

HOLLAND & HART^{LLP}

ATTORNEYS AT LAW



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TELEPHONE (208) 342-5000
DIRECT FAX (800) 565-7694

LINDA B. JONES
ljones@hollandhart.com

RECEIVED
MAY 21 2010
DEPT. OF WATER RESOURCES
SOUTHERN REGION

May 19, 2010

Idaho Department of Water Resources
Southern Region
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301-3380

Re: Notice of Termination of Security Interests in WATER RIGHTS:
Water Right Nos. 72-00048, 72-00051B, 72-00051L, 72-00051N, 72-00133, 72-00135, 72-00136, 72-00137, 72-04159F, 72-07193, 72-07219, 72-07220, 72-07257, 72-07414, 72-10488, 72-07551, 72-07573

Ladies and Gentlemen:

This letter is sent on behalf of our client UBS, AG, Stamford Branch ("UBS" and the "Lender") to confirm the termination of the lien on the above-listed water rights. Initially, there were two mortgage liens against these water rights. The Second Lien was released previously pursuant to our letter to you dated September 21, 2007 (a copy of which is enclosed). The remaining First Lien has now been released.

As background, in November 2006 we filed four Notices of Security Interests on the water rights listed above. Some water rights are owned by Thompson Creek Mining Co. and others by Cyprus Thompson Creek Mining Company. We enclosed two Mortgages with our filings, each encumbering the mining properties. We filed a copy of the First Lien Mortgage and two Notices of Security Interests, one signed by Thompson Creek Mining Co., covering its water rights, and another signed by Cyprus Thompson Creek Mining Company, covering its water rights. We filed a copy of the Second Lien Mortgage and two Notices of Security Interests, one signed by Thompson Creek Mining Co., covering its water rights, and another signed by Cyprus Thompson Creek Mining Company, covering its water rights. As noted above, the Second Lien Mortgage and Notices of Security Interests have previously been released.

At this time, the indebtedness underlying the First Lien Mortgage has been paid and we are sending this letter to provide NOTICE THAT THE FIRST LIEN HAS BEEN TERMINATED. A copy of the Release of Mortgage as recorded in Custer County is enclosed.

SUPPORT DATA

IN FILE # 72-48

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Department of Water Resources
Southern Region
May 19, 2010
Page 2

UBS is the agent for the lenders in the First Lien Mortgage. UBS is listed on the First Lien Notices as the person holding the security interest in the water rights. The expiration date for the First Lien was November 1, 2012, but, as stated above, the First Lien Mortgage has been released. Please document the release of the First Lien (and the Second Lien) in the Department's water rights records.

Thank you for processing this notice of termination of the remaining First Lien. If you have any questions about this notice, please contact me.

Sincerely,

HOLLAND & HART^{LLP}


Linda B. Jones

LBJ:tan

Enclosures

cc: Michael Jabbawy (Cahill Gordon & Reindel)

Tarantino, Alex (Cassels Brock)

242517
Custer County Rec. of
CC
Time 2:20 P M Date 5-6, 2010
Barbara C. Tierney, Clerk
[Signature] \$ 6.00
Deputy

RELEASE OF MORTGAGE

To: County Recorder of the County of Custer, State of Idaho

The undersigned Mortgagee, UBS AG, STAMFORD BRANCH, as legal holder of an indebtedness in the amount of \$400,000,000 secured by the FIRST LIEN FEE AND LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (the "Original Mortgage") made by THOMPSON CREEK MINING CO., a Colorado corporation, and CYPRUS THOMPSON CREEK MINING COMPANY, a Nevada corporation, collectively, as Mortgagor, to UBS AG, STAMFORD BRANCH, as Collateral Agent, dated October 25, 2006 to be effective as of October 26, 2006, recorded on October 26, 2006, as Instrument No. 235230, and as rerecorded on December 20, 2006, as Instrument No. 235587 in the records of Custer County, Idaho, as amended by the AMENDMENT TO FIRST LIEN FEE AND LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (the "Amendment"; the Amendment, together with the Original Mortgage, collectively, the "Mortgage") made by THOMPSON CREEK MINING CO., a Colorado corporation, and CYPRUS THOMPSON CREEK MINING COMPANY, a Nevada corporation, collectively, as Mortgagor, to UBS AG, STAMFORD BRANCH, as Collateral Agent, dated August 22, 2008, recorded on August 28, 2008, as Instrument No. 239448 in the records of Custer County, Idaho, hereby certifies that said indebtedness and all obligations under the Mortgage have been satisfied in full and Mortgagee hereby releases all liens, security interests and other encumbrances of said Mortgage on the property, real and personal, described therein, and you are hereby instructed to record this Release in the real property records of Custer County, Idaho to release the Mortgage and to terminate the UCC fixture filing created and represented thereby.

