

**MEMORANDUM OF UNDERSTANDING BETWEEN
NEVADA VANADIUM, L.L.C.
AND
THE U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
FOR THE PURPOSE OF PREPARING AN ENVIRONMENTAL IMPACT
STATEMENT
FOR
THE GIBELLINI VANADIUM MINE PROJECT**

I. BACKGROUND AND PURPOSE

The U.S. Department of the Interior, Bureau of Land Management (BLM) has determined that an Environmental Impact Statement (EIS) is required for the Gibellini Vanadium Mine Project (Project) proposed by Nevada Vanadium, L.L.C. (NVC). NVC proposes the *Gibellini Project Plan of Operations* to construct, operate, reclaim, and close an open pit, heap leach, vanadium processing operation, waste rock disposal facility, mine office and facilities located south of Fish Creek Ranch in Eureka County. The Project would include a powerline, water supply line, and ancillary facilities.

The purpose of this Memorandum of Understanding (MOU) is to establish an agreement between NVC and the BLM regarding the respective responsibilities, conditions, and procedures to be followed during the preparation of the Draft and Final EIS and Record of Decision.

The current governing policy for land use on the public lands within this area is contained in the Shoshone-Eureka Resource Management Plan and its Amendments.

To facilitate timely environmental review and preparation of associated documents, NVC agrees to contract the EIS preparation with the consulting firm SWCA Environmental Consultants. Pursuant to 40 Code of Federal Regulations (CFR) 1506.2 (a) and (c), SWCA Environmental Consultants was selected by NVC in coordination with BLM. Since SWCA Environmental Consultants is not a party to the MOU, obligations of the consultant presented in this MOU will be articulated as conditions in a contractual agreement between NVC and SWCA Environmental Consultants. NVC will be responsible for certain costs incurred by BLM in completing work related to the EIS (43 CFR Subpart 3000).

In accordance with 40 CFR 1506.2 (a) and (c), to reduce duplication to the fullest extent possible, other federal, state, and local agencies having jurisdiction by law or special expertise will be informed and invited to provide input and participate as cooperating agencies with the parties to this MOU during the preparation of the Draft and Final EIS.

II. NEPA COMPLIANCE

The EIS will be prepared in accordance with the *National Environmental Policy Act of 1969, as amended* (NEPA; 42 USCA Sec. 4321 to 4370e) and in compliance with all applicable laws and regulations passed subsequently, including Council on Environmental Quality (CEQ) regulations (*40 CFR 1500-1508*), Department of Interior Secretarial Order 3355 (2018), Department of the Interior NEPA Regulations, 43 CFR Part 46, Department Manual 516, Environmental Quality (USDI 2004), BLM guidelines (*Handbook H-1790-1*), *Guidelines for Assessing and Documenting Cumulative Impacts* (BLM 1994a) and *Considering Cumulative Effects under the National Environmental Policy Act* (CEQ 1997). The BLM will use its expertise and professional judgement to see that analyses and documents that are prepared conform to the NEPA, CEQ regulations, and other pertinent Federal laws and regulations, along with Permanent Instruction Memorandum PIM 2018-016 (April, 2018).

The EIS will assess the environmental impacts of the proposed action as well as address a no action alternative, and a range of reasonable alternatives, and will identify alternatives considered but eliminated from further analysis. The alternatives analysis will serve to inform the decision making official and public.

III. AUTHORITIES

This MOU is entered into under the following authorities:

- A. The National Environmental Policy Act of 1969, as amended (Public Law [PL] 91-190, 42 USC 4321, et seq.), and implementing regulations at 40 CFR 1500-1508;
- B. The Department of the Interior's NEPA Implementing Regulations at 43 CFR Part 46; and
- C. The Federal Land Policy and Management Act of 1967 (43 USC 1701, et seq.),
- D. Section 307; the U.S. Mining Law (30 U.S.C 21 et seq.; 30 U.S.C 612); applicable Implementing Regulations under 43 CFR 2800 and 3809; and related BLM handbooks, manuals and instruction memoranda.

