



October 26, 2020

U.S. Forest Service, Payette National Forest  
Attn: Linda Jackson, Payette Forest Supervisor  
500 North Mission Street  
McCall, ID 83638

**RE: Comments on the Payette and Boise National Forests’  
Draft Environmental Impact Statement for the Stibnite Gold Project**  
*Environment, Social & Governance Policies, Core Values & Principles*

We are writing as the President and CEO of Midas Gold Corp. (**MGC**) and the President and CEO of Midas Gold Idaho, Inc. (**MGII**), collectively referred to as **Midas Gold**. As you are aware, MGC is the 100% shareholder of MGII, and MGII submitted its Plan of Restoration and Operations (**PRO**) for the Stibnite Gold Project (**SGP** or **Project**) to the U.S. Forest Service (**USFS**) and other agencies in September 2016. In May 2019, we submitted the Modified PRO (**ModPRO**) that proposes refinements and enhancements to the PRO based on comments the public provided during the project scoping period, feedback from agencies and MGII analysis and it reflects our ongoing commitment to work with stakeholders to incorporate their suggestions and respond to their concerns.

The purpose of our letter is to reiterate MGC’s and MGII’s environmental, social and governance (**ESG**) policies, core values and principles for the record as these are foundational to the companies and the SGP.

Firstly, as the sole shareholder of MGII, MGC’s role is to set goals and objectives for MGII, not to manage MGII on daily basis. However, in that role, MGC was a significant contributor to the operating strategy for MGII, and its predecessor and affiliated companies that actually own the mineral rights that comprise the SGP. From the outset, MGC and MGII collaborated on a vision for a project that could (a) provide a return to its investors, (b) provide an economic benefit – through investment, employment and taxes – to the local, regional, state and national economy, (c) provide a critical mineral – antimony - to meet national economic and strategic demands, and (d) leave the site in better shape than we found it. While initially aspirational, as the project advanced and became better understood, these goals evolved into a series of defined core values, conservation principles and designs that were set out in the PRO but are worth reiterating here as they are foundational to the PRO and all that follows.

## **Environment, Social & Governance**

From the outset, Midas Gold has seen itself as a purpose driven company<sup>1</sup>. We believe modern, progressive mining companies must encompass a holistic view of their enterprise. Mines must be about more than profit, they need to be about employees, community, protection of the environment, and must earn the support of the communities closest to their sites in order to operate. These concepts are at the heart of Midas Gold. Today, these concepts are commonly referred to under the umbrella of

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<sup>1</sup> See <https://midasgoldidaho.com/news/purpose-driven-company/>



environment, social responsibility and good governance (**ESG**) and Midas Gold formalized its approach to these critical matters in its ESG policy<sup>2</sup>.

Adoption of an ESG policy is an unequivocal commitment from company leadership and our boards of directors to the understanding that, in order to run a successful business, business must be done the right way. For modern mining companies, this means adherence to all regulatory requirements, investment in environmentally sustainable practices and working with communities to identify partnership and long-term benefits.

However, while overarching policies are good, they need substance, practicality and accountability. The PRO clearly sets out how these objectives are achieved, starting at the general and moving to the specific, as summarized below.

### **Values, Principles & Policies**

In the PRO<sup>3</sup>, MGII, with the support and concurrence of MGC, set out a series of core values and conservation principles and policies based on its ESG Policy and its ethos of being a purpose-driven company, that were used to design the Project while addressing environmental outcomes, social responsibility behavior and good governance practices. These are restated here:

#### **“Core Values**

- **Safety** - *The health and safety of our employees, contractors and the public is of the utmost importance.*
- **Environmental Responsibility** - *We go above and beyond what is required; we find practical solutions to manage growth while protecting and enhancing the natural environment.*
- **Community Involvement** - *As a proud part of the community, we actively strive to serve the community’s needs, to collectively enhance prosperity and well-being.*
- **Transparency** - *We fulfill our commitments in an open and transparent manner. We aim to be accurate, consistent and straightforward in all information delivered to our stakeholders.*
- **Accountability** - *As part of our governance, we ensure that accountability guides all of our actions, decisions, conduct and reporting.*
- **Integrity & Performance** - *We hold ourselves to high moral standards and strive to fulfill our commitments in an effective and sustainable manner.”*

In order to ensure we live by these core values, we hire and work with the most experienced and qualified professionals who share our vision and values to help us translate our core values in to a mine proposal and design that will restore the environment and redevelop the site into a paradigm of environmental and operational excellence.

