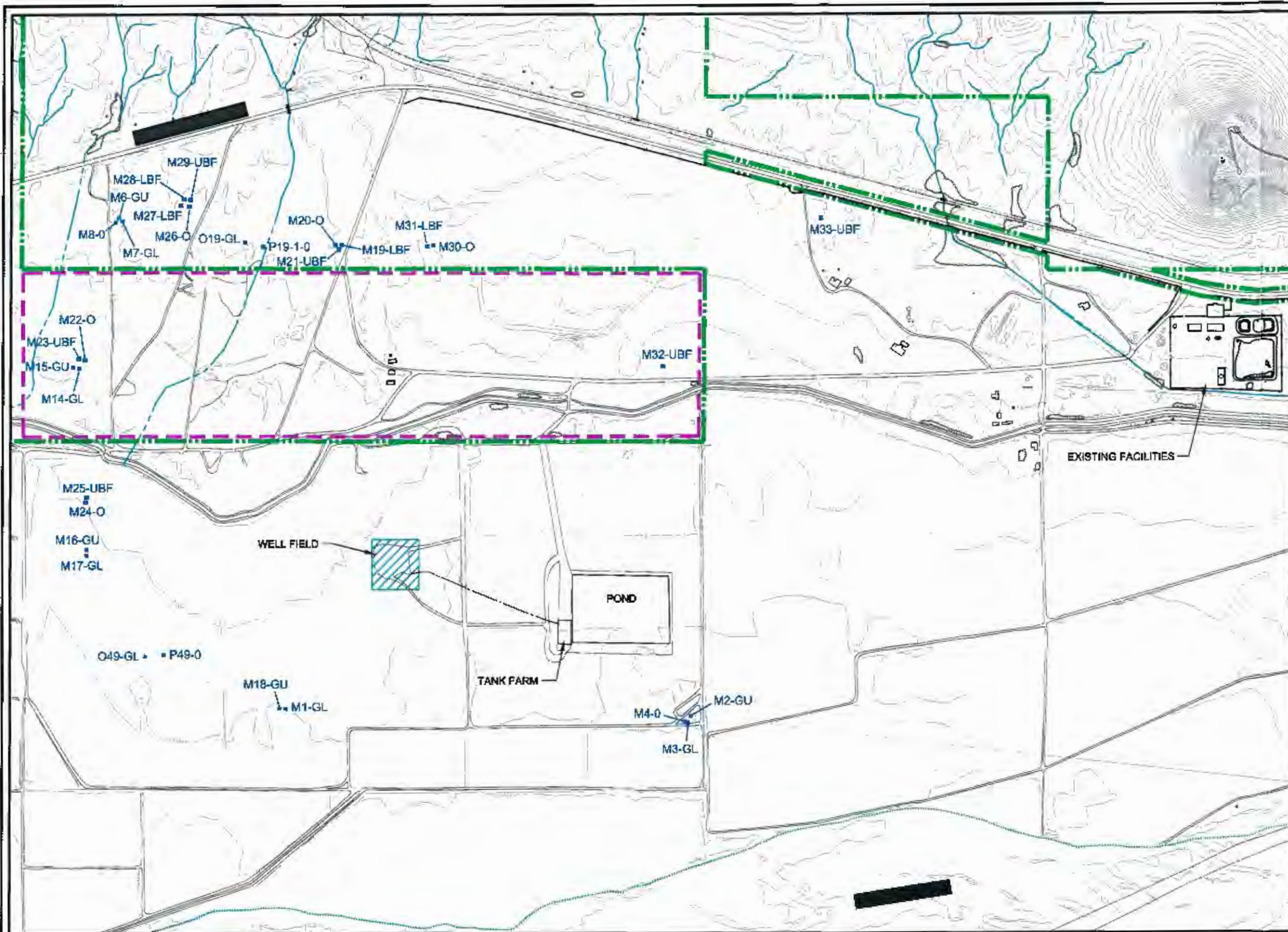
Sincerely,

CURIS RESOURCES (ARIZONA) INC.

A handwritten signature in blue ink, appearing to read "Michael McPhie".