IV. RESPONSIBILITIES

A. BLM Responsibilities

1. The BLM will be the lead agency in the preparation of the EIS and will be responsible for compliance with the requirements of NEPA, CEQ regulations, and other pertinent federal laws and regulations.
2. BLM Mount Lewis Field Office Manager (hereinafter referred to as the Authorized Officer) will oversee SWCA Environmental Consultants, paid for by

NVC, to prepare the EIS in accordance with accepted third party contracting procedures (40 CFR 1506.5 (c)). The Authorized Officer will designate for the BLM a Project Manager as the sole point of contact for all matters related to the preparation of the EIS by SWCA Environmental Consultants. BLM's initial Project Manager and point of contact is listed in VI below. The Project Manager will manage all aspects of and associated with the EIS for BLM.

3. The BLM will consult with and keep NVC informed on the progress of the EIS, including in regard to any data needs, on at least a bi-weekly basis. A summary of all matters relating to the EIS discussed in any meetings or communications among the BLM and SWCA Environmental Consultants and other parties without the participation of NVC shall be included in formal monthly reports submitted by SWCA Environmental Consultants to the BLM and NVC. The BLM will invite NVC to attend all meetings and conference calls with SWCA Environmental Consultants regarding significant issues. However, nothing herein shall be construed as requiring the BLM or SWCA Environmental Consultants to release information to NVC that is subject to attorney-client or attorney work product privileges.
4. The BLM may invite or inform NVC and SWCA Environmental Consultants of meetings with federal, state, regional, and local agencies and other groups during the EIS process.
5. The BLM will provide oversight of the EIS preparation process on a bi-weekly basis or more frequently if needed to verify that SWCA Environmental Consultants considers existing data, environmental descriptions, mine planning and other analyses available from NVC, BLM, and other sources. Additionally, BLM will ensure that SWCA Environmental Consultants does not duplicate work already completed unless BLM determines that the existing work is not sufficient for the purposes of the EIS. The BLM and SWCA Environmental Consultants, with input from NVC, will jointly assess whether existing work must be modified or revised. The BLM will direct how SWCA Environmental Consultants will consider existing data, environmental descriptions, mine planning and analyses available from all sources including the BLM.
6. When requested to do so by NVC, the BLM will treat specific information provided by NVC as confidential and proprietary to the extent permitted by law. This responsibility extends to both BLM and SWCA Environmental Consultants use of the information. In the event that any confidential or proprietary information is required by law to be released by the BLM, NVC shall be provided written notice of any such proposed release at least thirty (30) days in advance of such release.
7. The BLM is responsible for complying with the NEPA procedures and implementing regulations including, but not limited to: document contents, administrative record (including documentation of rationale and supporting

information), public review of the EIS, and required decision documentation. The BLM shall ensure that the EIS presents a range of reasonable alternatives and includes relevant environmental/social/economic issues and impacts, including cumulative impacts.

8. The BLM will provide a mailing list, which will be maintained by SWCA Environmental Consultants, for distribution of the EIS to the public. The BLM will consult with NVC on the project description as needed, particularly during impact analysis, to assist in improving or modifying the project description to avoid, mitigate, or otherwise address adverse impacts.
9. The BLM will undertake Native American consultation, in compliance with all relevant regulatory requirements.
10. The BLM will ensure that SWCA Environmental Consultants provide adequate copies of all maps, reports, and draft documents to BLM, in a format acceptable to the BLM, to allow for a timely review.
11. The BLM will endeavor to identify all required mitigation by the completion of the draft EIS.