#### **“Conservation Principles**

- *Conduct restoration, mining, milling and reclamation activities in an environmentally responsible manner;*
- *Locate Project infrastructure on previously disturbed areas wherever practicable;*

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<sup>2</sup> See <https://www.midasgoldcorp.com/site/assets/files/2262/2019-mgc-esg-policy.pdf>

<sup>3</sup> PRO Section 2



- *Design and construct facilities to minimize impacts to aquatic and terrestrial wildlife, improve habitat across the Project site, and protect anadromous and local aquatic populations;*
- *Protect and improve local surface water and groundwater quality; and,*
- *Repair, relocate, or construct new ecologically diverse stream channels and wetlands to mitigate those disturbed by legacy and new mine development.”*

## **Policies**

In the PRO, Midas Gold also clearly laid out its Health and Safety Policies<sup>4</sup> and its strategies<sup>5</sup> to achieve those, and its Environmental Policy<sup>6</sup>, its Sustainability Goals<sup>7</sup>, its Transparency and Sustainability Reporting<sup>8</sup> commitments and Training<sup>9</sup> commitments. These policies and commitments are integral to the PRO, and guide the approach, design, location and selection of the Project components incorporated in the PRO (as Alternative 1) and in the ModPRO (as Alternative 2).

As a public company, all of the policies, commitments and goals set out in the PRO, and the structures and agreements that MGC and MGII have established, are taken seriously. They represent material commitments to our stakeholders, including shareholders, employees, communities, and other potentially affected groups. Further, we at MGC will be held to account by our shareholders, and even more so these days given the rise in prominence of the Environment, Social and Governance (**ESG**) expectations of institutional investors.

## **Environment**

In addition to its Environmental Policy and Sustainability Goals, the PRO sets out a number of key principles, practices and objectives related to the environment that are reiterated here.

### **Restoration and Mitigation Principles**

In the PRO, MGII clearly defines a “Net Benefit” goal for the Stibnite Gold Project<sup>10</sup> to ensure it meets the spirit and intent of the 2015 Presidential Memorandum<sup>11</sup>. Despite this Presidential Memorandum subsequently being withdrawn, MGII has not changed its goal of providing a net benefit. In establishing the goal of net benefit to the environment, and as central principles to the Project development and operation, Midas Gold focused on these key restoration and mitigation principles early in the design process<sup>12</sup>:

- *“Remove existing barriers to fish migration and re-establish salmon and steelhead passage as a beneficial environmental outcome;*

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<sup>4</sup> PRO Section 2.1

<sup>5</sup> PRO Section 2.2

<sup>6</sup> PRO Section 2.3

<sup>7</sup> PRO Section 2.4

<sup>8</sup> PRO Section 2.5

<sup>9</sup> PRO Section 2.6

<sup>10</sup> PRO Section 5

<sup>11</sup> Presidential Memorandum: *Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investment* dated November 3, 2015.

<sup>12</sup> PRO Section 6



- *Remove and re-process uncontained legacy tailings as an advance compensation measure created by the Project;*
- *Remove and re-use legacy development rock and spent ore material for construction activities;*
- *Restore and enhance stream channels and riparian habitats that were altered or impacted by historic mining, thereby providing shade for cooling of water, and enhancing fish habitat;*
- *Enhance fish habitat, with a particular focus on access to spawning habitat and creation or improvement of spawning habitat quality for salmon for the long-term as a durable beneficial environmental outcome;*
- *Replant the Project area where it was impacted by mining and/or forest fires in order to enhance vegetative cover and wildlife habitat;*
- *Implement sediment control actions, such as repairing Blowout Creek, removing or mitigating uncontained legacy development rock dumps, and reforestation to reduce erosion, thereby enhancing fish habitat and protecting salmon spawning beds; and,*
- *Reduce fossil fuel energy consumption at the site by the targeted application of solar power and through the use of line power<sup>13</sup> over diesel generation for processing and mining, thereby reducing human emissions of greenhouse gases.”*