Michael McPhie
President and CEO

BAS:lld
Attachments
cc: Florence Copper File

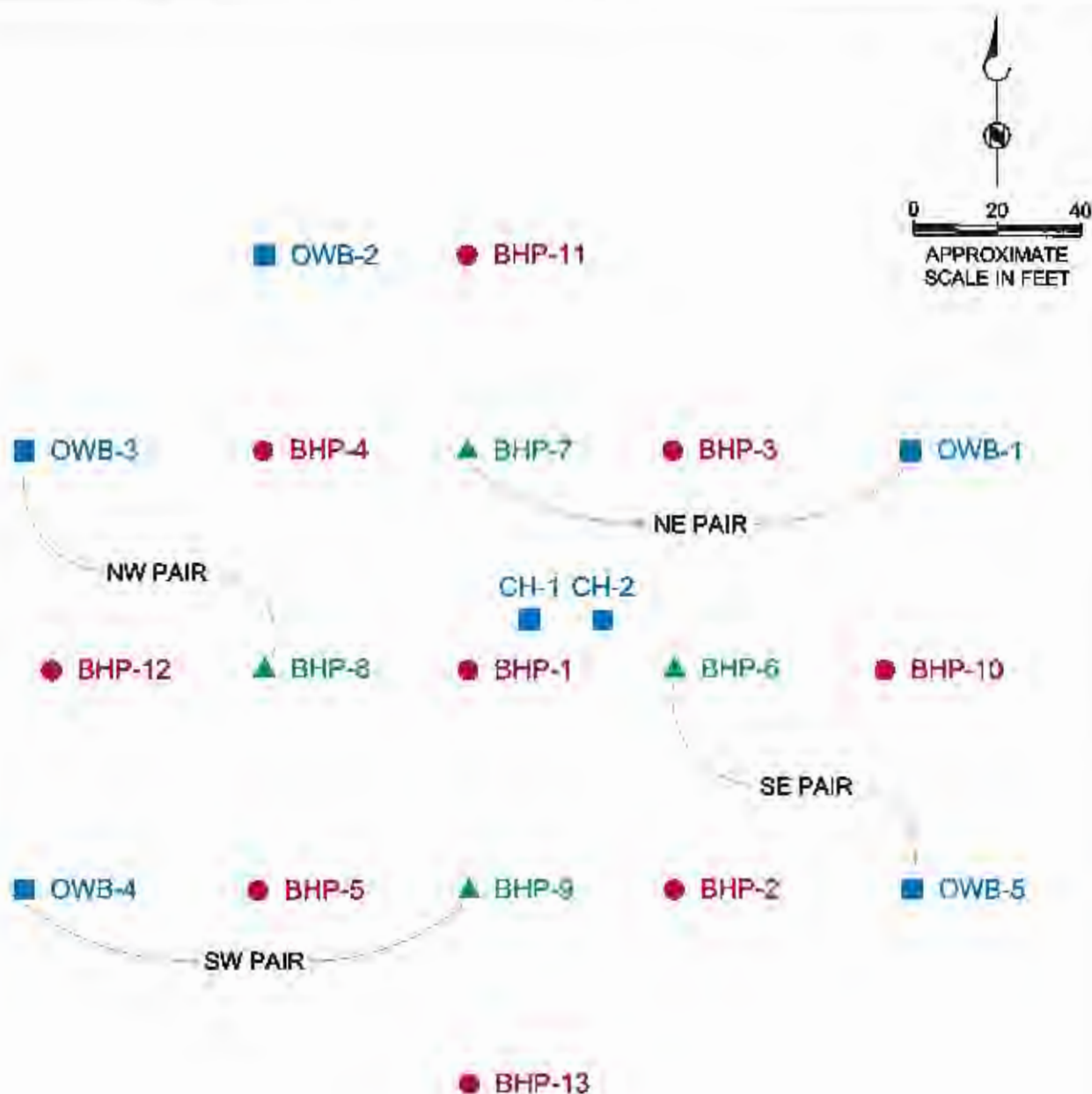


EXPLANATION

- APPROXIMATE PROPERTY BOUNDARY
- STATE LEASE LAND BOUNDARY
- O19-GL POC MONITORING WELL
- ENLARGED AREA ON FIGURE 2

BROWN AND
CALDWELL

Figure 1
MONITORING AREA
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA



EXPLANATION

- BHP-10 PUMPING WELL (CURRENTLY INACTIVE)
- OWB-2 OBSERVATION WELL
- ▲ BHP-8 INJECTION / RECOVERY WELL (RECOVERY MODE SINCE 1998)

