



BLACK HILLS BENTONITE, LLC

A Limited Liability Company

Manufacturers of High Grade Wyoming Bentonite

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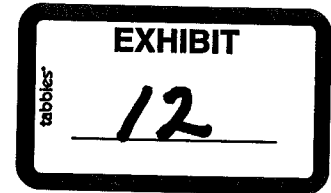
THOMAS A. THORSON
PRESIDENT & GEN. MANAGER



LARRY MADSEN, C.P.A.
VICE PRES. & CHIEF FINANCIAL OFFICER

April 20, 2016

Jim Crossingham
TTT Ranch Company
P O Box 988
Mount Airy NC 27030



Dear Jim

I want to apologize for the conduct of Bruce Lawson with respect to his calling Margo Sabec. Bruce has known Ms Sabec for a long time and thought he could have a conversation unrelated to Black Hills Bentonite. I made it known to him that Ms Sabec doesn't want to talk to him and have admonished him for his actions even though he was contacting her on his own behalf and not on behalf of Black Hills Bentonite.

There are two issues that I want to briefly discuss regarding our permit amendment. We have reviewed the deed that you received regarding the land covered by the HERCO minerals. The TTT deed excepts from the conveyance "prior mineral reservations and conveyance of record" so it includes only those minerals that were not previously reserved or deeded away. The TTT deed is dated August 20, 1986, after the minerals were acquired by HERCO, which indicates our purchase of the minerals is valid.

The second issue is the BOBCAT claim filed by Bruce Lawson and his family members. Bruce followed all BLM requirements including notifying you and your previous attorney, Don Chapin. Bruce has received notification from the BLM that everything is in order. Bruce has stated he no longer wants to be involved in the claims and has indicated that he will deliver a quit claim deed to Black Hills covering Bobcat claims 8, 9, and 10. Black Hills Bentonite does not wish to retain claims 8 and 9 and is willing to assign or quit claim them to you. In an effort to bring this whole matter to a conclusion I would propose that in lieu of surface damages we pay you an amount commensurate with the tonnage as if you owned the claim. This would include the surface on the BOBCAT claim and the HERCO property. I anticipate the total acres to be about 15 acres including roads, overburden stockpiles, etc. The BOBCAT tonnage should be in the range of 20,000 to 30,000 tons. If you are in agreement with this approach we can discuss the numbers in more detail. I am trying to finish all the current mining of bentonite resources in that area. Surface damage on TTT claims is already included in the purchase price of \$75,000.

With regard to your earlier suggestion that we relinquish our mining claims and our road rights, we still have bentonite on these claims that we will not be mining at this time. This is a drilling mud grade and

that market is poor right now. But we will complete all of the current and proposed mining by April 2020 as per your request.

Our permit application will address all the remaining issues in your previous letter.

I don't know if you are aware that we are watering our haul roads into our Posey Creek area as well as the county road. We expect to complete the hauling and reclamation in this area by year end and will probably not do any more mining on TTT in that area in the foreseeable future. Let me know the next time you are in Wyoming and we can get together.

Very Truly Yours

A handwritten signature in cursive script, appearing to read "Tom Thorson".

Tom Thorson