Dated: May 4, 2010

MORTGAGEE:

UBS AG, STAMFORD BRANCH

By: [Signature]

Name: Ija R. Otsa

Title: Associate Director

By: [Signature]

Name: April Varner-Nanton

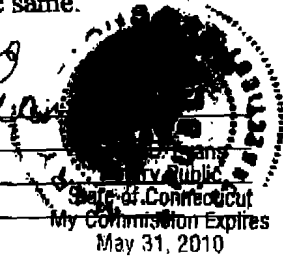
Title: Director

242517

State of Connecticut)
) ss.
County of Fairfield)

On this 4th day of May, in the year of 2010, before me, a Notary Public in and for said State, personally appeared Irja R. Otsa and April Varner-Nanton, known or identified to me to be the Associate Director and Director of UBS AG, STAMFORD BRANCH, a Swiss banking corporation that executed the instrument or the persons who executed the instrument on behalf of said corporation, and acknowledged to me that such corporation executed the same.

Notary Public for _____
Residing at _____
My Commission expires _____



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LINDA B. JONES
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September 21, 2007

Idaho Department of Water Resources
Southern Region
1341 Fillmore Street, Suite 200
Twin Falls, ID 83301-3380

Re: Notice of Termination of Security Interests in Water Rights
SECOND LIEN ONLY:
Water Right Nos. 72-00048, 72-00051B, 72-00051L, 72-00051N, 72-00133, 72-00135, 72-00136, 72-00137, 72-04159F, 72-07193, 72-07219, 72-07220, 72-07257, 72-07414, 72-10488, 72-07551, 72-07573

Ladies and Gentlemen:

This letter is sent on behalf of our client UBS, AG, Stanford Branch ("UBS" and the "Lender") to confirm the termination of the Second Lien on the above listed water rights.

In November 2006 we filed four Notices of Security Interests on the water rights. Some water rights are owned by Thompson Creek Mining Co. and others by Cyprus Thompson Creek Mining Company. We enclosed two Mortgages with our filings, each encumbering the mining properties. We filed a copy of the First Lien Mortgage and two Notices of Security Interests, one signed by Thompson Creek Mining Co., covering its water rights, and another signed by Cyprus Thompson Creek Mining Company, covering its water rights. We filed a copy of the Second Lien Mortgage and two Notices of Security Interests, one signed by Thompson Creek Mining Co., covering its water rights, and another signed by Cyprus Thompson Creek Mining Company, covering its water rights.

At this time, the indebtedness underlying the Second Lien Mortgage has been paid and we are sending this letter to provide NOTICE THAT THE SECOND LIEN HAS BEEN TERMINATED. A copy of the Release being recorded is enclosed.

THE FIRST LIEN IS *NOT* BEING RELEASED AT THIS TIME. SO, THE NOTICES OF SECURITY INTERESTS AS TO THE FIRST LIENS ON THE WATER RIGHTS REMAIN IN PLACE.

HOLLAND & HART LLP
ATTORNEYS AT LAW

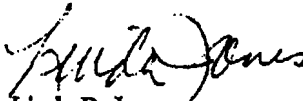
Department of Water Resources
Southern Region
September 21, 2007
Page 2

UBS is the agent for the lenders in both loans and under both Mortgages. UBS is listed as the person holding the security interest on all previously filed Notices. The two loans have different maturity dates, and thus, there are different expiration dates for the Notices. **THIS LETTER DOES NOT TERMINATE OR RELEASE THE FIRST LIENS.** The expiration date for the first liens is November 1, 2012.

Thank you for processing this notice of termination of the Second Liens. If you have any questions about this notice, please contact me.

Sincerely,

HOLLAND & HART LLP


Linda B. Jones

LBJ:la

cc: Michael Wenzel
Renate Herbst

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