BROWN AND
CALDWELL

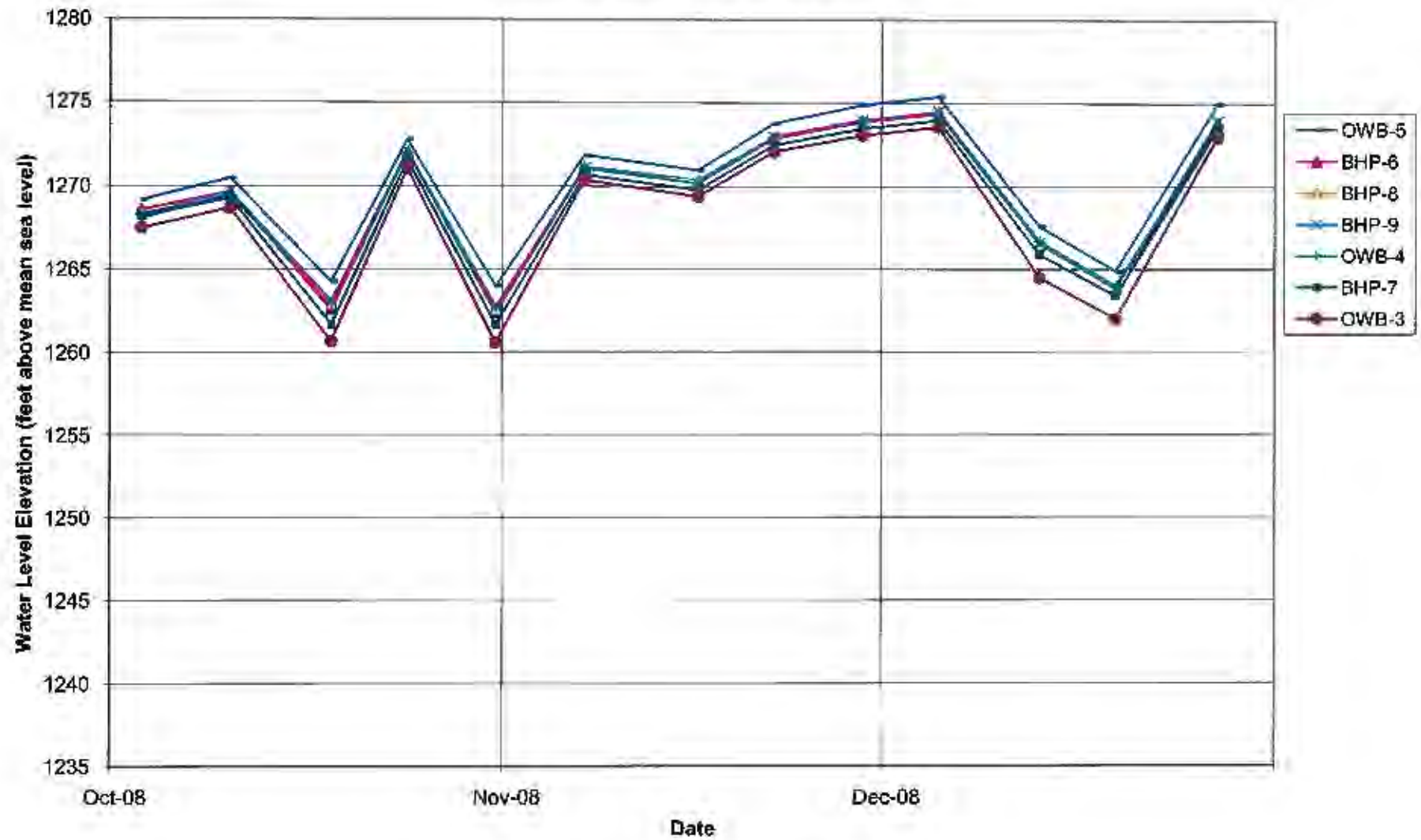
Figure 2
WELLFIELD LAYOUT
MERRILL MINING, L.L.C.
FLORENCE, ARIZONA