B. NVC Responsibilities

1. NVC will designate a single-point of contact for the BLM on all matters relating to the preparation of the EIS. NVC's initial point of contact is listed in VI below.
2. NVC will be responsible for developing and executing a contract with SWCA Environmental Consultants. NVC will be responsible for all project-related costs and any continuing costs incurred by SWCA Environmental Consultants until the contract is terminated by NVC or SWCA Environmental Consultants.
3. Prior to awarding the contract, NVC will ensure that SWCA Environmental Consultants signs a "No Conflict of Interest" or "Disclosure Statement" stating that SWCA Environmental Consultants does not have any interest, financial or otherwise, in the outcome of the project. A copy of the signed statement must be provided to the BLM.
4. NVC will specify in the contract that SWCA Environmental Consultants will be responsible for providing an electronic copy of the draft and final EIS documents formatted on a medium (i.e. hardcopy or pdf) acceptable to the BLM and Section 508 compliant. NVC will specify in the contract with SWCA Environmental Consultants, that SWCA Environmental Consultants will assist the BLM in fulfilling its responsibilities for the requirements of NEPA, CEQ regulations, and other pertinent federal laws and regulations.

5. As part of the Plan of Operations, NVC shall provide to the BLM a written description of the proposed project to facilitate preparation of the description of the proposed action and voluntary environmental protection measures (applicant committed measures) to be included as part of the proposed action.
6. NVC shall provide SWCA Environmental Consultants with any MOUs or agreements pertinent to the preparation of the EIS.
7. NVC will provide the BLM and SWCA Environmental Consultants with relevant technical and environmental information that it may have for environmental analysis and documentation for the proposed Project. NVC and the BLM will ensure that SWCA Environmental Consultants provides the BLM with all documentation, including, but not limited to, interdisciplinary and SWCA Environmental Consultants' EIS team meeting notes, e-mail messages, analysis protocols and methodologies and data, rationale, maps, Geographic Information Systems (GIS) data and its compliant metadata, and any other supporting information used in the preparation of the Project EIS. Such information is part of the administrative record for this project and EIS. The administrative record for the Project will be maintained at the SWCA Environmental Consultants office located in Las Vegas, Nevada in a format acceptable to BLM (i.e chronologic pdf's with associated indexes). SWCA Environmental Consultants shares responsibility with the BLM for ensuring that the administrative record is complete and accurate.
8. NVC will specify in the contract with SWCA Environmental Consultants, that SWCA Environmental Consultants shall provide the BLM and NVC access to and review of all materials and underlying data used in developing the EIS. This shall include, but shall not be limited to, field reports, computer databases, GIS databases, subcontractor reports, and comments from interested private and public parties, whether or not such information may be contained in the administrative record or used in the EIS. However, nothing herein shall be construed as requiring the BLM or SWCA Environmental Consultants to release information to NVC that is subject to attorney-client or attorney work product that is pre-decisional.
9. NVC will compile the technical, environmental, and socio-economic information in its possession, and to the extent that such information is not restricted by confidentiality agreements, NVC will provide the BLM and SWCA Environmental Consultants with such information simultaneously as necessary for review or input into the analysis or other parts of the document.
10. NVC will provide directly to the BLM any information in its possession requested to complete the analysis or to respond to agency or public comments, and provide review comments on any reports or documents, including the Preparation Plan and Administrative Draft and Final EIS's within the time limits established by the BLM. The BLM is responsible for providing information to SWCA

Environmental Consultants in a timely manner to the maximum extent practicable.

