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Sagebrush Ecosystem Program

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STATE OF NEVADA
Sagebrush Ecosystem Program

July 19, 2021

NOV Minerals, LP
Big Ledge Mine
Mike Creek, Project Manager
P.O. Box 900
Wells, NV 89835

Dear Mr. Creek:

The purpose of this letter is to formally notify NOV Minerals, LP of state regulations requiring mitigation of certain disturbances in greater sage-grouse habitat. Specifically, Nevada State Regulation NAC 232.400 – 232.480 (attached) stipulates that direct and indirect impacts to greater sage-grouse habitat from certain anthropogenic disturbances shall be analyzed and mitigated using the Nevada Conservation Credit System's (CCS) Habitat Quantification Tool (HQT).

The Sagebrush Ecosystem Technical Team (SETT) has become aware that construction activities associated with the Big Ledge Mine Plan Amendment (DOI-BLM-NV-E030-2020-0026-EA) have been authorized by the Bureau Of Land Management (BLM) and construction activities have commenced. However, the SETT has not received any mitigation plans or has been made aware of any completed mitigation. As such, the project is out of compliance with the state regulations referenced above requiring mitigation to disturbances in greater sage-grouse habitat.

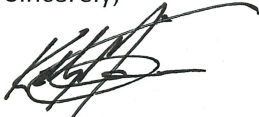
This letter is also being sent in conformance with the "Sagebrush Ecosystem Program Procedure in the Event of Non-Compliance" (attached) explaining the mitigation requirements. The SETT has analyzed the project and determined that 383 credits are required to offset the disturbance as currently permitted by the BLM. If the Big Ledge project does not come into compliance within 30 days of issuance of this letter (i.e., purchase of at least one-third of the total debits), the SETT will work with the BLM to take appropriate steps for resolving non-compliance with state regulation through coordination with the project proponent, as specified in program specific regulations, or as outlined in the terms and conditions of the permit/authorization, that requires compliance with state laws or regulations. Failure to rectify non-compliance with applicable state regulations may result in suspension or revocation of existing authorizations, or delays to operational activities.

Please contact me at your earliest convenience so that we can set a date and time to review and discuss your options for achieving net conservation gain and the protection of Nevada's sagebrush ecosystem using the CCS. If you would like additional information on the CCS, forms, or other required documents

for debit project proponents to complete a mitigation transaction, please visit our website at sagebrusheco.nv.gov, or contact me at the information below.

I look forward to receiving your response and working with you to attain compliance with the mitigation regulation.

Sincerely,



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Cc:

Brent Benoit, Deputy General Counsel, NOV
Tori Sundheim, Deputy Attorney General
Bradley Crowell, Director, Department of Natural Resources
Tony Wasley, Director, Department of Wildlife
J.J. Goicoechea, Chair, Nevada Sagebrush Ecosystem Council
Jon Raby, State Director, Bureau of Land Management

Attachment A: Nevada State Regulation NAC 232.400 – 232.480

Attachment B: Sagebrush Ecosystem Program Procedure in the Event of Non-Compliance