ATTACHMENT 1
MINE OPERATIONS MONITORING



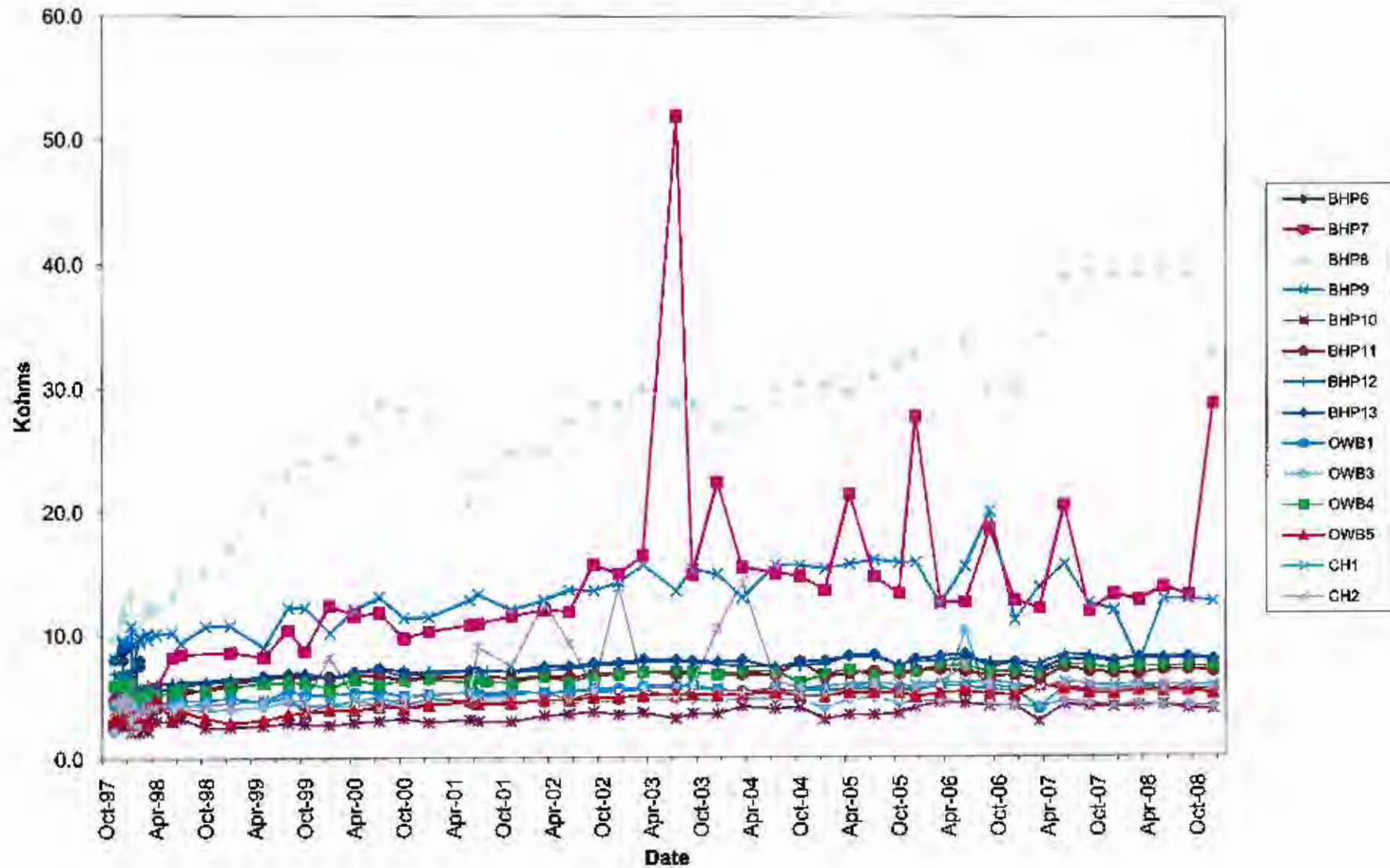
**Figure 1 - Well Field Water Elevations
Fourth Quarter 2008**



