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Conway G. Ivy
Executive Chairman

December 28, 2022

Ms Linda Jackson
Payette Forest Supervisor
500 North Mission Street
McCall, ID 83638

RE: Comments on the Stibnite Gold Project SDEIS

Dear Ms Jackson:

I am writing in strong support of the Stibnite Gold Project (SGP), and approval by the USFS of the 2021 Modified Mine Plan (MMP), described as the USFS Preferred Alternative in the Supplemental Draft Environmental Impact Statement (SEIS).

Compared to the No Action Alternative, the SGP will fulfill the purposes of the National Environmental Policy Act ("NEPA") by *"encourage(ing) productive and enjoyable harmony between man and his environment to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources important to the Nation;"*. The MMP will also help improve the balance of the *"multiple use policy"* of the US Forest Service by *"managing the forest lands for sustainable multiple uses to meet the diverse needs of people while insuring the health of our natural resources."* The importance of the multiple use policy for Valley County's economic well-being is emphasized by 87% of Valley County being under federal management, with the overwhelming majority of this being U.S Forest Service lands. Lack of balance in implementing this policy has harmed many local communities through the elimination of employment opportunities and a reduction in tax base that supports local infrastructure and public services. This has resulted in many

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younger residents with families having to move from the area in order to earn a sustainable living.

Implementing the MMP will unarguably provide tremendous economic benefits to Idaho, and in particular the local communities in Valley County that will provide many of the employees, services, and supplies for the project. The SDEIS projects 200 new residents for SGP-related employment, and \$61.7 million dollars a year in total government tax revenues of which \$10.1 million will go to state and local government entities. This is a very significant economic boost to the local area, with creation of living wage jobs and increased government revenues that can fund services and facilities depended upon by the public. Importantly, it will also provide economic diversification by providing employment and funding supporting county services which are currently dependent on recreation and retirement living.

I was surprised to see that the SDEIS makes almost no mention of the value of the MMP in providing a domestic source of a strategic mineral, antimony. Executive Order 14017 (EO), signed by President Biden, directed the federal government to undertake a review of vulnerabilities in critical mineral and material supply chains in the US, with a goal of identifying bottlenecks in those minerals and approaches to increase their domestic production. This EO reflects a new political and social realization that the United States is vulnerable when critical minerals used in its manufacturing and defense industries are primarily or entirely sourced from geopolitical entities that are unreliable, or openly hostile to our country. Antimony trisulfide is essential to national defense as a key component for a wide range of munitions in the US defense arsenal. The SGP would be the only domestically mined source of antimony and has one of the largest resources in the world not controlled by China or Russia. The SDEIS says that the MMP would

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produce 148.7 million tons of antimony, meaning that this one mining project would likely satisfy the strategic need to source this mineral from the United States itself. The importance of this resource is underscored by the December 19, 2022 Department of Defense (“DoD”) Press Release announcing a \$24.8 million award to Perpetua which states the SGP “is the sole domestic geologic reserve of antimony that can meet DoD requirements”. Its press release goes on to say, *“This investment is essential to ensure the timely (emphasis mine) development of a domestic source of antimony trisulfide for the manufacturer of small arms and medium caliber cartridges, as well as many other missile and munition items.”* Downplaying or ignoring this value of the MMP is a major shortcoming of the SDEIS, which needs to be remedied with a greater discussion and analysis in the Final EIS because it is another major reason the USFS should approve the MMP. If these economic and strategic mineral benefits, were all that was provided by the MMP, they would support and justify USFS approval of the project. But they are far from the only benefits.

The No Action alternative would do nothing to treat water draining from 5 historic adits in the project area. And it will not result in removal or treatment of mining wastes from previous operators in the Stibnite mining area, where metals will be leached out into groundwater and surface waters for many decades or centuries. The SDEIS suggests that Perpetua may address some impacts from prior mine waste in a voluntary “Bridge Phase” even if the SGP is not approved. This is unlikely because if the MMP is not approved it is questionable whether Perpetua would have the financial resources or justification to continue. But the SDEIS is explicit in saying that Phase 2 and Phase 3 of the Administrative Settlement Agreement and Order on Consent (ASAOC) between Perpetua, EPA, and the USFS will not be implemented unless the SGP is approved. Thus, the no action alternative all but guarantees that potentially hazardous mine drainage, and

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pollution into the East Fork South Fork of the Salmon River (EFSFSR) from past mining wastes will continue, to the long-term detriment of both water quality and ESA fish species. By extension, the SGP will greatly increase environmental remediation activities in the project area through both its planned actions, and the probable implementation of all phases of the ASAOC, which is an enormous environmental benefit that should have been much more clearly stated in the SDEIS.

