

October 20, 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 Stillwater Mining Company; Operating Permit No. 00118, Nye Mine

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 Nye and Hertzler tailings storage facilities (TSFs) at Stillwater Mining Company – Nye Mine (SMC-Nye). As the designated Engineer of Record (EOR), you are required to conduct annual inspections of the facilities during the operations conducted under Operating Permits No. 00118, 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 SMC-Nye operations to conduct the inspections and these conditions will likely persist through the end of 2020. You have instead proposed to have Mr. Allen Gipson, P.E. conduct the inspections of the facilities 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 effective inspections of the tailings storage facilities.

DEQ understands your proposal to include that:

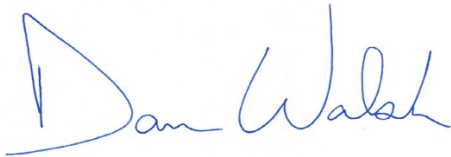
- you will review the specifics of the Nye and Hertzler TSFs at SMC-Nye with Mr. Gipson prior to the site visit;
- you and Mr. Gipson will review recent and relevant drone video footage;
- you will agree on general expectations as well as the timing and locations for his visual inspections of the TSFs at SMC-Nye;
- Mr. Gipson will be accompanied by mine personnel from SMC-Nye that are suitably familiar with the TSFs;
- 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 inspections.

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

The EOR shall submit the reports to SMC-Nye and DEQ and provide immediate notification if one or both of the tailings impoundments present the potential for an imminent threat to human health or the environment (82-4-381(2), MCA). If one or both reports contain recommendations for the operator, SMC-Nye shall prepare a corrective action plan to be verified by the EOR and SMC-Nye 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
Bureau Chief, Hard Rock Mining Bureau
Department of Environmental Quality
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E-file: 00118.5

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