QUARTERLY PROGRESS REPORT

AS REQUIRED BY

SETTLEMENT AGREEMENT AND ADMINISTRATIVE ORDER ON CONSENT (AOC3)

SECTION XIII, PARAGRAPHS 1 and 2.

SUBMITTED BY BASIC REMEDIATION COMPANY

1. Introduction

This Quarterly Progress Report is being submitted to the Nevada Division of Environmental Protection (NDEP) pursuant to the requirements of Paragraphs 1 and 2 of Section XIII of the AOC3 executed between the Parties and NDEP on February 15, 2006. The format of this report is based on the requirements stated in Paragraph 1 of Section XIII. This report covers activities between April 1 and June 30, 2018. BRC apologizes for the late submittal of this report since it was due on July 15, 2018.

2. Actions Taken Towards Achieving Compliance

Maintenance activities at the CAMU continued as needed, including leachate collection and offsite disposal.

BRC held discussions with the NDEP with regards to submittal of its RAP modification. The modifications will address removal of language no longer applicable in the RAP since the construction of the CAMU is now complete. The RAP modification will also address the addition of onsite leachate storage tanks at the CAMU as a contingency or option to handle leachate and its disposal. BRC is also exploring the possibility of installing an on-site lined impoundment for the disposal of leachate from the CAMU.

BRC revised the data validation report and submitted the final data report for the 2017 annual groundwater monitoring at the CAMU pursuant to the NDEP-approved long-term CAMU groundwater monitoring work plan. BRC collected groundwater samples at the CAMU for the 2018 annual groundwater monitoring event at the CAMU. Laboratory data have been received and are being validated.

The Phase 3 NERT work on the Eastside, consisting of the installation of several wells, was completed. In addition, the three wells near the existing well POU3 (two by NERT and one by BRC) were also installed. BRC plans to conducted a targeted round of sampling of these four wells along with associated soil gas sampling in the vicinity of these wells, as part of updating its CSM. BRC continued to develop the Eastside CSM and the accompanying RAS.

BRC and NDEP held meetings and telephone calls in order to achieve progress on project activities. Telephone meetings were held between the BRC management, the BRC Project Manager and the NDEP Project Manager (occasionally along with representatives from the City of Henderson as well as consultants representing the prospective property buyer) roughly monthly. Minutes of these meetings are maintained separately.

Results of previous confirmation sampling were received and analyzed and appropriate data validation activities also occurred.

3. Sampling Conducted

2018 CAMU groundwater samples.

4. Work Plans and Other Deliverables Submitted Including Modifications

Due to the very few document exchanges occurring between the NDEP and BRC at the present time, BRC is not including the document lists previously provided as Attachments A (documents submitted to the NDEP by BRC) and B (documents received from the NDEP by BRC) in prior versions of this quarterly progress report. Should activity levels change in the future, BRC will reinitiate including Attachments A and B in the future.

5. Actions Scheduled for Next Quarter

Activities planned include: (a) submittal of DVSR and final report for the 2018 CAMU groundwater monitoring; (b) continuing policy and technical discussions with the NDEP regarding various groundwater issues for the Eastside in relation to the ongoing preparation of the CSM/RAS for the Eastside; (c) obtaining data from the implementation of the NERT Phase 3 groundwater work plan at the Eastside including data from the three new wells installed near existing well POU3; (d) obtaining soil gas data from sampling near POU3 and the three new wells near POU3; (e) continue development of the CSM/RAS for shallow Eastside groundwater; and (f) submittal of the modification to the RAP to the NDEP.

The following Work Plans and Other Deliverables are planned to be submitted to the NDEP in the next period:

- (i) Revised Project Schedule (updated as needed).
- (ii) Various Data Validation Summary Reports, as needed.
- (iii) Various documents discussed above.

Additional documents may also be submitted depending on project needs.

6. Completions, Delays and Mitigations

None.

7. Planned Modifications to Remedial Actions

None planned.

8. Community Relations Plan Actions Taken

None.

9. Community Relations Plan Actions for Next Quarter

The project website is updated periodically, as needed, to include documents submitted to the NDEP.