

ENVIRONMENTAL AUDIT INFORMATION

INMETCO® (The International Metals Reclamation Company, Inc.)

One Inmetco Drive, Ellwood City, PA 16117

(724) 758-5515 Fax (724) 758-2837

Website – www.inmetco.com

Inmetco is located in Western Pennsylvania, north of Pittsburgh and south of New Castle in Lawrence County. The Inmetco property once was the site of U.S. Steel's National Tube Works manufacturing facility that operated from the early twenties to the early seventies. The construction of INMETCO began in 1976, with operations commencing in late 1978. The main facility is housed in one building being 3.2 acres, under roof, where the storage and processing of feed material is conducted. The active portion of the TSD function is approximately 12 acres of the 92 acres INMETCO owns.

1. RCRA Permit Numbers

Inmetco is a US EPA RCRA regulated as a TSD for the storage of hazardous waste. The process is an EPA RCRA exempt secondary metals reclamation operation, which reclaims nickel, chromium and iron from hazardous and nonhazardous wastes. Our process uses the only smelting furnace in North America dedicated to the recovery of nickel, chrome and iron, while producing a stainless steel remelt alloy used by virtually all of the domestic specialty steel manufacturers plus customers in Canada, Europe, China and Asia.

Inmetco is a wholly owned subsidiary of Horsehead Holding Corp., DB# 609074703, which is one of the world's largest zinc producing companies. The Ellwood City, Pennsylvania facility operates a commercial recycling, RCRA Part-B permitted hazardous waste facility. Inmetco received its Part-B Hazardous Waste Storage Permit #PAD087561015 from the Pennsylvania Department of Environmental Protection (PA-DEP) on November 6, 1992, and was revised and reissued on December 14, 2006 and it expires on July 14, 2016. Inmetco is under the jurisdiction of the Meadville regional office: 230 Chestnut Street, Meadville, Pennsylvania 16335-3494; general phone number (814) 332-6848; Dept. of Solid Waste (814) 332-6848, Mr. Chuck Byham is the PADEP contact person.

Inmetco also has air permits with PA-DEP, Bureau of Air Quality for the following areas: Rotary Hearth Furnace Baghouse, Electric Arc Furnace Baghouses, Cadmium Recovery Baghouse, Pelletizing Disc, Sludge Dryer, Raw Material Feed Preparation and Calcine Thermal Oxidizer. The individual source permits have been umbrelled through issuance of the PADEP Title V Operating Permit, #37-00243. The Company has a wastewater treatment plant to handle contact waters from the process. The process water is under a permit-by-rule standard. Inmetco has a pretreatment agreement with the Ellwood City Sewage Treatment Authority for pH, temperature and metals.

2. Waste Analysis Plan Program for Incoming Hazardous Wastes

Before any wastes are accepted, they must first pass a prescreen analysis through Inmetco's lab. Only pre-authorized wastes can be shipped to Inmetco. Before processing, all feedstocks are again analyzed and compared to the prescreen analysis. Any significant deviation from the prescreen analysis, without prior approval, may result in the rejection of the material. Rejected material is returned to the generator at their expense or, if processed, additional fees may adjust it. The Marketing and Sales Department monitors this function.

3. Air Permits

Inmetco is under the jurisdiction of the PA-DEP, Bureau of Air Quality, Meadville office. Contact person is Mr. Tom Flaherty at (814) 332-6940. The local Air Quality Inspector is Mr. Scott Dyll at (724) 656-3136.

The PA DEP issued Inmetco a Title V state operating permit #37-00-243 on April 13, 2011 (expiration date is March 31, 2016). The permit encompasses all previously issued permits. In December of 2009 a permit renewal application was submitted to the PA-DEP, Bureau of Air Quality, Meadville, PA office.

4. Site Security

An outside contract firm, OSS Security provides Twenty-four hour, 7 days a week security. All personnel and visitors must register at the guard station. An 8-foot barbed wire cyclone fence surrounds the 92-acre facility.

5. Personnel Training

INMETCO has OSHA/EPA required trained personnel.

INMETCO provides the following training to all applicable employees:

- Personal Protective Equipment
- Respiratory Protection
- Fire Training
- Hazardous Communication, CFR 29, 1910.1200 (Worker Right-to-Know)
- OSHA Lead and Cadmium Standards
- Mobile Equipment Training Program
- Lockout/Tagout
- Permitted Confined Space

6. Worker Compensation and Product Liability Insurance

The insurance carrier is Marsh USA, Inc., 1166 Avenue of the Americas, New York, New York 10036, the policy numbers # : HDOG27014835, ISAH08712098, M00537895004, WLR C47127658 (AOS), WLRC4712766(NC) expires 11/01/2013.. All insurance information is available by written request through Horsehead Holding Corp. corporate representative Ms. Terri Belczyk (724) 773-2290.

7. Manifests and Record Keeping

Manifests are kept in the Traffic Department office for the past and current year. All others are sent to records retention (off site) for 20 years after closure or 40 years from date of receipt, whichever is longer.