In order to achieve this net environmental benefit goal, Midas Gold has designed Project restoration and mitigation projects that are both durable and additive; this is to say the mitigation outcomes will be above and beyond that which would have occurred in the absence of the Project. Midas Gold designed durable restoration and mitigation measures for the Project that will substantially improve the environment, in stark contrast to the current degraded conditions that will persist into the foreseeable future in the absence of the Project. Early restoration and mitigation are key aspects of the Stibnite Gold Project.

### **Environmental Management Practices**

As noted in the PRO, Midas Gold has adopted the following mitigation and conservation standards<sup>14</sup> to guide its proposed activities and outcomes at site:

- *“Conduct construction, mining, processing and closure/reclamation activities in an environmentally responsible manner;*
- *Locate project infrastructure on previously disturbed areas and sites wherever practicable to reduce incremental disturbance;*
- *Design and construct facilities to minimize impacts to aquatic and terrestrial wildlife;*
- *Improve aquatic and wildlife habitat through various habitat mitigation and enhancement projects across the Project site;*
- *Protect and enhance habitat to support the natural anadromous and local aquatic populations;*
- *Protect and improve local surface water and groundwater quality;*
- *Re-establish forested conditions where forest fires or historical mining activities have previously destroyed local vegetation; and,*
- *Repair, relocate or construct new ecologically diverse stream channels and wetlands to replace those disturbed by legacy and new mine development.”*

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<sup>13</sup> Most of which is generated by hydroelectric power plants

<sup>14</sup> PRO Section 6.1



## **Environmental Goals**

MGII has also outlined<sup>15</sup> specific environmental goals for the Project in order to manage and mitigate impacts to each of the resources listed below and set out specific actions that it will undertake in order to realize these goals.

- *“Air Quality;*
- *Chemicals & Hazardous Materials;*
- *Cultural & Historic Resources;*
- *Fisheries & Aquatics;*
- *Climate Change;*
- *Land Use;*
- *Noise & Quiet;*
- *Public Access & Recreation;*
- *Roads & Transportation;*
- *Sewage, Trash and Solid Waste;*
- *Soils;*
- *Erosion & Sediment Control Measures;*
- *Water Quality;*
- *Removal & Reprocessing of Legacy Tailings;*
- *Vegetation;*
- *Wetlands & Jurisdictional Waters of the US;*
- *Visual Resources, Scenic Values, Aesthetic; and*
- *Wildlife.”*

## **Restoration & Mitigation Objectives**

As noted in the PRO<sup>16</sup>, *“Midas Gold considers site restoration, closure and reclamation as integral and important components of the Project. The overall purpose of the Project’s net benefit goal is to reclaim legacy and new activity areas to stable and productive conditions for long-term, post-Project protection of land and water resources.*

*The objectives of the restoration and reclamation program follow:*

- *Conduct site restoration activities in conjunction with exploration, development, construction and subsequent mining operations;*
- *Minimize disturbance by siting facilities within existing disturbance to the extent practicable, and implementing concurrent and timely reclamation<sup>17</sup>;*

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<sup>15</sup> PRO Section 6.2

<sup>16</sup> PRO Section ES.19

<sup>17</sup> PRO table ES-3



- *Protect the public and wildlife through proper site closure, exclusion fencing<sup>18</sup> and reclamation;*
- *Reclaim disturbed areas for recreation and wildlife habitat<sup>19</sup>;*
- *Prevent the establishment and spread of noxious weeds; and,*
- *Assure consistency with applicable National Forest Land Resource Management Plan provisions, along with Idaho Department of Lands regulations and standards.”*

The Draft EIS<sup>20</sup> provides a detailed description of the environmental protection and mitigation measures incorporated into the proposed SGP. Table D-1 lists 156 mitigation measures required by the Forest Service and proposed by Midas Gold. Table D-2 list 75 additional mitigation measures that Midas Gold has proposed as design features for the SGP. These long lists of project mitigation measures attest to the level of careful planning, engineering, and analysis that both the Forest Service and Midas Gold have devoted to the SGP.

