

October 6, 2020

Ken Brouwer, P.E.
Knight Piésold Ltd.
Suite 1400 - 750 West Pender Street
Vancouver, British Columbia
Canada, V6C 2T8

Sent by email to: kbrouwer@knightpiesold.com

RE: 2020 Engineer of Record Site Inspection for Montana Resources, LLP; Operating Permits No. 00030 and 00030A

Dear Mr. Brouwer:

The Montana Department of Environmental Quality (DEQ) has reviewed the correspondence you provided on September 21, 2020, regarding the site inspection to be conducted in 2020 for the tailings storage facility (TSF) at Montana Resources, LLP (MR). As the designated Engineer of Record (EOR), you are required to conduct an annual inspection of the facility during the operations conducted under Operating Permits No. 00030 and 00030A, in accordance with Section 82-4-381, Montana Code Annotated (MCA).

Due to the ongoing COVID-19 pandemic and associated health restrictions relating to travel, you have been precluded from visiting the MR operations to conduct an inspection and these conditions will likely persist through the end of 2020. You have instead proposed to have Mr. Allen Gipson, P.E. conduct the inspection of the facility to address the annual requirement. The description of his experience and the resume you provided demonstrate that Mr. Gipson is a suitably qualified engineer, with the appropriate expertise to conduct an effective inspection of the tailings storage facility.

DEQ understands your proposal to include that:

- you will review the specifics of the TSF at MR with Mr. Gipson prior to the site visit;
- you and Mr. Gipson will review recent and relevant drone video footage;
- you will agree on general expectations as well as the timing and locations for his visual inspection of the TSF at MR;
- Mr. Gipson will be accompanied by mine personnel from MR that are suitably familiar with the TSF;
- Mr. Gipson will endeavor to communicate with you during his site inspections, as practicable and appropriate, and he will also collect video footage as and where necessary during the inspection.

DEQ accepts the plan that you have outlined for the inspection to be conducted during the week of October 12, 2020. As EOR, you will retain the responsibility for the preparation of the annual inspection report using the information, observations, and photos or videos obtained during Mr. Gipson's site inspection.

The EOR shall submit the report to MR and DEQ and provide immediate notification if the tailings impoundment presents the potential for an imminent threat to human health or the environment (82-4-381(2), MCA). If the report contains recommendations for the operator, MR shall prepare a corrective action plan to be verified by the EOR and MR shall submit the verified plan and implementation schedule to DEQ within 120 days following the date of the inspection (82-4-381(3), MCA).

Please contact me if you have any questions.

Sincerely,



Dan Walsh
Chief, Hard Rock Mining Bureau
Department of Environmental Quality
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E-file: 00030.5

Electronic cc:

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