

Ms. Linda Jackson
Forest Supervisor
Payette National Forest
500 North Mission Street, Building 2
McCall, Idaho 83638-3805

Subject: Letter of Support
Midas Gold Stibnite Gold Project
Draft Environmental Impact Statement (DEIS)

Date:

October 27, 2020

Ms. Jackson:

I have reviewed Midas Gold Idaho's (Midas Gold's) Stibnite Gold Project (SGP) Plan of Restoration and Operations (PRO or plan) and met with members of the Midas Gold Idaho technical team to better understand the company's plans for the Project. Below are supporting comments on certain aspects of the PRO to be included in the public comment period ending October 28, 2020.

PRO -- Midas Gold has presented a complete and comprehensive plan to restore the area. The various and numerous restoration and mitigation components of this Project are above and beyond what the law requires. There are many checks and balances in place to ensure that Midas Gold Idaho follows through on its promises to restore the site. The company is required by law to set aside the requisite financial assurances for restoration before mining can begin. Midas Gold will stay true to its word and complete all the proposed mining, re-mining, reclamation, remediation, and restoration activities.

Site Cleanup and Closure -- Without the approval the SGP, the historic Stibnite Mine area will not be restored. The nature of the formerly abandoned and orphaned Stibnite Mine site can be redeveloped and cleaned up with private capital versus taxpayer dollars. Midas Gold is willing to take on decades old environmental liabilities that are not from Midas Gold but from World War II (WWII) era government sponsored/managed wartime production efforts. It seems imperative for a private entity to step forward with a business plan to address these abandoned legacies. Upon issuance of the Record of Decision

(ROD) and Notice to Proceed, the site can be cleaned up by private parties as Midas proposes in their PRO.

Air Quality – Upon review of Air Resources’ Technical Memorandum, “Midas Gold SGP Permit to Construct (PTC)”, September 2020; we reiterate and support the following:

The Idaho Department of Environmental Quality (DEQ) requires a new or modified source of air pollution to obtain a PTC before it begins construction. The purpose of an air pollution control permit is to establish enforceable conditions, ensuring that facilities comply with applicable state and federal air pollution control rules that protect air quality and public health.

In August 2019, Midas Gold submitted the initial application to obtain a PTC for the proposed SGP to DEQ. The SGP is a proposed gold mining and refining facility in the historical Stibnite - Yellow Pine mining district in Valley County in central Idaho. The SGP will be a stationary source of air emissions and triggered the PTC requirements. On September 10, 2020, DEQ issued a draft PTC for the proposed SGP facility. The PTC limits the emissions from proposed mining (e.g., drilling, blasting, material extraction), ore and lime processing (crushing, screening, grinding, handling, etc.), ore concentration and refining (e.g., pressure oxidation, electrowinning, retort, furnace), and ancillary equipment (e.g., aggregate and concrete production, process and building heaters, emergency equipment) at the SGP.

The SGP PTC identifies the proposed sources/activities with the potential to emit air pollutants and establishes enforceable activity-specific operational limits, air pollution mitigation and control requirements, and air pollutant emission limits. The PTC also provides enforceable monitoring, source testing, recordkeeping, and reporting requirements for SGP to demonstrate compliance with the PTC.

The PTC application was developed based on conservatively high projections of production and activity rates for the SGP, resulting in conservatively high potential emissions to review in the DEQ PTC process. The projected emissions in the PTC application are conservative, meaning that actual emissions and related air quality impacts are expected to be lower than presented in the PTC.

The SGP is not a major source of air pollutants. For PTC purposes and based on the maximum potential emissions estimated for the SGP facility, SGP is classified as a “synthetic minor” facility for the criteria pollutants. The SGP Hazardous Air Pollutant (HAP) emissions are also less than the major source thresholds; therefore, SGP is classified as an “area” source for HAP emissions. Limits on emissions also establish that SGP is not a major source for Clean Air Act Title V permitting, or for Tier I Permitting (as the program is referred to in Idaho). Generally, from an air emissions perspective, the SGP facility falls within the range of most gold mining facilities nationwide, (i.e., potential emission less than the major source thresholds).