Although implementing the roughly 230 mitigation measures that will be required to build and operate the SGP will be very costly, MGII’s investment in these mitigation measures demonstrates the Company’s commitment to its core values, by translating these values into tangible on-the-ground environmental safeguards and improvements.

## **Social Responsibility**

The social responsibility aspect of ESG is equally important to Midas Gold and encompasses interactions and engagement with local communities, stakeholders, individuals, and working with them to address their concerns in respect matters like transportation, housing, work force, environmental protection and ecosystem restoration. as well as ensuring net benefits to communities.

### **Community Engagement**

Since inception, MGII has prioritized building and maintaining respectful, strong and trusting partnerships with communities impacted by, or with an interest in, its mineral exploration and potential future mining activities. Commencing in 2009, when one of its predecessor companies began to get involved in the district, MGII reached out to local residents starting in Yellow Pine, the closest community, and gradually expanding its circle out to other nearby communities such as Cascade, Donnelly and McCall, and then to the broader region of Valley County and neighboring Adams and Idaho counties.

Once the PRO was filed, MGII, ramped up its more formal engagement and has, since 2016, participated in more than 900 public meetings and presentations on its project, both through MGII hosted presentations and events, to presenting to groups ranging from local Rotary groups to the Snowmobilers Association. Midas Gold has also hosted 192 tours of the site that involved 1,827 local residents, interested parties, stakeholders, elected members and appointed officials – anyone who signed up, including people overtly opposed to the Project. Since the onset of the COVID-19 pandemic, a virtual tour of the site and numerous project webinars have been available online. In this process, MGII has continued to welcome engagement with everyone from avid supporters to determined opposition, and has listened to, considered and incorporated suggestions that provide an environmental advantage, are technically

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<sup>18</sup> Where needed for safety reasons

<sup>19</sup> Post-mining

<sup>20</sup> DEIS Appendix D



feasible and take into account the economic consequences. Examples of community-driven Project changes includes the following:

- Burntlog Route vs. Yellow Pine Route;
- Traffic timing restrictions;
- Access through site from Yellow Pine to Thunder Mountain;
- Fish tunnel to restore upstream fish migration early in the project life;
- Reducing the project footprint, such as eliminating the West End DRSF;
- Making a commitment to minimize impacts to Dark Skies due to nighttime illumination; and
- Concurrent reclamation and restoration wherever feasible.

### **Community Agreement**

In November 2018, MGC and MGII formalized their community engagement process by signing the Community Agreement<sup>21</sup> with the Village of Yellow Pine, Cities of Cascade, Council, Donnelly, New Meadows and Riggins as well as Adams County and Idaho County. As stated therein, the purpose of this Community Agreement is:

- a) to create a mechanism and opportunity for the Communities in Idaho's West Central Mountains area and Midas Gold to discuss, in good faith, the potential and actual impacts of the Stibnite Gold Project on the Communities; and
- b) to create resources and a framework for ongoing communication, information exchange, and sharing of benefits in order to work collectively to enhance the sustainability of the Communities.

The Community Agreement binds the Midas Gold or any entity operating the Stibnite Gold Project to uphold these obligations throughout the life of the Project. The Community Agreement also established two bodies, the Stibnite Advisory Council and the Stibnite Foundation.

### ***Stibnite Advisory Council***

As stated on its website<sup>22</sup>, the Stibnite Advisory Council brings together communities across central Idaho to discuss the challenges and opportunities presented by the Stibnite Gold Project. It has members appointed to its board by each of the signatory communities and one each from MGC and MGII. It meets regularly (usually monthly) in settings open to the public (and more recently, virtually) to discuss issues of importance to the communities ranging from employment to housing and transportation.

