

From: Victor Flores
To: [FS-comments-intermtn-payette](#)
Subject: Letter from Victor Flores on Midas Gold's Plan of Restoration and Operations
Date: Tuesday, July 18, 2017 8:38:39 AM
Attachments: [Payette Forest Letter 7-18-2017.pdf](#)

CONFIDENTIALITY NOTE: This e-mail may contain confidential and/or privileged information. If you are not the intended recipient or have received this e-mail in error, please notify the sender immediately and destroy/delete this e-mail. You are hereby notified that any unauthorized copying, disclosure or distribution of the material in this e-mail is strictly prohibited. This communication is for informational purposes only. It is not intended as an offer or solicitation for the purchase or sale of any financial instrument or as an official confirmation of any transaction. None of the information contained in this communication is warranted as to completeness or accuracy and all of the information is subject to change without notice. Any comments or statements made in this communication do not necessarily reflect those of [REDACTED]

LEGAL DISCLAIMER This document does not constitute an offer to sell or a solicitation of an offer to buy any securities, and may not be relied upon in connection with any offer or sale of securities. This document should be read in conjunction with, and is qualified in its entirety by, information appearing in the [REDACTED]

[REDACTED], which should be carefully reviewed prior to investing. Past performance is not necessarily indicative of future performance. An investment in a hedge fund is speculative and involves a high degree of risk, which each investor must carefully consider. An investor in hedge funds could lose all or a substantial amount of his or her investment. Returns generated from an investment in a hedge fund may not adequately compensate investors for the business and financial risks assumed. While hedge funds are subject to market risks common to other types of investments, including market volatility, hedge funds employ certain trading techniques, such as the use of leveraging and other speculative investment practices that may increase the risk of investment loss. Products may involve above-average risk. Risks associated with hedge fund investments include, but are not limited to, the fact that hedge funds can be highly illiquid; they are not required to provide periodic pricing or valuation information to investors; they may involve complex tax structures and delays in distributing important tax information; they are not subject to the same regulatory requirements as mutual funds; they often charge higher fees and the high fees may offset the funds' trading profits; they may have a limited operating history; they can have performance that is volatile; they may have a fund manager who has total trading authority over the fund and the use of a single adviser applying generally similar trading programs could mean a lack of diversification, and consequentially, higher risk; they may not have a secondary market for an investor's interest in the fund and none may be expected to develop; they may have restrictions on transferring interests in the fund; and may effect a substantial portion of their trades on foreign exchanges. Any guidelines or investment objectives provided herein are as of the date hereof and can be changed at any time at the sole discretion of Paulson. All material is compiled from sources believed to be reliable, but accuracy cannot be guaranteed. [REDACTED] affiliated entities are sold through [REDACTED]



Mr. Keith Lannom
Payette Forest Supervisor
United States Forest Service

July 18, 2017

Dear Sir,

I am writing in favor of the proposed action by Midas Gold Idaho to develop the Stibnite Gold Project on lands administered by the Payette National Forest. As significant investors in Midas Gold, we have become intimately aware of the outstanding work that the company has done to prepare this project for permitting and development, and are aware of no other project where the principal benefit of mine development will be the environmental remediation of significant tracts of Forest Service land that were impacted by previous mining activities. The Stibnite Gold Project is a rare case where cooperation between stakeholders can result in an improvement to the environment for all, while at the same time providing economic benefits to the local community, the State of Idaho, as well as those investors who have supported Midas Gold's activities.

