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January 7, 2023

U.S. Forest Service, Payette National Forest
Attn: Linda Jackson, Payette Forest Supervisor
Stibnite Gold Project
500 North Mission Street, Building 2
McCall, ID 83638

RE: Comments on the Payette and Boise National Forests' Supplemental Draft Environmental Impact Statement for the Stibnite Gold Project

Dear Ms. Jackson:

Introduction

In October 2020, the New Mexico Mining Association (NMMA) submitted comments on the August 2020 Draft Environmental Impact Statement (DEIS) that the Payette and Boise National Forests (Forest Service) prepared for Midas Gold, Inc.'s (now Perpetua Resources Ltd.'s or Perpetua's) Stibnite Gold Project (SGP) in Valley County, Idaho. Our October 2020 comments focused on New Mexico's experience with the slow progress of the Superfund cleanup at the Questa Mine in Taos County, NM to demonstrate the significant advantages associated with Midas Gold's plan to address the environmental problems at Stibnite compared to waiting decades for a Superfund cleanup.

Today, NMMA is submitting comments on the Forest Service's October 2022 Supplemental Draft Environmental Impact Statement (SDEIS). Based on our review of the SDEIS, NMMA continues to believe that Perpetua's plan to redevelop, remine, and remediate the Stibnite mine site as described as the 2021 Modified Mine Plan (MMP) in the SDEIS will expedite cleanup of this site and achieve significant environmental and ecological benefits. Waiting for the federal government to step in makes no sense. There have been no new policy developments that suggest the federal government will make the significant investment required under the Superfund or another federal program that will successfully remediate this site.

About the NMMA

NMMA's mission is to advance the mineral resources and related industries in New Mexico. We accomplish this mission by: cooperating with educational institutions to encourage mineral resource education; collaborating with other industries and trade associations on matters of mutual concern; disseminating information on mining and mineral resources to all segments of the general population; providing advice and counsel to NMMA members about developments, trends, and national and state legislative issues that may affect the mineral resource industries; and planning and convening meetings that may benefit our members.

Remining to Improve the Environment and to Obtain Critical Minerals

As we explained in our October 2020 letter on the DEIS, New Mexico has many mining districts that were developed in the same timeframe as the Stibnite Mining District where mining started in the late 19th century and continued through the first half of the 20th century. The MMP redevelopment, remining, and restoration proposal analyzed in the SDEIS is thus of interest to NMMA – especially in light of recent policy developments pertaining to critical minerals and evaluating old mine wastes as a potential source of critical minerals.

Both the Biden Administration and Congress have recently developed policies that favor producing critical minerals from old mine wastes. For example, the 100-day report entitled “Building Resilient Supply Chains, Revitalizing American Manufacturing, and Fostering Broad-Based Growth¹,” explicitly requires the Secretaries of Agriculture and the Interior to evaluate reprocessing mine wastes as a viable source of critical minerals. As a remining and reprocessing project that will recover the critical mineral antimony from legacy mine wastes, the SGP could become the first project to confirm the viability of producing a critical mineral from legacy mine wastes.

With the enactment of the November 2021 Infrastructure Investment and Jobs Act (IIJA), which is also known as the Bipartisan Infrastructure Law, Congress established several critical minerals mandates. Section 40206 of the IIJA notes that permitting delays are a principal factor in contributing to the nation's dangerous reliance on foreign countries for critical minerals, and directs the Secretaries of Agriculture and the Interior to prepare a report within one year to make recommendations to streamline the permitting process. The IIJA also created a \$510.7 million scientific research program for the U. S. Geological Survey (USGS) and directed that most of this funding be used for critical minerals research. As part of the IIJA-funded critical minerals research program, the USGS is studying the potential for critical minerals in mine waste².

In light of these critical minerals and remining directives, the SGP becomes a project of national importance. The Forest Service needs to consider this importance as it finalizes the National

¹ This report was prepared in response to President Biden's February 24, 2021 Executive Order 14017 “on Supply Chains.”

²<https://www.usgs.gov/special-topics/bipartisan-infrastructure-law-investments/science/bipartisan-infrastructure-law-1>

Environmental Policy Act (NEPA) process for the SGP, prepares the Final Environmental Impact Statement (FEIS), and issues the Record of Decision (ROD) to approve the SGP. The national importance of the SGP demonstrating the feasibility of producing a critical mineral from legacy mine wastes dictates that the Forest service should expedite issuing the ROD.