11. NVC will attend meetings and participate in the preparation of appropriate mitigation measures to resolve or lessen adverse impacts. SWCA Environmental Consultants' EIS team, or specific members thereof, will attend BLM Interdisciplinary Team (IDT) meetings as requested or deemed useful by the BLM.
12. NVC will specify in the contract with SWCA Environmental Consultants that SWCA Environmental Consultants shall be responsible to respond, as necessary, to BLM requests regarding preparation of the responses to public comments from scoping and review of the Draft EIS and Final EIS, and other information (i.e., mapping, public meeting materials, etc.) as deemed necessary by the BLM during the preparation of the draft and final documents, and as necessary during preparation of the Record of Decision (ROD). BLM will oversee SWCA Environmental Consultants' actions and remains responsible for the content of responses to comments and the ROD.
13. NVC will specify in the contract with SWCA Environmental Consultants, that SWCA Environmental Consultants shall formally report monthly (in writing) to the BLM and NVC on the progress of the work, containing but not limited to problems encountered, recommendations for plan modifications, and any upcoming or potential changes in SWCA Environmental Consultants' personnel, methodology or schedules for completion. SWCA Environmental Consultants will also develop and periodically update a project schedule, which identifies and tracks specific project tasks.
14. Once the draft EIS and the final EIS are approved by the BLM, NVC will be responsible for paying SWCA Environmental Consultants to make suitable arrangements for stenographic, clerical, graphics, layout, and data services; printing to established BLM standards; and all costs for the EIS analysis, internal review drafts, and final copies of the draft and final EIS prepared by SWCA Environmental Consultants as needed. Foldout sheets and maps shall be provided where requested by the BLM. NVC shall be solely responsible for the cost of preparing and providing the number of copies of the draft and final EIS (full document or executive summaries) as may be necessary for public review, for the cost of distributing as directed by the BLM, and for one copy suitable for reproduction by the BLM. These documents may be prepared and distributed by SWCA Environmental Consultants in either printed or electronic form as determined by the BLM. However, nothing herein shall be construed as giving NVC any editorial control over the EIS. The BLM will recover from NVC all costs associated with the preparation, reproduction, and mailing of the ROD.

C. Joint Responsibilities

1. The tentative schedule, current as of the signing of this MOU, is attached as Exhibit 1. Changes to the schedule will require advanced approval by the BLM, NVC, and SWCA Environmental Consultants. Should a party not be able to meet a key date requirement, advanced notification shall be given to the other parties. The notification shall include a projected date the requirement will be met. All parties will use best efforts to adhere to, and assist each other in adhering to the EIS Preparation Schedule.
2. In coordination with NVC and BLM, SWCA Environmental Consultants will develop a Communication Plan that outlines procedures and processes for internal and external (including other regulatory agencies) communications and contacts.
3. In cooperation with NVC and SWCA Environmental Consultants, the BLM has developed a Public Participation Framework (attached as Exhibit 2) that indicates key milestones in the preparation of the EIS. NVC and SWCA Environmental Consultants will be responsible for providing all Project information material for the public scoping meetings in consultation with the BLM.

V. ADMINISTRATIVE AND LEGAL PROVISIONS

A. Applicable Law

The parties agree to comply with applicable laws governing activities under this MOU.

B. Term of MOU

This MOU is effective upon the date last signed and executed by the duly authorized representatives and will remain in effect until terminated in accordance with provisions listed below in V, part D (Termination) or until a ROD on the Gibellini Vanadium Mine Project is issued by the BLM, whichever occurs first.

C. Term of MOU

Either party may request changes in this MOU. No changes, modifications, revisions or amendments to this MOU shall be effective without mutual consent of the parties to this MOU. Any changes, modifications, revisions, or amendments to this MOU will be incorporated by written instrument, executed and signed by all parties to this MOU, and will be effective in accordance with the terms of V, Part A above.

D. Termination

1. Either party may terminate this MOU after thirty (30) days written notice to the other party of their intention to do so. During this period, the parties will enter negotiations to resolve the disagreement(s) if such is the cause of termination. If the disagreement(s) have not been resolved by the end of the thirty-day period, the MOU will terminate. In the event negotiations are progressing but are not concluded by the end of the thirty-day period, the party initiating the request to terminate may request termination be postponed for an additional thirty-day period.
2. In the event of termination of the MOU, and at the request of NVC, the BLM will initiate preparation of any remaining analysis and documentation covered by this MOU consistent with staff and budget limitations. NVC and SWCA Environmental Consultants will be required to submit to the BLM all information and records held by NVC and SWCA Environmental Consultants that were used for EIS preparation up to the point of MOU termination.
3. In the event of termination of the MOU, BLM and NVC agree that neither party shall have any administrative, judicial, or equitable right to seek to enforce the MOU, to seek any remedy arising out of a party's performance or failure to perform any term or condition of the MOU, or to bring any action for breach of the MOU.

