

April 15, 2020

Kyle Carter
General Manager
Montana Limestone Resources, LLC
600 Shields Avenue
Butte, MT 59701

Sent via email to: kcarter@montanaresources.com

RE: Approval of Operating Permit Application No. 00186 - Montana Limestone Resources, LLC

Dear Mr. Carter,

On November 25, 2014, Montana Limestone Resources, LLC (MLR) submitted Operating Permit Application No. 00186 to the Montana Department of Environmental Quality (DEQ) for the construction and operation of a proposed 546.4-acre limestone quarry (Project) located approximately 2.5 miles west of Drummond, Montana. Revised versions of the Application were submitted to DEQ in September 2017, March 2018, and June 2018. A draft permit and compliance document were issued on May 14, 2019. A permit issued by DEQ would authorize MLR to develop the MLR Mine Project.

DEQ published the Draft Environmental Assessment (EA) on November 18, 2019, which analyzed the possible environmental impacts of two alternatives—Alternative 1 (the No Action Alternative) and Alternative 2 (the Proposed Action). DEQ identified the Proposed Action as the preferred alternative. A 30-day public comment period was initiated after publication of the Draft EA. Two private individuals living in Drummond, Montana, and one business, MLR, provided comments on the Draft EA.

On March 6, 2020, DEQ issued a Final EA. The Final EA includes responses to substantive comments submitted during the public comment period, along with minor edits and corrections to the EA.

The decisions contained in this decision document are based on the analysis documented in the Final EA.

DEQ's Decisions

DEQ has applied the significance criteria, according to the Administrative Rules of Montana 17.4.608, to determine the significance of potential impacts on the human environment. After applying those criteria, DEQ has determined that preparation of an environmental assessment is the appropriate level of review under the Montana Environmental Policy Act (MEPA). A summary of DEQ's review of the significance criteria is included in the Final EA in Section 6.

DEQ has decided to approve MLR's application for an operating permit, selecting Alternative 2 (the Proposed Action), as described in Section 2.4 of the Final EA. The approved operating permit allows the MLR Mine Project to construct and operate a 546.4-acre limestone quarry and associated facilities.

Before commencing activity authorized by this permit, the permittee must be in compliance with Title 75, Chapter 2, Montana Code Annotated (MCA) as amended, Title 75, Chapter 5, MCA as amended, Title 75, Chapter 6, MCA as amended, and administrative rules adopted pursuant to these laws. Pursuant to Sections 82-4-337(1)(h)(i) and 82-4-338, MCA, MLR is required to file with DEQ a reclamation bond in a form and amount determined by DEQ. DEQ will calculate the bond in accordance with Section 82-4-338, MCA and is required to provide MLR with the bond determination within 40 days of the date of this decision document (Section 82-4-337(2)(c), MCA). MLR is not authorized to conduct any ground-disturbing activities associated with the approved permit until MLR submits the required bond to DEQ and DEQ has notified MLR of acceptance of the bond.

Permit Stipulations

Pursuant to Section 82-4-337(2)(b), MCA, DEQ shall consult with the applicant before placing stipulations in a draft or final permit. Permit stipulations in a draft or final permit may, unless the applicant consents, address only compliance issues within the substantive requirements of this part or rules adopted pursuant to this part. For a stipulation imposed without the applicant's consent, the department shall provide to the applicant in writing the reason for the stipulation, a citation to the statute or rule that gives DEQ the authority to impose the stipulation, and, for a stipulation imposed in the final permit that was not contained in the draft permit, the reason that the stipulation was not contained in the draft permit.

On April 6, 2020, MLR consented to adding stipulations to the final Hard Rock Mining Operating Permit. MLR agreed with DEQ's request to add three stipulations that it deemed were needed to address substantive requirements of the Metal Mine Reclamation Act: one for compliance with Title 75, chapter 2, MCA, and two for compliance with the Title 75, chapter 5, MCA. The necessary permit stipulations are shown below.

- **Stipulation No. 1.** MLR shall not construct, install, modify, or operate any facility or emitting unit unless MLR either obtains a Montana Air Quality Permit or is otherwise excluded or exempted from requiring a Montana Air Quality Permit as provided by ARM 17.8.743 and ARM 17.8.744.
- **Stipulation No. 2.** MLR shall obtain an authorization under the General Permit for Storm Water Discharges Associated with Construction Activity (under the Montana Pollutant Discharge Elimination [MPDES] program) in accordance with the storm water permitting requirements.
- **Stipulation No. 3.** MLR shall obtain the necessary permits and/or authorizations (under the MPDES program) to discharge storm water associated with mining activities before initiating the active phase of mining.

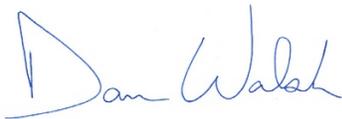
Kyle Carter
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Appeal of DEQ's Decisions

Legal actions seeking review of DEQ's approval of MLR's operating permit must be filed within 90 days from the date of this decision document under Section 82-4-349(1), MCA.

Any action or proceeding alleging a failure by DEQ to comply with MEPA, or inadequate compliance with a MEPA requirement, must be brought within 60 days after issuance of this decision document pursuant to Section 75-1-201(5)(a)(ii), MCA.

Sincerely,

A handwritten signature in blue ink that reads "Dan Walsh". The signature is written in a cursive style with a large initial "D".

Dan Walsh
Chief, Hard Rock Mining Bureau
Air, Energy and Mining Division
Montana Department of Environmental Quality
e-mail: dwalsh@mt.gov
telephone #: (406) 444-6791

Cc: Mark Thompson (via email to: mthompson@montanaresources.com)