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Submitted Electronically To:

<https://cara.fs2c.usda.gov/Public//CommentInput?Project=50516>

January 11, 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:

**I. Introduction and General Comments**

The Nevada Mining Association (NVMA) appreciates this opportunity to provide comments on the October 2022 Supplemental Draft Environmental Impact Statement (SDEIS) that the Payette and Boise National Forests (Forest Service) have prepared for Perpetua Resources Ltd.'s (Perpetua's) proposed Stibnite Gold Project (SGP) in Valley County, Idaho. The SGP will produce gold and the critical mineral antimony and cleanup an area with environmental degradation due to pre-regulation, World War II and Korean War-vintage mining. As discussed in these comments, the many environmental restoration and economic benefits associated with the SGP, coupled with the country's urgent need for a domestic source of antimony, make a strong case that the Forest Service should approve this project as soon as possible.

NVMA represents Nevada's mining industry, which is comprised of more than 500 companies involved in all aspects of mineral exploration and development, mine operation, reclamation and closure. Our members include large and small mineral producers, exploration companies, the mine construction sector, mine equipment manufacturers, and other companies that provide goods and services to Nevada mines. Because most Nevada mineral projects involve federal land where either the U.S. Bureau of Land Management (BLM) or the Forest Service must prepare a National Environmental Policy Act (NEPA) document, NVMA is very familiar with the NEPA process and is thus well qualified to provide comments on the SDEIS for the SGP.



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NVMA also has expertise with the challenges associated with reclaiming abandoned mines – especially mines with environmental problems created by pre-regulation mining operations. We are truly impressed with Perpetua’s plan to integrate environmental restoration into its redevelopment plans for the Stibnite Mine. The environmental improvements documented in the SDEIS that would occur from implementing Perpetua’s Modified Mine Plan (MMP) can lead to only one conclusion – development of the MMP is a win-win for the environment, Idaho, and the Nation. Additionally, the SGP will become the only domestic antimony mine, supplying the U.S. with this critical mineral needed for numerous civilian and military applications.

Based on Nevada’s position as the Nation’s largest public lands mining state, NVMA has witnessed the significant economic benefits that mining provides to local and state economies. We are also keenly aware of how modern mines are regulated to protect the environment and to provide comprehensive financial assurance to guarantee reclamation. The environmental safeguards and protection measures that Perpetua has included in the SGP and that are analyzed in the SDEIS are similar to those in use at Nevada mining operations.

Both Perpetua and the Forest Service deserve a great deal of credit for making the investment in time, energy, and resources to use the public comments received on the August 2020 Draft EIS<sup>1</sup> to refine and enhance the SGP. The changes that Perpetua has made to the SGP and that the Forest Service has analyzed in the SDEIS demonstrate that public participation in the NEPA process can result in important improvements to a proposed project. The remainder of this letter presents NVMA’s specific comments on the SDEIS.

## II. Specific Comments

### A. The Final EIS is an Opportunity to Improve the Clarity of the NEPA Document

In general, the SDEIS is well written. However, there are some internal inconsistencies that are confusing and should be clarified in the Final EIS. For example, some of the narratives about the benefits to water quality that will result from the SGP say different things. Based on the excellent synthesis in Figure 4.9-21 that shows the results of the Site Wide Water Chemistry (SWWC) model, it is quite clear that the MMP will significantly improve water quality. These improvements are most evident from the monitoring point that is downstream from the mine facilities, YP-SR-2. Figures 4.9-21 and 4.9-25 and several tables in Section 4.9 of the SDEIS show that the post-operational water quality is predicted to reduce antimony concentrations by 40 percent and antimony concentrations by 58 percent compared to baseline conditions. These reductions are significant environmental benefits. However, the narrative shown below from Page 4-251 of the SDEIS states:

“Downstream of the project on the East Fork SFSR at node YP-SR-2 (below the confluence with Sugar Creek), predicted surface water chemistry *is largely unchanged from existing conditions* with some

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<sup>1</sup> In October 2020, NVMA submitted detailed comments on the Draft EIS, which we incorporate by reference.



variability in predicted antimony, arsenic, and mercury concentrations during the operating and initial closure period (**Table 4.9-21** and **Figure 4.9-25**)." (italics added for emphasis, bold in the original.)

It is confusing and inconsistent to characterize a 40 percent reduction in the antimony concentration and a 58 percent reduction in the arsenic level as "*largely unchanged from existing conditions*" when Figures 4.9-21 and 4.9-25 and other sections of the SDEIS clearly show there will be water quality benefits resulting from the MMP. Contrast the excerpt above from Page 4-251 with the excerpt shown below on Page 4-522, for an example of inconsistent narratives. Page 4-522 correctly states that water quality emanating from the mine site would be the same or better than current conditions, which is consistent with the data shown in Figures 4.9-21 and 4.9-25.