The U.S. Military has an Urgent Need for the Antimony from the SGP

The Department of Defense’s December 19, 2022 announcement³ that it has awarded Perpetua a \$24.8 million Title III Defense Production Act (DPA) grant to advance the SGP signals the U.S. military urgently needs the antimony from the SGP. The statement that the Stibnite deposit is “the sole domestic geologic reserve of antimony that can meet Department of Defense (DoD) requirements⁴” is sobering and means that the Forest Service needs to approve this project quickly – preferably as early as possible in 2023 – for national security and defense reasons.

The following excerpts from DoD’s announcement also underscore the national importance of the SGP:

“This investment is essential to ensure the timely development of a domestic source of antimony trisulfide for the manufacture of small arms and medium caliber cartridges, as well as many other missile and munition items.”

“This action reinforces the Administration’s goals to increase the resilience of our critical mineral supply chains while deterring adversarial aggression.”

The obvious conclusion to be reached from DoD’s announcement is that without the antimony from the SGP, the country’s vulnerable antimony supply chain compromises the U.S. military’s ability to manufacture the weapons needed to protect the country.

The U.S. currently imports 84 percent of the antimony we need, with about half of the imported antimony coming from China⁵. This high level of import reliance – especially from China – may be one of the main reasons the military is eager to have a reliable domestic source of antimony from the SGP. The need for the antimony from the SGP is increased by DoD’s admission that the SGP as the only antimony reserve that meets the military’s technical specifications. Given these facts, it seems obvious that the SGP needs to be built and operated as soon as possible to strengthen our antimony supply chain and reduce our reliance on China and other foreign countries for this critical mineral. The only way for this to happen is for the Forest Service to expedite publication of its FEIS for the SGP and issue the ROD approving the SGP.

Capitalizing on Perpetua’s Proposal to Invest \$1.1 Billion Versus Waiting for Congress to Appropriate Funds to Clean Up the Stibnite Mine

³ <https://www.defense.gov/News/Releases/Release/Article/3249350/DoD-issues-248m-critical-minerals-award-to-perpetua-resources/>

⁴ *Ibid.*

⁵ <https://pubs.er.usgs.gov/publication/mcs2022>

If Perpetua does not remediate the Stibnite mine site, the question has to be asked: who will? If the Forest Service does not approve the SGP, the Stibnite mine site could once again become an abandoned mine and a future Superfund site. It makes no sense to delay or deny the clear benefits of starting the site remediation in the near future, as would occur under the MMP for the SGP, compared to waiting years – possibly decades – for federal funding to remediate this site.

Our October 2020 comments on the DEIS provided a detailed case history of the Questa Superfund Site that documents the glacial pace of the Superfund cleanup action. The State of New Mexico had to wait 32 years (from 1980 to 2012) for the Superfund environmental restoration work at Questa to begin and more than 40 years (from 1980 to 2021) for the final remedial actions to commence. EPA’s Superfund website for the Questa Mine shows that the anticipated dates to complete construction, delete the Questa Mine from the National Priorities List, and to achieve sitewide readiness for anticipated reuse as “Not Yet Achieved.” This “progress report” is based on a recent Five-Year Review that was completed on August 2, 2022⁶.

Comparing the planned 20-year schedule in the MMP to *complete* the mining and associated restoration activities at Stibnite, versus the 32-years it took the U.S. Environmental Protection Agency (EPA) to *start* the Questa Mine cleanup and the unknown future date when the cleanup will be completed, vividly illustrates that Perpetua’s proposal to clean up Stibnite would produce a vastly superior outcome. Rather than waiting decades for a Superfund environmental cleanup to start and eventually be completed, the environment and the public can begin benefitting right away from Perpetua’s expedited cleanup schedule in the MMP.

Not wanting to wait for the Forest Service to complete the NEPA process for the SGP, Perpetua, the Forest Service, and the EPA entered into an Administrative Settlement and Order on Consent (ASAOC) in January 2021 that is a phased plan to remediate certain legacy mine features outside of the MMP project boundary. (See Section 1.3 of the SDEIS.) Perpetua initiated Phase 1 of the ASAOC in July 2022 to voluntarily address several areas outside the MMP project boundary that the parties identified as being time-critical. The ASAOC Phase 1 remediation measures include:

- Constructing stream diversion ditches to divert water away from legacy mine wastes that are contaminating area streams;
- Removing approximately 325,000 tons of legacy development rock and tailings from locations in Meadow Creek and the East Fork of the South Fork of the Salmon River that are currently adversely impacting water quality; and
- Conducting baseline studies at five historic mine adits that are discharging mine drainage.