### ***Stibnite Foundation***

Established through the Community Agreement, the Stibnite Foundation<sup>23</sup> focuses on grant-making in the West Central Mountains of Idaho, an area encompassing the communities of southern Idaho County, Valley County and Adams County (Region). It is funded by grants of cash from MGII and shares from MGC

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<sup>21</sup> See <http://midasgoldidaho.com/wp-content/uploads/2019/01/2018-11-19-Community-Agreement-Effective-Nov-30.pdf>

<sup>22</sup> See <http://stibniteadvisorycouncil.com/>

<sup>23</sup> See <http://stibnitefoundation.com/>



initially on achievement of certain milestones, and later through a share of cash flow from operations. These funds are not intended to address direct impact related to the SGP, but to provide “funds to benefit people, the environment and communities within our region<sup>24</sup>”. The Stibnite Foundation recently completed its 2020 grant cycle, with grants to 14 organizations<sup>25</sup>. The quantum of funds would ramp up as production commences, providing significant social benefits to local communities and the region. The foundation is structured to build an endowment, so that benefits of the Project may be realized beyond the life span of the Project and far into the future.

### **Social Responsibility**

Outside of the Stibnite Foundation, MGII is actively engaged with its communities. In 2019 alone, its social responsibility activities included:

- 717 hours in local classrooms teaching science, technology, engineering and math;
- +\$228,000 spent on charitable giving, education outreach & community sponsorship;
- MGII personnel volunteered 2,592 hours in the community last year and 10,334 hours in the last four years.

### **Work Force**

In its PRO, MGII made commitments to “*encourage the hiring of qualified local people and work with nearby communities to lessen any negative social, lifestyle and economic impacts on local residents<sup>26</sup>.*” We take such commitments seriously and have endeavored, in our smaller scale hiring and contracting to date, to live by this commitment and will continue to do so going forward. In the DEIS, the Socio-Economic Section of the Effects Analysis appropriately summarizes the IMPLAN analysis completed by Highland and notes the substantial number of direct, indirect and induced jobs expected during construction and operations (15-18 years) on a local, regional, state and national level.

For all action alternatives, the DEIS notes<sup>27</sup> significant local, regional and national increases in employment in direct, indirect and induced jobs at significantly higher wage levels than is current in Valley County, and perhaps encouraging the more than 540 working age people that have left the county, possibly to seek employment<sup>28</sup>. The DEIS also notes that the increase in employment and wage levels would generate taxes for the local, state and national governments. The DEIS goes on to note<sup>29</sup> “*The economic benefits associated with increased employment opportunities and tax revenues, could lead to continued or improved access to health services (through employment insurance benefits and/or increased income), better nutrition, and better overall well-being for the local community.*”

These kinds of effects are broadly similar for all of the action alternatives. Alternative 5 would see none of these benefits accruing to local residents, or others in the region or across the Nation.

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<sup>24</sup> See <http://stibnitefoundation.com/>

<sup>25</sup> See <http://stibnitefoundation.com/stibnite-foundation-announces-2020-grant-recipients/>

<sup>26</sup> PRO Section 3.1

<sup>27</sup> DEIS Section 4.21.2.1.1.1

<sup>28</sup> SEIS Section 4.21.2.1.1.3

<sup>29</sup> DEIS Section 4.18.4





## Governance

In order to have local oversight, input and governance in Idaho for a project that is located in Idaho, MGC established and empowered MGII as the operator of the SGP in 2014. The vast majority of the employees in the group are the 35 employees of MGII<sup>30</sup>, with just four employees of MGC based in Vancouver that are primarily focused on accessing the funding required to advance MGII's activities and compliance with the regulatory and reporting requirements to maintain MGC's listing on the Toronto Stock Exchange.

MGII, while a wholly owned subsidiary of MGC, has a separate board of directors<sup>31</sup> comprised of a majority of directors entirely independent of MGII and MGC. MGII's board members include a former mayor of McCall, former county commissioners, and other leading citizens from the region. This board *"represents a cross section of perspectives and experiences in Idaho. Their role is to lead the Stibnite Gold Project in a manner that reflects the values and needs of Valley County and Idaho"*.<sup>32</sup>

## Transparency

A key aspect of good governance is transparency. As a public company, MGC has a legal obligation to disclose all material information to the market in a timely manner and does so through news releases to the market and posted on its website<sup>33</sup>, technical reports<sup>34</sup> and copies of material documents such as the PRO<sup>35</sup> and its financial statements<sup>36</sup>. MGII goes to another whole level of disclosure, providing detailed project information<sup>37</sup> plus significant additional resources<sup>38</sup> on its website.