**Well Field Water Elevations
Fourth Quarter 2008**

Date	BHP-6	BHP-7	BHP-8	BHP-9	OWB-1	OWB-3	OWB-4	OWB-5
10/03/08	1268.6	1268.2	1268.3	1268.3	1268.6	1267.5	1268.1	1269.2
10/10/08	1269.7	1269.3	1269.6	1269.7	1269.6	1268.7	1269.5	1270.5
10/18/08	1262.6	1261.7	1262.9	1263.1	1262.1	1260.7	1263.0	1264.3
10/24/08	1272.1	1271.6	1272.1	1272.1	1271.9	1271.1	1272.0	1272.8
10/31/08	1262.4	1261.7	1262.6	1262.8	1262.0	1260.6	1262.7	1264.0
11/07/08	1271.1	1270.7	1271.2	1271.1	1271.1	1270.4	1271.1	1271.9
11/16/08	1270.2	1269.8	1270.4	1270.2	1270.1	1269.4	1270.2	1271.0
11/22/08	1272.9	1272.5	1273.0	1273.0	1272.8	1272.1	1273.0	1273.8
11/29/08	1273.9	1273.5	1274.0	1274.0	1273.8	1273.1	1274.0	1274.9
12/05/08	1274.4	1274.0	1274.5	1274.5	1274.3	1273.6	1274.5	1275.4
12/13/08	1266.5	1265.9	1266.5	1266.6	1266.1	1264.5	1266.7	1267.6
12/19/08	1263.8	1263.4	1263.8	1263.9	1263.6	1262.0	1264.0	1264.9
12/27/08	1273.6	1273.5	1273.9	1274.0	1274.6	1273.0	1273.8	1275.0
Water Level Elevations (feet AMSL)								

Figure 2 - Annular Resistivity in Kohms





ATTACHMENT 2

POC QUARTERLY COMPLIANCE MONITORING REPORT



**FLORENCE COPPER PROJECT
QUARTERLY COMPLIANCE MONITORING REPORT
FOURTH QUARTER 2008**

Primary Sampling Activities

Quarterly compliance monitoring was conducted for the Florence Copper Project on October 6 through October 8, 2008 (Fourth Quarter 2008). Groundwater sampling and analysis was conducted in accordance with the requirements of Aquifer Protection Permit (APP) Permit Number 101704, Part IIE.3.d (Compliance Monitoring). Quarterly parameters, as listed in Part IV Table III.B of the APP were analyzed from the designated Point of Compliance (POC) wells. The quarterly parameters are magnesium, sulfate, fluoride, and total dissolved solids (TDS).

During the Fourth Quarter 2008 sampling event, 29 POC wells were sampled and a total of 116 quarterly constituents were analyzed. Two POC wells (M32-UBF and M33-UBF) were dry and could not be sampled. Of the 116 constituents analyzed, none had reported concentrations exceeding the approved Alert Levels (ALs).

Analyses of the samples were conducted by TestAmerica Laboratories (TestAmerica, formerly Aerotech Environmental Laboratories). Analytical results for the POC wells for the quarterly parameters are provided in Table 1 and field parameters measured during sampling are indicated in Table 2.

AL Exceedances and Verification Sampling

Part II.F.4 of the APP (AL, Aquifer Quality Limit [AQL], and Discharge Limit [DL] Contingencies) requires verification sampling for an AL exceedance. There were no AL exceedances during this quarterly sampling. No verification sampling was required.

Contingency Sampling Plan to be Implemented During First Quarter 2009

There were no AL exceedances verified during this quarterly sampling. No contingency sampling plan is required during the First Quarter of 2009.

Results of Contingency Sampling Plan Implemented from Third Quarter 2008

There were no AL exceedances during the Third Quarter 2008. Therefore, no contingency sampling plan was implemented.

Issues

There were no other issues to report during the Fourth Quarter 2008.