Similarly, the No Action alternative does nothing to reestablish fish passage upstream past the Yellow Pine Pit; many existing road crossings that currently provide either no fish passage, or impaired fish passage, will remain as impediments to free movement of fish; and the enormous sediment inputs from Blowout Creek would go unaddressed. These are but a few examples of the environmental improvements proposed by Perpetua that will not occur under the No Action alternative.

As for the larger project envisioned by the MMP, it is clear that both Perpetua and the USFS have put enormous thought and effort into identifying approaches to minimize the potential adverse environmental and human impacts. The USFS includes 117 separate items that must be instituted by the project based on existing regulatory and Forest Plan Requirements (Table 2.4-12). In addition, Perpetua has 155 individual Project Design Features (Table 2.4-13), which as the SDEIS notes, are *“project-specific measures intended by a proponent to inherently reduce and/or avoid potential environmental impacts of a proposed action.”* In other words, design features and actions that will avoid, minimize or mitigate environmental impacts of the SGP. Collectively, the range of these requirements and commitments is vast, from fugitive dust capture (first of the two lists) to vegetation maintenance for safety (last). Reading through the list it seems first

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that anything and everything that could be thought of to avoid, reduce or mitigate impacts of the project are somewhere in the list. And second, what project can anyone think of that has had such a vast “laundry list” of must dos, can dos, and will dos?

As I considered the list of 172 mitigation requirements and commitments, I was also impressed by the environmental benefits of the overall plan being proposed by Perpetua for the project area. Particular highlights include:

- Restoring fish access to the EFSFSR above the Yellow Pine Pit, and in Meadow Creek. The enormous expense of providing access via a tunnel during mine operations shows the level of commitment by Perpetua to environmental restoration. And the final mitigation plans for stream habitats and fish access as part of the mine reclamation activities ensure that excellent conditions will exist into perpetuity, despite the SDEIS’s unwarranted complaint that shading and consequently water temperature control may be delayed because the vegetation associated with such restoration takes time to grow.
- The mitigation plans to eliminate the huge sediment inputs from Blowout Creek, and the attendant restoration of wetlands and aquatic habitat along the creek. This provides site specific benefits along Blowout Creek, but also system level benefits in Meadow Creek and EFSFSR for fish and aquatic habitats by eliminating this large, persistent sediment source.
- The extensive engineering associated with the Tailings Storage Facility to prevent both any failure in the future, or the possibility of contaminated runoff. Critics of mining everywhere always claim that TSFs are environmental disasters waiting to happen. But Perpetua has worked to provide a design engineered in this application to have such a high factor of

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safety that future failures are extremely unlikely with a probability of not occurring at almost 100%. The long-term collection and treatment of seepage from the TSF also ensures long-term environmental protection.

- A wide variety of wildlife protection measures, including some that, to me, seemed unnecessary (e.g., many of the restrictions on lighting). Even if lighting has some impact the SDEIS fails to recognize that wildlife have the capacity to adapt to a changed environment. This is evidenced by the caribou coexisting with the Alaskan pipeline and, closer to home, the winter movement of deer and elk into the populated areas of McCall to avoid wolf predators. A mining project has the potential to affect wildlife, for example by exclusion from areas of active operations. But the USFS and Perpetua requirements and PDFs, collectively, provide as much protection as is needed to avoid significant effects, and, as with aquatics, commits Perpetua as part of its operations and reclamation to monitor sensitive species while also providing a strategy to avoid, minimize or mitigate impacts to wildlife.
- The many road construction, maintenance, and operations-related mitigations to ensure that roads used for the SGP are safe, erosion free, and do not lead to fish passage, fuel spill, or traffic related problems.

A mining project that provides so many benefits to society and simultaneously improves the environment should be easy for the USFS to approve, as you should.

But this being 2022, there are many stakeholders who will oppose this project, not because of the project impacts and benefits, but because they oppose any economic development on USFS managed lands. The USFS needs to strongly consider how these opponents plan to clean up existing contamination in the SGP area? How will they restore fish passage past the Yellow Pine Pit? How will they

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improve fish passage at existing road crossings that do not provide it? And how do they propose to provide a comparable number and quality of jobs, the tax revenue, and the nationally strategic mineral antimony that the United States needs? If the answer is that they provide no pathway to any of these benefits then the USFS must reject those comments, however earnest, that the SGP should be denied by the USFS.

