Steve Bullock, Governor Tracy Stone-Manning, Director

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August 7, 2014

Tintina Mailing List

RE: Approval of Aquifer Test, Tintina Alaska Exploration, Inc. Exploration License No. 00710, Black Butte Copper Project

Dear Reader:

Tintina Alaska Exploration, Inc., (Tintina) has conducted surface exploration activities at the Black Butte Copper Project under Exploration License No. 00710 since September 2010. On June 11, 2014, Tintina submitted an application to amend the exploration license to conduct an aquifer test.

Tintina requested to modify its exploration license to authorize conducting aquifer tests on three new wells to better define water resource data including additional groundwater quality, water level, and aquifer properties for different hydrostratigraphic units in the area of the Black Butte Copper Project. The Black Butte Copper Project Area is located about 15 miles north of White Sulphur Springs in Meagher County, Montana.

Exploration activities at the Black Butte Copper Project have been previously approved under Exploration License #00710. DEQ holds a bond for the currently approved disturbances and will recalculate the bond amount for the proposed modification.

The proposed action includes conducting aquifer tests on three new pumping wells (PW-8, PW-9, and PW-10) as well as water quality/water level monitoring of the three test wells and a new monitoring well (MW-9) in conjunction with ongoing monitoring of existing wells. Long-term aquifer tests (up to 30 day duration) would be conducted on PW-8 above the mineralized zone and PW-9 in the mineralized zone. A 24-hour aquifer test would be conducted on PW-10 below the mineralized zone. Up to 15 other wells and piezometers in the project area, as well as surface water and spring monitoring sites, would be monitored during the aquifer tests.

Under the proposed action, water discharged from the test wells would be diverted to a lined holding pond capable of storing a volume equal to 110% of the maximum volume pumped during a 24 hour period. If LAD had to be delayed due to weather conditions, then water in excess of the 110% volume of the pond would be held in storage tanks. Water would be disposed through a LAD system covering 40 acres at rates that would not exceed agronomic uptake (evapotranspiration) rates, resulting in zero discharge to groundwater or surface water. Irrigation would occur for a maximum of 6 hours per day, with a minimum 18 hour drying period prior to the next application cycle.

Under the proposed action, the aquifer tests would be conducted during the 2014 growing season. If the tests are not completed during the current growing season, then the water would be stored in a separate lined holding pond and disposed of in the next growing season.

The reclamation plan includes reseeding as necessary and follow up weed control monitoring and treatment if required, as well as removal of the storage tanks, and plugging of the wells. During construction of any of the facilities (drill pads, etc.) needed for this proposal, all topsoil would be stockpiled for later use in reclaiming those sites. All disturbances would be recontoured to a stable and suitable landform, covered with the salvaged topsoil and revegetated using a Department-recommended seed mix suitable for the post-mined land use of grazing and wildlife habitat. All equipment used for the LAD system (main line, trunk lines, and fixtures) would be removed after all water from the aquifer tests has been discharged to the LAD system.

Drill holes no longer needed for assessing the hydrologic conditions at the site would be plugged per ARM 17.24.106. Tintina would continue to use their industry standard BMPs and their approved practice of reseeding and weed control. A complete description of proposed aquifer tests is set forth in the EA.

DEQ has conducted an environmental review on Tintina's application to amend its exploration license under the Montana Environmental Policy Act (MEPA). The environmental review culminated in the issuance of an Environmental Assessment (EA).

In the EA, DEQ analyzed a No Action Alternative, a Proposed Action Alternative, and an Agency Mitigated Alternative. Under the Agency Mitigated Alternative, in the event that prolonged rainfall during the aquifer test precludes discharge to the LAD area at agronomic rates for a period longer than the water can be contained in the holding pond, Tintina would be required to either temporarily store excess water in tanks or interrupt the aquifer test.

DEQ issued the EA on June 30, 2014 and accepted public comment on the EA until July 23, 2014. DEQ's responses to public comments on the EA are attached.

Pursuant to ARM 17.4.610(6), DEQ is required to consider the substantive comments received in response to the EA and proceed in accordance with one of the following steps, as appropriate:

- 1. Determine that an EIS is necessary;
- 2. Determine that the EA did not adequately reflect the issues raised by the proposed action and issue a revised document; or
- 3. Determine that an EIS is not necessary and make a final decision on the proposed action, with appropriate modification resulting from the analysis in the EA and analysis of public comment.

Based on the analysis set forth in the EA and additional analysis of public comment, DEQ determines that an EIS is not necessary. All of the potential impacts of the proposed action have been accurately identified, the impacts will be mitigated below the level of significance through project design, and no significant impact is likely to occur.

DEQ approves Tintina's application to amend Exploration License No. 00710 with modification resulting from analysis in the EA and analysis of public comment. The following modification becomes an enforceable stipulation to Exploration License No. 00710:

1. Tintina will store water to be discharged through the LAD system in storage tanks rather than a lined pond(s).

Tintina will be required to post and maintain a reclamation bond in an amount that is not less than the estimated cost to the State to ensure compliance with the Montana Air and Water Quality Acts, the Metal Mine Reclamation Act, administrative rules promulgated under the Metal Mine Reclamation Act, and the exploration license.

Information on the exploration license can be obtained by writing or calling the Montana Department of Environmental Quality, c/o Bob Cronholm, P.O. Box 200901, Helena, MT 59620, telephone (406) 444-4330; e-mail address RCronholm@mt.gov.

Legal actions seeking review of this decision must be filed within 90 days of the decision pursuant to Section 82-4-349(1), MCA. An action alleging failure to comply with the Montana Environmental Policy Act must be brought within 60 days of the action that is the subject of the challenge which, in this case, is the date of this decision document pursuant to Section 75-1-201(6)(a)(ii), MCA. An applicant for revision to an exploration license may request an administrative hearing on a denial of the application within 30 days of written notice of the denial pursuant to Section 82-4-353(2), MCA.

Warren D. McCullough, Chief

Environmental Management Bureau

8/7/14

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