The proposed Plan of Restoration and Operations (PRO) for the Stibnite Gold Project is a landmark piece of work, as it fundamentally changes the way in which mine proponents engage with regulators, communities, and other stakeholders, by developing a holistic development plan centered on remediation and restoration. The current model for mine development in the United States includes many safeguards and protections for the environment and plenty of scope for those impacted by the proposed mine development to express their opinions, but it is at its core a largely adversarial process, where the mine proponents put forth a proposal that is then vetted, analyzed, questioned – and in many cases, challenged – by one or more constituencies. It is a process more often characterized by conflict and lawsuits than by an attempt to reconcile the differences of the various parties to arrive at a mutually agreeable outcome. Midas Gold's PRO is unique in that the company has worked closely with those that would be impacted by the mine and developed a plan that incorporates their concerns from the outset. Under the traditional way of doing things, Midas Gold could well have submitted its plans some time ago, and relied on the usual adversarial system in the hopes of obtaining a positive outcome. Instead, the company worked patiently with all its

stakeholders over a five-year period to develop a plan that took very seriously the input provided by those who would be affected by the project's development. This was a costly and time-consuming effort, but the result is a much more robust approach to mine permitting, and hopefully one that will reduce a (also costly and time-consuming) potential adversarial response to the company's proposal. It is also unique in that the private sector will take the lead in remediating an area that has been left to degrade by a combination of neglect, lack of funding, and a shortage of expertise; significantly, Midas Gold has adopted this cause and has now taken leadership of the effort to restore these lands.

It is worth dwelling on the care and attention that was put into the development of the PRO prior to its submittal. To begin with, the company has engaged top experts to design the stream restoration plan, which will return portions of Meadow Creek and the EFSFSR affected by previous mining to a pristine condition. The company's plans would also remediate the area known as Blowout Creek, even though it is outside the footprint of the new mine development, because pristine, anadromous fish habitat in Meadow Creek and the EFSFSR could not possibly be restored without also restoring the Blowout Creek area, which is the largest source of unconstrained sedimentation into the river shed. Similarly, the company has brought on board three highly experienced firms to design wetlands, with a view to restoring the affected wetlands. The company's mitigation plan will ensure that the development of new mining activity has the least impact on the environment, and will be designed with a view to the long-term reclamation of the area once mining activity ceases. The development plan will also address prior surface disturbance, including the reprocessing and proper storage of old mine tailings.

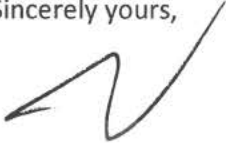
The environmental benefits of mine development are significant. Midas Gold proposes to restore nearly 10 miles of stream channel and riparian habitat, which will include fish access for nearly six linear miles above the area where fish passage was blocked in 1938. The company's plan would repair or build over 350 acres of wetlands and 95 acres of open water habitat, and would result in the reforestation of thousands of acres destroyed by wildfires. The impact of legacy activities, such as the "Glory Hole" in the Yellow Pine pit and the Blowout Creek area, will be addressed. A total of 10.5 million tons of spent ore and unconstrained tailings will be removed and safely stored.

The company has also taken the environment and the communities into account in other aspects of the proposed development. A number of studies were conducted to determine the optimum route for site access, both from an environmental mitigation standpoint as well as to minimize the impact of mine traffic on the local communities. These studies, as well as the input for the communities, led to the Burntlog Road access road alternative. Similarly, the company designed the Stibnite Gold Logistics Facility (SGLF) in such a way that the benefits to the community will be manifold. The SGLF will be located outside of Cascade, minimizing traffic by bypassing the town, but at the same time will provide local employment and allow employees to remain a part of the community.

In summary, Midas Gold's PRO aims to tackle nearly 100 years of legacy environmental damage caused by previous mining activity and unchecked wildfires. This, however, depends on the

development of a profitable gold mine. While there are those that do not countenance the development of mining activity of any kind, the reality is that Midas Gold's PRO is the only realistic and viable alternative that would see this historical damage repaired. If Midas Gold's proposal is not accepted, it is likely that the area will remain as it is today for the foreseeable future. In closing, I urge you to accept Midas Gold's Plan of Restoration and Operations and the alternatives contained in the PRO as the best means of restoring this area, providing economic opportunities for the communities in which the company operates, and generating a fair return for company's investors.

Sincerely yours,

A handwritten signature in black ink, consisting of a stylized 'V' followed by a long, sweeping horizontal stroke that ends in a small upward flick.

Victor Flores