I personally have been active in the immediate Big Creek/Yellow Pine area since 1964 and through my mineral exploration company since 1978. Anyone who has been active in the area loves and respects its beautiful environment. Our company owns a significant number of mining claims in the area and is also developing claims in Nevada and Arizona. I have spent more than 40 years in mineral exploration and development.

I have worked extensively with the Payette National Forest (PAF), Valley County, residents in the Yellow Pine/Big Creek area, representatives of both the Nez Perce Tribe and the Idaho Conservation League and representatives of numerous federal agencies. Much of this activity was as a founding member of the Big Creek/Yellow Pine Collaborative addressing road issues in the area including those in part of the MMP operating area. This Collaborative was established and sponsored by Senator Crapo. My commitment to the Collaborative and its objectives is evidenced by my attendance in all but three of its monthly meetings during its six year existence. My attendance required my flying from South Carolina to Boise and thence to Cascade by automobile for every meeting I attended. As a result, I personally know many of the stakeholders that would be affected by the MMP, and have listened to and understand the goals and concerns of these individuals and groups. My commitment is also evident in the large effort to identify and then implement Storm Damage Risk Reduction

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measures on the mining access roads I use to access my claims. This work has repaired and improved roads, resulting in the prevention of thousands of tons of sediment from entering streams and rivers in the Big Creek watershed.

Given this background and experience, I am certain that PAF will receive many positive comments from citizens of the region that believe strongly in the need for the SGP, and the economic and strategic mineral benefits that the project would entail. I am equally certain the Nez Perce Tribe and representatives of environmental organizations will oppose the project based on the specific narrow objectives of their organizations. From experience and observation, they will spare little time or expense to generate a laundry list of possible impacts of the MMP alternative that, however unlikely, they will argue should lead to USFS rejection of any alternative except the No Action one. In many instances at this point in the process they will bring up requirements for further study on non-material speculative project impacts that only serve to delay the project. Chasing these non-material impacts with further analysis is tantamount to the USFS making a No Action decision resulting in further environmental degradation.

Already this obstructive strategy has been productive; from Midas Gold's initial application to the USFS in 2016 we are now going on seven years of NEPA analysis with not one but two draft Environmental Impact Statements, this most recent one being over 1,600 pages long. Any USFS argument that Midas/Perpetua's modification of their plans for the SGP are the reason for this extended NEPA analysis is disingenuous because so many of those changes were necessitated by early and strenuous environmental objections by opponents to the project. This classic strategy of agency analysis, requests for project changes, more analysis, more changes, and so on has been aptly called "Analysis Paralysis", something opponents of the SGP are quite experienced at. Continued delay will be

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implementing without legal approval the No Action Alternative and increase the probability of a final NO Action outcome by greatly restricting Perpetua's financial options. And it will also be ignoring the DoD's needs for timely development of a critical mineral.

This obstructive and lengthy approach conflicts with the public policy purposes of the National Environmental Policy Act and the Forest Service multiple use policy mentioned at the beginning of my letter. So, the USFS in coming to its decision should do the following;

- The USFS should let the facts guide their actions. In my 40 years in the mining industry I have never observed a proposed mining project that has undergone more analysis and review, that contains more environmental protections and mitigations, or that offers such an enormous opportunity to clean up historic environmental contamination that will otherwise impact the environment for decades or centuries. And all this for a region that needs jobs, needs infrastructure, and that is eager for the chance to help the United States achieve a domestic source of a critical mineral so that we are not dependent on China, Russia, or other unreliable sources.
- In short, the USFS should approve SGP because it has so many benefits, because it has so many protections and mitigations, and because it has been studied and analyzed for so long and in so much detail that any claim of unknowns and uncertainties is either ungenue or reflects only those things that are unknowable for any project. I know the USFS will thoughtfully consider all viewpoints as it has for 7 years during this NEPA process, but as lead agency, it has to put facts first.

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- The Modified Mine Plan clearly fits within the four corners of the regulatory guidance and requirements of the National Environmental Policy Act and the Multiple Land Use Policy of the USFS.
- Approve the MMP alternative of the SGP!

Sincerely



Conway G Ivy,
Executive Chairman
Ivy Minerals, Inc.