E. Limitations

In executing this MOU and taking any other action contemplated hereby, NVC reserves the right to contest, in any administrative or judicial proceedings, any and all decisions concerning issues in the EIS or any other federal requirements related to the proposed project. NVC recognizes that nothing in this MOU commits the BLM to permit the project or otherwise take action favorable to NVC upon all or any part of the proposal. Nothing in this MOU shall be construed as creating rights or responsibilities inconsistent with applicable law or precluding in any way BLM's discretion to approve, modify, or disapprove the Project, or to take any action relevant to the Project consistent with applicable law.

F. Termination of Contractor

NVC shall have the right to terminate its contract with SWCA Environmental Consultants and the right to change the principal of the contractor or a subcontractor involved in the preparation of the EIS for any reasons permissible under NVC's contract with SWCA Environmental Consultants. In the event of such termination of the contract or change in a principal, NVC shall: (i) Notify the BLM in writing at least ten (10) working days prior to the termination or the change in principal; and (ii) ensure that the BLM and NVC shall have access to all documentation, reports, analyses, and data developed by the contractor or the principal. If NVC terminates its

contract with SWCA Environmental Consultants, NVC and the BLM shall meet and consult regarding the retention of another contractor and/or such other procedures as may be necessary and appropriate to enable completion of the EIS. In the event that NVC requires a change in the principal of the contractor or a subcontractor, NVC and the BLM shall meet and consult regarding an appropriate replacement for such principal. Notwithstanding the procedures set forth in this paragraph F, the BLM retains sole discretion to select the new contractor, consistent with Part IV.A.2 above, and to the extent necessary the new principal or subcontractor; in addition, both the BLM and NVC shall retain at all times the right to terminate this MOU pursuant to Part V, D above.

G. Exchange of Information

Data provided pursuant to this agreement may contain proprietary NVC information or pre-decisional federal records. All records or information requested of either BLM or NVC by the other will be reviewed by the releasing entity (BLM or NVC) prior to the release. Any recipient of proprietary or pre-decisional information agrees not to disclose this information to the public or other parties, except as required by law. Any recipient of this information agrees not to transmit or otherwise divulge this information without approval from BLM or NVC or both, except as required by law. Any breach of this provision may result in termination of the MOU. Requests for information will be made through the points of contact identified in the Contacts section below.

VI. CONTACTS

The primary points of contact for carrying out the provisions of this MOU are:

NVC	
Name:	Ron Espell
Title:	Vice President
Business Name:	Nevada Vanadium, L.L.C.
Business Address:	51 Buel Street, P.O. Box 451 Eureka, Nevada 89316
Email Address:	respell@prophecydev.com
Telephone Number:	775-777-4777 - Cell
BLM	
Name:	Joseph S. Moskiewicz, Jr.
Title:	Assistant Field Manager, Minerals, Mount Lewis Field Office
Business Name:	Bureau of Land Management
Business Address:	50 Bastian Road Battle Mountain, NV 89820
Email Address:	jmoskiewicz@blm.gov
Telephone Number:	775-635-4127 - Office

BLM and NVC may change their designated point of contact upon written notice to the other party.

VII. SIGNATURES

For Nevada Vanadium, L.L.C.

By: 
Ron Espell
Vice President

Date: July 08, 2019

For Bureau of Land Management

By: 
Jon D. Sherve
Field Manager, Mount Lewis Field Office

Date: 8/2/2019

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EXHIBIT 2

PUBLIC PARTICIPATION FRAMEWORK

AGENCY AND INITIAL PUBLIC SCOPING

The public Notice of Intent (NOI) will be prepared and published in the Federal Register. Project and scoping information will be distributed to appropriate local, state, and federal agencies, elected officials, public land users and user groups, affected landowners, and news outlets including newspapers and radio and television stations. The scoping information will describe Nevada Vanadium, L.L.C.'s proposal, describe any alternatives that are being considered for analysis, identify the proposal's relationship to land use plans and other environmental documents, describe proposed compliance with the National Environmental Policy Act (NEPA), disclose land and resource management issues and concerns, and solicit comments from the public. In addition, it will announce the time and place of a public involvement meeting to provide the general public, affected interests, and stakeholders with an opportunity to review Barrick's proposal and provide input to the BLM regarding concerns, issues to be addressed, etc. On the date the NOI is published in the Federal Register, the Field Office project manager will post the information on the Battle Mountain District webpage and the BLM NEPA Register.