Mercury emissions are estimated in the PTC from processing activities. Mercury emissions are tightly regulated. The United States Environmental Protection Agency (USEPA) has promulgated mercury

emission standards for gold ore processing and production facilities. Midas Gold is proposing strict mercury control measures, including the industry-proven sulfur-impregnated carbon filter technology, to restrict its potential mercury emissions to less than 11 percent of the applicable USEPA standards.

The SGP location area (Valley County, Idaho) is designated as “attainment” or “unclassifiable” for all criteria pollutants, meaning that the existing air quality in the SGP area meets the national ambient air standards set by USEPA. Midas Gold and DEQ completed refined air dispersion modeling analyses using the regulatory approved models, methods, datasets, and techniques to evaluate the impacts of the conservatively high potential emissions from SGP. These air quality analyses demonstrated to DEQ’s satisfaction that the maximum potential emissions from the SGP facility will not cause or contribute to an exceedance of any ambient air quality standard.

Surface Water and Groundwater Quantity (Reference: SGP DEIS, Chapter 4, Section 4.8) – Upon review of the alternatives presented in the DEIS, we recapitulate and concur with the following:

Multiple mitigation measures were adopted in Alternative 2 to further reduce impacts related to surface water and groundwater quantity. Depletions in Meadow Creek streamflow and the time required to recover (during operations and into post-closure) were addressed by: (1) extending the Meadow Creek liner downstream by more than 1,000 feet, (2) continuing to use rapid infiltration basins (RIBs) into early post-closure, and (3) routing Meadow Creek around Hangar Flats pit lake.

Additionally, the time required to fill Hangar Flats pit lake and restore hydrologic equilibrium was reduced by: (1) partially backfilling the pit, (2) “peak shaving” Meadow Creek runoff flow to the pit, (3) extending Meadow Creek stream liner (which reduces the required dewatering rate) and (4) eliminating the West End Development Rock Storage Facility (DRSF), which prevents groundwater decline.

Stream flows at U.S. Geological Survey (USGS) Gaging Station 13311000 (East Fork of the South Fork of the Salmon River or EFSFSR at Stibnite), which is downstream of the confluence with Meadow Creek, are simulated as slightly increased for the Alternative 2 scenario relative to Alternative 1, as well as, current and existing conditions.

The modeled streams (EFSFSR and Meadow Creek) surrounding the Hangar Flats pit are expected to return to patterns similar to existing conditions up to four years sooner for Alternative 2 relative to Alternatives 1 and 3.

Surface Water and Groundwater Quality – Without the Project, there are no identified solutions to address legacy waste and contamination of the site. Midas Gold has never conducted mining operations at Stibnite but is willing to provide long-term and large-scale solutions to the legacies left behind by previous operators and regulators. Midas Gold will reprocess 3 million tons of historical tailings and repurpose the 7.5 million tons of spent heap leach ore, removing an existing potential source of water quality degradation from the watershed. Without the Project, there are no identified solutions to address

legacy waste and contamination. Midas Gold's plans include interim stabilization of Blowout Creek in the first years of construction and operation, fixing the most significant source of sediment in the watershed. Full restoration at closure will improve water quality, stabilize the water table in that area and re-establish wetlands habitat. The Project will improve water quality through:

- Removal of legacy waste rock in or adjacent to the EFSFSR
- Removing or addressing several historical underground workings that are likely sources of surface and groundwater water quality impacts
- Enhancing or restoring more than 12 miles of the EFSFSR and tributaries and adding quality fisheries habitat
- Removing and reprocessing historical tailings
- Repairing Blowout Creek, the largest sediment source in the area
- Reforesting to reduce sediment runoff.

After reviewing the DEIS (and highlighting the above mentioned factors), I hope the U.S. Forest Service will select Alternative 2, as it seems to comprehensively addresses the actions that need to be addressed and to be the best overall option for the site. I would like to thank the U.S. Forest Service for providing the opportunity, and sufficient time, to comment on this important Project's permitting process. I hope the U.S. Forest Service will realize the benefits this Project and permit the SSGP using Alternative 2.

Best Regards,



James C. Kirschner, RG
Sr. Vice President