

July 26, 2017

Shaun Dykes
Lucky Minerals (Montana) Inc
1106 West Park Street, PMB 120
Livingston, MT 59047

Sent via e-mail to: geologic@telus.net

Dear Mr. Dykes,

On November 13, 2015, Lucky Minerals Inc. (Lucky Minerals) submitted, to the Department of Environmental Quality (DEQ), an exploration license application seeking authorization to conduct exploration activities within its privately-owned St. Julian mine claim block (St. Julian Claim Block). The St. Julian Claim Block is located in the Emigrant Mining District, approximately 12 miles southeast of Emigrant, Montana.

DEQ published a Draft Environmental Assessment (EA) in October of 2016, analyzing, in detail, the possible environmental impacts of three exploration alternatives: the No Action Alternative, the Proposed Action Alternative, and the Agency Modified Alternative. DEQ identified the Agency Modified Alternative as the preferred alternative. Subsequent to its publication, DEQ conducted a 60-day public comment period on the Draft EA. DEQ received 3,384 comments from individuals, organizations, and agencies.

On July 26, 2017, DEQ issued a Final EA, responding to the substantive comments received and modifying or adding to the environmental impact analysis based on those comments. The decisions contained in this decision document are based on the analysis set forth in the Final EA.

DEQ's Decisions

DEQ has applied the significance criteria set forth in the Administrative Rules of Montana (ARM) 17.4.608 in determining the significance of impacts on the human environment. Applying those criteria, DEQ has determined that preparation of an EA is the appropriate level of review under the Montana Environmental Policy Act (MEPA). DEQ's application of the significance criteria is set forth in Section 7 of the Final EA.

DEQ has decided to approve Lucky Minerals' application for an exploration license, selecting the Agency Modified Alternative as set forth in the Final EA. Therefore, the exploration license issued by DEQ will reflect the proposed exploration activity set forth in Lucky Minerals' exploration license application, as modified by the mitigations measures contained in the Agency Modified Alternative. Some of these mitigation measures are outside DEQ's regulatory authority, but will be included as requirements of the exploration license with the consent of Lucky Minerals. A description of the Agency Modified Alternative is set forth in Section 2.4 of the Final EA and is incorporated as if fully set forth herein.

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Pursuant to Section 82-4-332(3), Montana Code Annotated (MCA), Lucky Minerals is required to file with DEQ a reclamation and revegetation bond in a form and amount as determined by DEQ in accordance with Section 82-4-338, MCA. DEQ is in the process of calculating the bond in accordance with Section 82-4-338, MCA, and is anticipating providing Lucky Minerals with the required bond amount within two weeks of the date of this decision document. Lucky Minerals is not authorized to conduct any exploration activity, or to conduct any action in anticipation of conducting exploration activity (such as mobilization of equipment) that is subject to DEQ's approval, until Lucky Minerals submits the required bond to DEQ and DEQ has notified Lucky Minerals of its acceptance of the submitted bond.

Appeal of DEQ's Decisions

Legal actions seeking review of DEQ's approval of Lucky Minerals' exploration license must be filed within 90 days after the date of this decision under Section 82-4-349(1), MCA.

An applicant for an exploration license may request an administrative hearing under the Montana Administrative Procedure Act on a denial of the application. A written request for a hearing must be filed within 30 days of receipt of this decision pursuant to Section 82-4-353(2), MCA. The request must state the reason that the hearing is requested.

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 pursuant to Section 75-1-201(5)(a)(ii), MCA.

Sincerely,



Dan Walsh
Acting Chief, Hard Rock Mining Bureau
e-mail: dwalsh@mt.gov
telephone #: (406) 444-6791