



May 17, 2021

The greening of the global energy economy promises increasing demand for copper and a robust economic future for Black Butte Copper (BBC). The U.S. Govt. Accountability Office notes that copper is one of the minerals that “plays an important role in the U.S. economy, contributing to multiple industries, including transportation, defense, aerospace, electronics, energy, agriculture, construction, and health care.” Copper, also vital for renewable energy, including wind, solar and electric vehicles, will play an essential role within President Biden’s plans for renewable energy and net-zero emissions.

To meet this demand, BBC has worked diligently with our community, building a model for Montanans to prosper during mine operations and after reclamation for generations to come. Our plan utilizes Montana expertise, modern mining techniques, and international specialists earning us the support of the majority of Montanans. Here’s how:

### **Environmental Protection**

Since BBC is the first new copper mine in Montana since 1978, it is wholly permitted under Montana’s significantly revised and strengthened statutes, including the Metal Mine Reclamation Act, the Water Quality Act, and the Montana Environmental Policy Act. Our permit contains input from an all-Montana independent 3<sup>rd</sup> party expert team including hydrologists, metallurgists, geo-chemists, geologists, engineers, biologists, botanist, archeologists, and reclamation specialists.

All mine water used in our mine facilities and processes will be recycled and reused resulting in the entire mine site being a “zero-discharge” facility. Underground water bypassing any beneficial use will be returned to the groundwater system at 3.5 times better than drinking water standards by a treatment called Dual-Phase Reverse Osmosis.

To ensure historic Sheep Creek flows during operation, mitigation surface water is leased from irrigators for in-stream flow, thus protecting Sheep Creek and the Smith River some 19 stream miles away. Additional mitigation innovation includes rotating irrigation fields to keep all land in production after mine closure. This mitigation plan has preliminary approval by the Montana Department of Natural Resources and Conservation.

Our permit embraces innovation by using cemented tailings for both underground and surface disposal (tailings is the finely ground rock left after copper is removed). All tailings are filtered and dewatered before cement is added with approximately half of the cemented tails are placed back underground. The remaining tailings will be deposited in a double-lined Cemented Tailings Facility (CTF) designed by one of the best tailings impoundment engineers worldwide and reviewed by an Independent Review Panel of three expert tailings impoundment engineers.

Our robust CTF model is arguably the best-known approach for managing tailings worldwide resulting in a state-of-the-art “zero-failure” facility. Industry leaders, including the United Nations Dam Commission, recognize the benefits of zero-failure designs and request an industry-wide movement to this approach.

Once we have finished mining, we will reclaim all of the mine site and return it to its current use as ranching land. Under our permit we are required at the start of mining to place a bond amount with the Montana Department of Environmental Quality which will cover the full cost of mine site rehabilitation and reclamation.

### **Economic Opportunity**

When in production, BBC will employ a workforce of approximately 235 and 24 contractors at an average wage of \$70K plus benefits. To protect the community, Montana's Hard Rock Mining Impact Act requires pre-mitigation of social and economic impacts of mining to the community. Future tax allocations will also greatly benefit Meagher Co., White Sulphur Springs, School District #8 and the State of Montana.

### **Social Conscience**

Creating a plan past mine life that benefits our community is a BBC priority. We've worked diligently with diverse community leaders and regional stakeholders who both support and oppose the project to create the Meagher County Stewardship Council (MCSC) as a mine oversight organization. The MCSC operates independently, ensuring we are held accountable. We greatly appreciate the members of the MCSC who dedicate countless volunteer hours and are currently working toward a Community Benefits Agreement.

### **Open Door Policy**

We welcome visitors and encourage the public to ask hard questions. Please feel free to stop by the office in White Sulphur Springs or visit our website at [www.blackbuttecopper.com](http://www.blackbuttecopper.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Scargill".

Rob Scargill  
CEO