



STATE OF WASHINGTON
DEPARTMENT OF COMMERCE

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August 18, 2016

Mr. Tom Vaughn
HiTest Sand, Inc.
#1402 10035 Saskatchewan Drive
Edmonton, AB T6E 4R4
Canada

Dear Mr. Vaughn:

Thank you for your application for designation of HiTest Sand Inc.'s proposed Silicon Smelter in Pend Oreille County as a Project of Statewide Significance. Our department has reviewed your application in accordance with the designation criteria set forth in RCW 43.157. Based on the information provided, we have concluded:

- The development timeline qualifies the project for consideration.
- The application is complete and includes a letter of approval from Pend Oreille County meeting the requirements of RCW 43.157.030.
- The project meets all statutory requirements for designation, including that:
 - the project will be completed after January 1, 2009;
 - the project conforms to the manufacturing definition set forth in RCW 82.61.010;
 - private capital investment is projected to be \$300 million and full-time employment after construction is estimated to be 170 persons, therefore the project qualifies for designation pursuant RCW 43.157.010(5)(b)(iii)(A) and (H).

The project aligns well with Commerce's commitment to strengthening underserved and rural communities, and provides significant economic benefit to Pend Oreille and surrounding counties. The project also furthers Washington's Clean Technology sector, deepens our solar manufacturing supply chain, and supports advanced value-added manufacturing. As a result of our evaluations and conclusions, your application for designation of HiTest Sand's Silicon Smelter as a Project of Statewide Significance is approved.

We look forward to participating in an efficient and beneficial development process for all parties.

Sincerely,

Brian Bonlender
Director

cc: Jay Inslee, Governor
Rhonda Cary, Pend Oreille County