8. Financial Responsibility for the Facility

INMETCO, a wholly owned subsidiary of Horsehead Holding Corp. Inmetco has a Closure, Post-Closure Corporate Liability insurance is a self-renewing Surety Bond with the PA-DEP. INMETCO's Letter of Credit is with PNC Bank, Collateral No. #18112429-00-000, for \$5.89 million, for the facilities closure costs. INMETCO's closure cost estimate is: \$5.89 M (01/10). To confirm current status of INMETCO Environmental Ins., call Mr. Chuck Byham of PA-DEP at (814) 332-6848.

Commercial General Liability – Marsh USA, Inc., # HDO G27014835 Expires: 11/01/2015

Pollution Legal liability -, Marsh USA, Inc # PEC 002640404, Expires: 05/15/2015

9. Weekly Inspection Records

INMETCO performs daily, weekly and monthly RCRA inspections. Various equipment and storage areas are inspected on every shift.

10. Environmental Monitoring (i.e. Groundwater and Air Monitoring)

INMETCO conducts no groundwater monitoring because all wastes are stored in tanks or containers inside roofed buildings. The tanks of containers have walls on all sides and a minimum of 6" of sealed concrete, with a 30-mil PVC liner as per PA regulation 25§75.264 (b) (3).

Air emissions are monitored by process controls and settings. Stack tests are conducted as requested by the PA-DEP, or for permit renewals. The stacks are permitted for total particulate, NOx VOC's and visible emissions.

There are no known drinking water wells within 1/4 mile of the facility. Both Ellwood City and the Borough of Ellport have city water systems that draw water from the Slippery Rock Creek located 1/2 mile upstream of the INMETCO facility.

The local groundwater flow system is primarily controlled by topography. There is no known use of the groundwater in the vicinity of the INMETCO plant. The Homewood Sandstone is the first continuous water-bearing zone underlying the site and it represents an unconfined aquifer at this location. The hydraulic gradient in this aquifer is almost flat in the immediate vicinity of the facility but steepens rapidly toward the sandstone outcrop along the banks of the Connoquenessing Creek to the north of the site. The uppermost-unconfined aquifer (depth is between 30 and 36 feet) flows north-northeast toward the Connoquenessing Creek.

11. Underground Tanks

INMETCO has no underground tanks. There has been remediation of (2) underground fuel tanks (one in March of 1991, the other in September of 1990. Both tanks were left from previous owners. The tanks were removed, cleaned, cut up and sold as scrap metal.

The PA-DEP has not required any groundwater monitoring for these tanks.

12. Disposal of Baghouse Dust ,WWTP Filter Cake Containing Zinc, Lead, and Cadmium

At present, INMETCO's zinc, lead and cadmium by-product is manifested as K061 and sent to Horsehead Corp., Inc., 900 Delaware Avenue, in Palmerton, Pennsylvania 18071 (EPA I.D. No. PAD002395887), a reclaimer of zinc, lead and cadmium. Ms. Mary Wingert, Manager Steel and Industry Services at 610.826.8986, is the contact person at Horsehead Corp.

13. Liquid Processing - Wastewater Permits

INMETCO conducts no acid neutralization. Acidic liquids and spent metal-bearing solutions are used on the pelletizing disc to make pellets. INMETCO sends its treated wastewater blow down to the Ellwood City Public Treatment Owned Works (NPDES #PA0026832) under a pre-treatment agreement with the City it was effective August 1, 2003; and it expires on December 31, 2017. Contact can be made with the facility by calling (724) 758-4749. The discharge water to the city is between 0 and 60,000 gallons/day. Inmetco has never caused a violation at the sewage treatment plant. *Inmetco has had zero discharge of any process water since November 2010.*

14. Residual Waste Report

Available on the PADEP website at <http://www.dep.state.pa.us>. Go to Efacts,;
<http://www.ahs.dep.pa.gov/eFACTSWeb/default.aspx>

15. Notices of Violations - NOVs

A complete list of all of Inmetco's NOV is attached as separate document. (inclusive of the years 1999 through 2013 YTD). See attached compliance history.
Facility information can be verified through the PADEP website at [<http://www.dep.state.pa.us/efacts/>]

16. Storm Water.

INMETCO was issued a General Permit for discharge of its storm water from industrial activities on November 6, 1992 (Permit Number PAR208329). Requirements of the Permit are to monitor and report Appendix B parameters (metals) every 6 months. The Permit was issued on March 01, 2012 and expires at midnight February 28, 2017. INMETCO's storm water discharges into the Connoquenessing Creek. The confluence of the Slippery Rock and Connoquenessing Creeks is approximately one-half mile to the west, upgradient of the facility. The Slippery Rock Creek, which is 1/2 mile upstream from INMETCO, is the source of city water for Ellwood City and the Borough of Ellport. The INMETCO plant is on the city water system, operated by the West Penn Water Co. for portable water and fire protection. There are no known private or public drinking water wells within a 1/2 mile of INMETCO.