TABLE 1. SUMMARY OF ANALYTICAL RESULTS, QUARTERLY PARAMETERS

Well ID	Sample Date	Magnesium		Sulfate		Fluoride		Total Dissolved Solids	
		Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level	Concentration	Alert Level
M1-GL	Oct 08 2008	22.0	31	105	109	0.68	1.3	620	1028
M2-GU	Oct 08 2008	29.0	39	170	275	0.77	1.4	850	1496
M3-GL	Oct 08 2008	23.0	36	140	187	0.7	1.3	650	1157
M4-O	Oct 08 2008	4.2	15	56	405	2.5	5.1	370	1072
M6-GU	Oct 07 2008	2.8	5.1	52	86	0.66	1.3	390	620
M6-GU (Dup)	Oct 07 2008	2.8	5.1	52	86	0.67	1.3	360	620
M7-GL	Oct 07 2008	<0.25	1	36	82	0.87	1.7	310	464
M8-O	Oct 07 2008	<0.25	1	73	122	2.0	5.6	370	609
M14-GL	Oct 07 2008	2.2	23	58	144	0.59	1.4	420	874
M15-GU	Oct 07 2008	26.0	44	83	126	0.47	1.2	750	1359
M16-GU	Oct 08 2008	33.0	52	180	248	0.54	1.1	920	1635
M16-GU (Dup)	Oct 08 2008	31.0	52	180	248	0.54	1.1	930	1635
M17-GL	Oct 08 2008	5.6	9.3	110	209	0.73	1.6	420	831
M18-GU	Oct 08 2008	28.0	36	210	288	0.79	1.6	920	1323
M19-LBF	Oct 06 2008	11.0	21	56	89	0.46	1	440	794
M20-O	Oct 06 2008	8.4	14	67	112	0.76	1.7	460	809
M21-UBF	Oct 06 2008	19.0	87	140	487	0.8	1.1	670	2867
M22-O	Oct 07 2008	6.1	8.6	54	86	0.67	1.3	440	1094
M23-UBF	Oct 07 2008	39.0	69	270	411	0.68	1.3	1300	2392
M24-O	Oct 08 2008	11.0	19	740	1364	1.1	2.5	1200	2363
M25-UBF	Oct 08 2008	39.0	76	230	387	0.7	1.6	1100	2683
M26-O	Oct 06 2008	<0.25	1	62	105	1.6	3.4	310	556
M27-LBF	Oct 06 2008	32.0	51	150	179	<0.4	1	1100	1745
M27-LBF (Dup)	Oct 06 2008	34.0	51	150	179	<0.4	1	1100	1745
M28-LBF	Oct 06 2008	1.6	2.6	49	81	0.75	1.6	330	610
M29-UBF	Oct 06 2008	31.0	84	240	465	0.65	1.1	980	2751
M30-O	Oct 06 2008	11.0	18	60	102	0.7	1.6	450	824
M31-LBF	Oct 06 2008	16.0	46	130	330	0.87	1.3	610	1665
O19-GL	Oct 07 2008	10.0	17	57	99	0.6	1.4	460	770
O49-GL	Oct 06 2008	9.6	18	68	159	0.52	1	480	849
P19-I-O	Oct 07 2008	6.4	12	65	107	1.4	2.8	470	767
P49-O	Oct 06 2008	3.5	6.2	110	181	0.92	2	420	801
Arizona Aquifer Water Quality Standard						4			
All results in milligrams per liter (mg/l)									
* = less than the laboratory practical quantitation limit									

TABLE 2. SUMMARY OF QUARTERLY FIELD PARAMETERS

Well ID	Sample Date	Temperature (°C)	Temperature (°F)	pH	Conductivity (µmhos/cm)
M1-GL	Oct 08 2008	22.6	72.7	7.48	1074
M2-GU	Oct 08 2008	20.1	68.2	7.28	1328
M3-GL	Oct 08 2008	22.2	72.0	7.47	1080
M4-O	Oct 08 2008	23.8	74.8	7.40	642
M6-GU	Oct 07 2008	24.8	76.6	8.57	676
M7-GL	Oct 07 2008	24.4	75.9	9.41	489
M8-O	Oct 07 2008	29.1	84.4	8.87	661
M14-GL	Oct 07 2008	27.4	81.3	8.58	799
M15-GU	Oct 07 2008	25.1	77.2	7.46	1341
M16-GU	Oct 08 2008	23.9	75.0	7.43	1538
M17-GL	Oct 08 2008	28.4	83.1	8.31	832
M18-GU	Oct 08 2008	20.6	69.1	7.24	1433
M19-LBF	Oct 06 2008	23.2	73.8	7.67	723
M20-O	Oct 06 2008	23.8	74.8	7.52	751
M21-UBF	Oct 06 2008	22.6	72.7	7.40	1095
M22-O	Oct 07 2008	28.6	83.5	8.03	786
M23-UBF	Oct 07 2008	22.4	72.3	7.13	2003
M24-O	Oct 08 2008	30.4	86.7	7.76	1928
M25-UBF	Oct 08 2008	21.1	70.0	7.12	1648
M26-O	Oct 06 2008	28.6	83.5	8.66	580
M27-LBF	Oct 06 2008	23.0	73.4	7.48	1592
M28-LBF	Oct 06 2008	25.9	78.6	8.40	665
M29-UBF	Oct 06 2008	22.3	72.1	7.20	1480
M30-O	Oct 06 2008	24.3	75.7	7.43	783
M31-LBF	Oct 06 2008	22.6	72.7	7.47	1003
O19-GL	Oct 07 2008	23.8	74.8	7.79	760
O49-GL	Oct 05 2008	25.5	77.9	7.53	870
P19-L-O	Oct 07 2008	24.5	76.1	7.59	730
P49-O	Oct 05 2008	28.3	82.9	7.48	798