

January 22, 2021

Attn: Marlene Moen
M&W Milling and Refining, Inc.
P.O. Box 33
Virginia City, MT 59755

Sent via email to: moen@moenbuildersinc.net

RE: Status of Operations – Operating Permit No. 00152

Dear Ms. Moen

The Montana Department of Environmental Quality (DEQ) requested information regarding the status of the mill operated by M&W Milling and Refining, Inc. (M&W Milling and Refining) on December 3, 2020. Under the Administrative Rules of Montana (ARM) 17.24.170(1), mill operations are presumed completed or abandoned, and thus are subject to the reclamation time schedule outlined in the approved reclamation plan, when the mill has ceased operations for a period of two years or more.

As requested through DEQ's letter, M&W Milling and Refining provided further information to rebut that presumption on December 7, 2020. M&W Milling and Refining explained that "the mine or mill is shut down because of a natural catastrophe and plans to resume operations are being formulated," as provided in ARM 17.24.150(2)(c). The December 7 reply stated, "The Covid-19 pandemic is a natural catastrophe as provided in the rule because it has disrupted our ability to plan and obtain financing for mill modification and possible sale."

Reportedly, M&W Milling and Refining has been in ongoing negotiations with interested parties for purchase of mining assets and the mill operation. "Because of the Covid-19 pandemic and associated travel restrictions beginning in March 2020, it has not been possible to assemble the potential investors and specialists on the property to adequately assess the work that needs to be done and to evaluate the mill and associated properties. This work is continuing as conditions allow and M& W Milling and Refining has every intention of completing the proposed mill modifications and continuing milling operations." (December 7, 2020 response)

M&W Milling and Refining has provided adequate evidence of intent not to abandon operations, by demonstrating that the mill is shut down because of a natural catastrophe and plans to resume operations are being formulated (ARM 17.24.150(2)(c)).

Please note, an update about your plans to resume operations should be included in the Annual Progress Report that is submitted to DEQ in 2021. Future site inspections conducted by DEQ will document the progress of the permit transfer and mill modifications. In the absence of documented activity, DEQ will re-evaluate the status of operations through a similar process in two years.

Thank you for your prompt response to DEQ's information request.

Please let me know if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Garrett Smith", with a long horizontal flourish extending to the left.

Garrett Smith
Geochemist
Hard Rock Mining Bureau
Montana Department of Environmental Quality
(406) 444-1967 or gsmith5@mt.gov

E-File: 00152.2

Electronic cc:
Herb Rolfes (DEQ); hrolfes@mt.gov