

June 25, 2021

Keith Barron
Potentate Mining, LLC
P.O. Box 1110
Philipsburg, MT 59858

Sent via email to: keith@aurania.com

RE: Approval of Operating Permit Application No. 00200 – Potentate Mining, LLC

Dear Mr. Barron,

On March 2, 2020, Potentate Mining, LLC (Potentate) submitted Operating Permit Application No. 00200 to the Montana Department of Environmental Quality (DEQ) for the construction and operation of a proposed sapphire mine (Sapphire Ranch Mine) located in Granite County about 22 miles southwest of the town of Philipsburg. Revised versions of the application were submitted to DEQ on June 15, 2020, and July 15, 2020. A draft permit and compliance document were issued on October 6, 2020. A permit issued by DEQ would authorize Potentate to mine from the Sapphire Ranch Mine.

DEQ published the Draft Environmental Assessment (EA) on May 13, 2021, which analyzed the possible environmental impacts of 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. No comments were received during the public comment period. On June 25, 2021, DEQ issued a Final 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 (ARM) 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 EA 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.

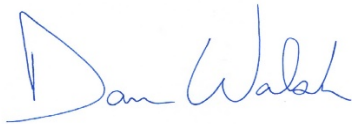
DEQ has decided to approve Potentate's application for an operating permit, selecting Alternative 2 (the Proposed Action), as described in Final EA. Pending bond submittal and approval, the approved operating permit allows Potentate to mine at the Sapphire Ranch. Before commencing activity authorized 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. Based on the application information submitted by Potentate, DEQ has determined Potentate to be in compliance with these statutory provisions.

Pursuant to Sections 82-4-337(1)(h)(i) and 82-4-338, MCA, Potentate 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 Potentate with the bond determination within 40 days of the date of this decision document (Section 82-4-337(2)(c), MCA). A final permit may not be issued until the permittee submits, and DEQ accepts, the corresponding bond.

Appeal of DEQ's Decisions

Legal actions seeking review of DEQ's approval of Potentate'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 stylized with a large, looped "D" and a cursive "Walsh".

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

File: 00200.3

From: [Hovda, Betsy](#)
To: [Keith Barron](#)
Cc: [John Rae Magma](#); [Thomas Smith](#); [Rolfes, Herb](#); [Walsh, Dan](#)
Subject: OP 00200 Potentate Mining, LLC, Final EA and Decision Document
Date: Friday, June 25, 2021 2:27:00 PM
Attachments: [00200_2021_06_25_EA_Final.pdf](#)
[00200_2021_06_25_DecisionNotice.pdf](#)

Mr. Barron,

Here is the Final Environmental Assessment and Decision Notice for Potentate Mining, LLC's Sapphire Ranch Mine project (Operating Permit No. 00200). The next step is the preparation of the bond calculation, which DEQ will send you within 40 days (August 4, 2021).

Let me know if you have any questions.

Betsy Hovda
Environmental Science Specialist
Hard Rock Mining Bureau
bhovda@mt.gov