17. Geology of the INMETCO Facility

The INMETCO facility is situated on a low-relief upland area at an approximate elevation of 915± feet. The Connoquenessing Creek, which flows around the site, is situated approximately 900 feet north of the facility at an approximate elevation of 780 feet, and 1,600 feet south of the facility at an elevation of approximately 830 feet. The river has a very narrow floodplain and very steep slopes, which range from 50 to 75 percent. Therefore, INMETCO is not in the 100-year flood plane.

Regional structure consists of a homocline, which dips, in a southerly direction. However, numerous small undulations and other minor structural features are superimposed on the regional trend. Bedrock underlying the INMETCO plant dips approximately one percent to the west-southwest. There are no major faults identified in this area. However, lineaments, fractures, and joints are generally quite prevalent.

Stratigraphic units present in the study area primarily belong to the Pottsville Group of the Pennsylvania System. Overlying Allegheny Group strata (Clarion Formation) comprise adjacent hilltops. The lowest exposed stratigraphic unit is the Upper Connoquenessing Sandstone Member, which is quite massive and laterally extensive. Above this are argillaceous strata, which comprise the Mercer Shale Member. Situated above the Mercer Shale Member is the 30-foot to 50-foot thick Homewood Sandstone. This unit typically forms topographic flats in upland areas and cliffs along its outcrop. The Homewood Sandstone is light brown to gray in color and is often quite iron stained; it is generally fine grained near the top of the unit and becomes medium grained with depth. Clay streaks are common and it also exhibits extensive cross bedding. Strata of the Clarion Formation (Allegheny Group) above the Homewood Sandstone comprise hilltops situated adjacent to the INMETCO facility. Lithologies include interbedded shale and sandstone and several thin coal seams.

18. Community Relations

INMETCO has good community relations with the local citizens. Approximately 75% of Inmetco's work force live within a 15 mile radius of the facility.

19. Environmental Litigation

INMETCO has no pending or past environmental litigation involving the facility, its employees or its officers. INMETCO has no compliance issues with any federal, state or local agency.

20. PCB's & Asbestos

INMETCO has no PCB-containing materials on site.

INMETCO has conducted Asbestos Abatement of Asbestos found on site from the former US Steel operation. All known asbestos has been removed and properly disposed of.

21. Boiler and Industrial Furnace Rule (BIF)

INMETCO's furnace operation is exempted from the BIF regulations as stated in 40 CFR § 260, 261, 265 & 266. See section 266.100 (c) and Appendix XII, as published in Federal Register/Volume 56, No. 166/Tuesday, August 27, 1991/Rules and Regulations. INMETCO filed its notice under the rule with EPA/DEP on August 16, 1991. A supplemental notice pursuant to the rule on August 21, 1991 was filed, as per the regulation.

22. INMETCO's Co-Product Slag (Aggregate)

The INMETCO Process produces annually approximately 14,000 to 19,000 tons of a rock aggregate slag. Inmetco's slag is covered by 40 CFR 266.20 Subpart C; Recyclable Materials used in a manner constituting disposal.

The slag is sold locally for use as construction aggregate for roads, parking lots and backfill.

23. Inmetco Products

Nickel-Chromium-Iron-Moly Remelt Alloy is sold to the stainless steel mills for the manufacturing of stainless steel products.

24. Miscellaneous Notes:

The DEP, Bureau of Solid Waste, conducts RCRA inspections approximately four times per year. The local solid waste inspector at (724) 656-3160.

INMETCO's: EPA I.D. number is PAD087561015
Dunn and Bradstreet number is 08-756-1015
Federal Tax number is 13-2858892
Incorporated in the state of Delaware
NAICS 331492

24. Miscellaneous Notes cont.

INMETCO is a wholly owned subsidiary of:
Horsehead Holding Corporation
4955 Steubenville Pike, Suite 405
Pittsburgh, PA 15205
724-773-2212
Dun & Bradstreet (DB) #609074703

List of Surrounding Land Uses

| | |
|-------|--------------------|
| North | Residential |
| South | Industrial/Woodlot |
| East | Residential |
| West | Industrial |

Population within 1 mile of the facility: 11,000
4 miles of the facility: 17,000
Ellwood Boro: 8,890

Latitude is 40:51:25, Longitude is 80:16:37

Inmetco is less than a half-mile away from the nearest school, hospital and fire department.

Total number of employees: 104

74 Union Hourly
61 are in Production
13 are in Maintenance

30 Salaried
2 are in the Environment, Health & Safety Department personnel*
*Both individuals have been employee at in Inmetco in excess of
20 years

Facility-wide turnover rate over the past 3 years was less than 6%

Average annual precipitation (rainfall) in Ellwood City, PA is: 36 - 39"

Rain events - 10 year: 3.9", 25 year: 4.2", 100 year: 5.2"

Prevailing wind direction - from West & South - Speed: 5-15 knots

Mean annual lake evaporation is 20 - 30" per year

Altitude above sea level 917.7'

Average Barometric Pressure 1017.5 Millibars

Average Relative humidity 58%

Seismic Coefficient Factor #1

Average Temperatures: Minimum 20°F, Mean 59°F, Maximum 61.9°F

Average Soil Pressure Bearing Load 2,000 PSF

Total Under Roof Facility Square Footage 350,244