DEVELOPMENT OF ALTERNATIVES AND CUMULATIVE IMPACT ANALYSIS AREAS

Based on the key issues identified following public comment and cooperating agency input, a range of reasonable alternatives to the proposed action will be generated. Cumulative impact analysis areas and associated impact level definition criteria also will be developed based on plans, data, concerns, and methodologies. Input from BLM specialists, cooperating and other government agencies, the public, and Nevada Vanadium, L.L.C.'s will be used for alternative and cumulative impact assessment area development, as appropriate. Concurrently, the Affected Environment and Environmental Consequences sections will be developed and associated data collection or analyses will occur.

DRAFT EIS

Development of the Administrative Draft Environmental Impact Statement (ADEIS) will be overseen by the BLM and may include input from BLM specialists or an interdisciplinary team or both, cooperating and other government agencies, and the public. Prior to publication of a Notice of Availability (NOA), the BLM will develop a document distribution list by format and provide the list to SWCA Environmental Consultants (SWCA). Concurrent with the publication of the NOA in the Federal Register, other methods of informing the public, stakeholders, other federal agencies, state and local governments, the media and other interested parties as described

in a communication plan will be affected. BLM will provide the public with an opportunity to review and comment on the Draft Environmental Impact Statement (DEIS). A public meeting will be held to provide opportunities for the public to gather additional or clarifying information as part of the public comment process. As part of the public meeting, an official public hearing to take public comment may be held if necessary or requested. Additional public meetings may be conducted if circumstances (level of public interest, potential project controversy, etc.) warrant.

FINAL EIS

Development of the Final Environmental Impact Statement (FEIS) will incorporate (as appropriate) public, Nevada Vanadium, L.L.C.'s and agency comments on the DEIS. Distribution of the FEIS will provide the public with an opportunity to review the document.

MEDIA

The news media will be provided news releases at each stage of the NEPA process (i.e., public scoping, issuance of DEIS, FEIS, and Record of Decision). In addition, they will be advised of any public meetings. All news releases will be coordinated through the BLM's Public Affairs, Nevada State Office, Reno, Nevada.

EXHIBIT 1

EIS TASK	DATE TASK COMPLETED
Plan of Operations submitted	June 2019
Third Party Contractor Selected	June 2019
Notice of Intent (NOI) Submitted to Federal Register	November 2019
Memorandum of Understanding between BLM and NVC – Final Signatures	June 2019
Draft Preparation Plan for EIS Completed	September 2019
Project Kick-Off Meeting (Battle Mountain)	August 2019
BLM/NVC Complete Preparation Plan Review	September 2019
Finalize Preparation Plan	September 2019
NOI published in Federal Register	January 2020
Public Scoping Meetings (Eureka Nevada)	January 2020
End of Scoping Period	February 2020
Scoping Report Complete	March 2020
Alternatives Development Meeting	March 2020
Chapters 1 & 2 Completed and Reviewed	March 2020
Chapters 3 & 4 Completed	March 2020
Preliminary Draft EIS (PDEIS) Completed	April 2020
Internal BLM Review of PDEIS Completed	May 2020
BLM Comments Incorporated	June 2020
PDEIS Review by NVC and Cooperating Agencies	June 2020
Comments Incorporated and Camera Ready DEIS Completed	June 2020
DEIS Review and Publication Authorization	June 2020
Notice of Availability (NOA) published in the Federal Register	July 2020
Public Meetings on DEIS (Eureka)	July 2020
End of 45 Day Public Comment Period	August 2020
Comment Review and Response Complete	September 2020
Administrative Final EIS Complete	November 2020
BLM Review of FEIS and Publication Authorization	November 2020
NOA Published in Federal Register	November 2020
Thirty Day Review of FEIS	December 2020
Review and Respond to Comments	December 2020
Record of Decision	January 2021