The Forest Service and the EPA are directing these Phase 1 remediation activities, which are scheduled to be completed by 2025. In addition to Perpetua’s \$12.5 million direct, on-the-ground remediation costs to perform Phase 1, Perpetua provided the agencies with a \$7.5 million performance bond to guarantee the Phase 1 work. Under the ASAOC, Perpetua may be able to

⁶ <https://cumulis.epa.gov/supercpad/SiteProfiles/index.cfm?fuseaction=second.schedule&id=0600806#Milestone>

pursue the conceptual site restoration measures in Phases 2 and 3 of the ASAOC if and when Perpetua is producing gold and antimony from the Stibnite Mine.

It should be obvious from the remediation work already underway pursuant to the ASAOC and the remediation schedule in the MMP, that there is a very viable plan in place to remediate the Stibnite mine site using private-sector resources. It would be nonsensical for the Forest Service to delay or deny Perpetua's MMP to redevelop, remine, and remediate the Stibnite mine in favor of waiting for future but unidentified federal funding. Doing so would likely consign the Stibnite area to years – maybe decades – of ongoing environmental degradation.

The \$1.1 billion price tag to remediate the Stibnite Mine needs to be considered in the context of what the Forest Service has spent to date to clean up this site. According to the November 8, 2021 letter from the Intermountain Region Regional Forester, Mary Farnsworth, to Idaho Congressmen Russ Fulcher and Mike Simpson, the Forest Service spent \$5.2 million to remediate the Stibnite mine site between 1992 and 2013. If the Forest Service does not approve the SGP, taxpayers would have to make up for the staggering shortfall between \$5.2 million and \$1.1 billion in order to remediate this site

However, based on the meager resources provided to the Forest Service to date to clean up the Stibnite mine site it seems highly unlikely that Congress will appropriate the funds necessary to enable the Forest Service to perform a meaningful future cleanup at Stibnite. Without Perpetua's proposed investment of \$1.1 billion to redevelop and remediate this site, the Stibnite Mine area will continue to create serious environmental and ecological problems in the Payette and Boise National Forests for the foreseeable future.

The planned environmental cleanup work at Stibnite would start immediately and continue throughout the construction, operation, reclamation and closure phases of the project. As discussed Section 2.4-3 in the SDEIS, the major phases of the MMP include: mine construction (Years 1 – 3), active mining (Years 2 – 15), mine closure and reclamation (Year 16+), and post-closure water management and water treatment (Years 16 – 40.) Some environmental restoration measures would be implemented early during the MMP activities including reforestation of burned areas, revegetation, construction of the fish passageway tunnel around the western margin of the Yellow Pine Pit, riparian and stream habitat enhancements, wetlands mitigation, and remediation of Blowout Creek.

Notwithstanding the military's urgent need for the antimony from the SGP as discussed above, it is quite clear that Perpetua's MMP presents the Forest Service and taxpayers with a compelling opportunity to capitalize upon a private-sector plan to remediate this site in the near future. For this reason alone, the Forest Service should authorize the SGP as quickly as possible so the environmental restoration work can begin, funded by the redevelopment of a modern mine built by private capital to the highest environmental standards.

The unacceptability of the No Action Alternative is equally clear. It is impossible to imagine any viable reason for the Forest Service to select the No Action Alternative as the Agency Preferred Alternative in the FEIS. Selecting the No Action Alternative would preserve and prolong the

environmentally degraded *status quo* and forego this unique opportunity to use private-sector resources to clean up the Stibnite mine site.

In our October 2020 comments on the DEIS, NMMA stated that the DEIS did not adequately describe the policy implications of the No Action Alternative. Unfortunately, this continues to be the case for the SDEIS, because the SDEIS does not fully describe the numerous environmental restoration measures that would not be built and the environmental improvements that would not materialize under the No Action Alternative. NMMA suggests the FEIS should include a more complete discussion of the adverse impacts to the environment and to national defense and military preparedness under the No Action Alternative. This discussion should disclose the enormous lost opportunity costs associated with the No Action Alternative.

Conclusion

The Forest Service has developed a comprehensive SDEIS that presents an impressive amount of baseline data and a thorough analysis of the environmental impacts that would result from the MMP. It has also identified the best alternative, the Burntlog Route, as the Agency Preferred Alternative.

As stated above, issuing the ROD for the MMP the only logical decision the Forest Service can make. We urge the Forest Service to make this decision as quickly as possible so the proposed environmental restoration and mining work can begin, the military will have a secure domestic source of antimony, and the numerous socioeconomic benefits the SGP will create can start to bring economic prosperity and diversification to the State of Idaho and the Valley County area.

Thank you for this opportunity to provide comments on the SDEIS.

Sincerely yours,



Mike Bowen

Executive Director

New Mexico Mining Association