In addition, as noted above, in the past four years alone, MGII has participated in, hosted or presented at more than 900 public events about the Project, conducted more than 190 site tours, provided numerous open houses, office hours, virtual tour, webinars, and other opportunities for public engagement with the company to learn about the Project. In 2019 alone, MGII held 30 tours and brought 412 people up to Stibnite to learn about MGII's plans for the future.

## Accountability

Through their transparency measures, MGC and MGII hold themselves accountable, and are held accountable for their commitments and obligations. As a public company, investors in MGC insist on ESG performance and accountability. MGC and MGII regularly reports on developments through its public reporting and tracks and reports on its activities in annual sustainability reports<sup>39</sup>.

Accountability means that we are responsible for our actions and follow through on our commitments. That is why we entered into the Community Agreement with eight local villages, cities and counties. The agreement establishes a long-term basis for communication and transparency with community leaders

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<sup>30</sup> See <https://midasgoldidaho.com/about/#>

<sup>31</sup> See <https://midasgoldidaho.com/about/#>

<sup>32</sup> See <https://midasgoldidaho.com/about/#>

<sup>33</sup> See <https://www.midasgoldcorp.com>

<sup>34</sup> See <https://www.midasgoldcorp.com/project/pre-feasibility-study/>

<sup>35</sup> See <https://www.midasgoldcorp.com/project/plan-of-restoration-and-operations/>

<sup>36</sup> See <https://www.midasgoldcorp.com/investors/financials/>

<sup>37</sup> See <https://midasgoldidaho.com/stibnite-project/>

<sup>38</sup> See <https://midasgoldidaho.com/materials/#>

<sup>39</sup> See <https://midasgoldidaho.com/resource-library-sustainability/#>



and binds the operating company to a mechanism for community feedback and input throughout the life of the Project.

To be clear, ESG reporting is a developing field and MGC and MGII will be ramping up their tracking and reporting of its ESG performance and practices to meet the expectations of MGC's investors and the high standards we hold ourselves to.

### **Integrity**

MGC's and MGII's employees, directors and consultants are required to adhere to a strong set of corporate policies to ensure best practices in every aspect of the Company's business. Employees and directors of the Company are required to participate in a yearly training session on the policies and document that they have read, understand and agree to abide by the policies of Midas Gold. These policies include<sup>40</sup>:

- ESG Policy;
- Code of Conduct and Ethical Values Policy;
- Anti-Bribery and Anti-Corruption Policy;
- Charitable Donations Policy;
- Diversity Policy;
- Information Technology and Information Technology Security Policy;
- Insider Trading and Reporting Policy;
- Political Contributions Policy;
- Social Media Policy; and
- Whistleblower Policy.

### **Conclusion**

We appreciate the opportunity to reiterate MGC's and MGII's commitments to their environmental, social and governance policies, core values and principles for the record as these are foundational to the companies and the SGP. As previously noted, the directors, officer and employees of both companies do not make such commitments lightly and expect to be held accountable for living by these standards now, and in the future, when we develop and operate the Stibnite Gold Project.

We trust that you will take these points into consideration as you consider the final stages of permitting the Project, and the comments that will undoubtedly arise from groups or individuals opposed to mining that will mischaracterize MGC, MGII and the mining industry in general, based on mining practices commonly used decades ago, prior to the enactment of today's environmental regulations. The history of unregulated mining projects in Idaho and elsewhere provide no meaningful information about the Project or MGII, and do not apply to the current environmental regulatory regime or the governance requirements applicable to public companies like MGC and MGII. We simply request that you consider who Midas Gold is, our past decade of environmental, social and governance practices and our written, publicly disclosed commitments for the future.

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<sup>40</sup> See <https://www.midasgoldcorp.com/esg/governance/>



Sincerely,  
MIDAS GOLD CORP.

  
Stephen P. Quin  
President & CEO

MIDAS GOLD IDAHO, INC.

  
Laurel Sayer  
President & CEO