"Under the SGP operations and closure, water quality of surface flow departing from the Operations Area Boundary would be the same or better than existing baseline conditions; therefore, there would not be impacts to the quality of downstream waterways..."

NVMA believes this confusion probably stems from different authors having written the various SDEIS sections and the need for more thorough editing to weed out any inconsistencies. The data presented in Figures 4.9-21 and 4.9-25 speak for themselves. The numerous restoration measures to address legacy mine wastes that are integral to the MMP will significantly improve water quality. NVMA recommends that the Final EIS more clearly and consistently state the post-operational water quality benefits resulting from the MMP. These clarifications can be readily achieved by a thorough and careful editing of the document.

Improving the consistency and clarity of the Final EIS is especially important for the Executive Summary. As currently written, the Executive Summary does not fully explain or do justice to the environmental improvements that will result from the SGP. Because most people will not have the time to read the entire SDEIS, they will likely rely on the Executive Summary to gain an understanding of the proposed project and associated impacts. The Executive Summary in the SDEIS puts more emphasis on the negative impacts and downplays the positive impacts. The Executive Summary in the Final EIS needs to be edited to provide a more comprehensive and balanced discussion of project impacts that gives equal weight to the net positive and net negative impacts.

B. Financial Assurance Information

NVMA is accustomed to seeing public comments on NEPA documents asserting that these documents should discuss the amount of financial assurance that a project proponent will be required to provide to federal and state regulators to guarantee the project will be properly closed and reclaimed. NVMA has special expertise with financial assurance policies because the Standardized Reclamation Cost Estimator (SRCE) that Perpetua, the Forest Service, and Idaho State regulators will use to calculate the amount of required financial assurance was developed in Nevada by Nevada mining experts working with the Nevada Division of Environmental Protection (NDEP). The SRCE is recognized worldwide as the state-of-the-art method for calculating financial assurance amounts. In fact, mine regulators from across the globe have adopted the SRCE in their regulatory and financial assurance requirements for their mining programs.



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Given NVMA's experience with the SRCE, we are confident that the Forest Service and Idaho State regulators' use of the SRCE will result in a robust and comprehensive financial assurance requirement for the SGP. We are equally confident that it is premature to calculate the amount of financial assurance at the SDEIS stage of a project. Calculating the amount of financial assurance should not occur until the NEPA process is concluded, the agency selects the agency-preferred alternative, the project proposal is then finalized, and either the Forest Service or the BLM issues the Record of Decision (ROD) for the project. The appropriate time to calculate the amount of required financial assurance is after the responsible agency official signs the ROD.

NVMA is confident that the SRCE-calculated RCE for the SGP will provide the Forest Service and Idaho State regulators with comprehensive and conservative financial assurance for the following reasons:

- This financial assurance will consider all likely contingencies based on the agencies' costs to implement, manage, and complete reclamation of the SGP site if the Company cannot perform the necessary reclamation work;
- The SRCE will calculate reclamation costs for each SGP mine component using site-specific data;
- Labor costs will be based on the federal Davis-Bacon labor rates applicable to government contracts for the county where the mine is located;
- Equipment rental rates will reflect government rates;
- The cost data for fuel, labor, materials, etc. used to calculate the RCE will keep up with inflation because they are updated on an annual basis;
- The costs incorporate published and well-established equipment productivity rates;
- The SRCE includes funds for agencies to collect monitoring data, maintain dams and other facilities, conduct inspections, and operate water treatment and other systems after mine closure.
- If applicable, the SRCE can also include a separate financial assurance instrument that will be a long-term funding mechanism like a trust fund to provide the agencies with funds to manage long-term obligations that may continue for decades or longer, and
- The required financial assurance amount will include a 30 to 40 percent indirect cost markup on top of the direct costs to perform the work. This markup is designed to cover the agencies' costs to manage the reclamation work.

It might be useful for the Payette and Boise National Forests and Idaho State regulators to know that federal and state regulators in Nevada have entered into a Memorandum of Understanding (MOU)<sup>23</sup> that governs the agencies' co-management of the funds that companies have provided to satisfy their financial assurance obligations. Under this MOU, the U.S. Forest Service, BLM, and NDEP co-manage over \$3.3

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<sup>2</sup> The U.S. Environmental Protection Agency's (EPA's) February 2018 final action, *Financial Responsibility Requirements Under CERCLA 108(b) for Classes of facilities in the Hardrock Mining Sector*<sup>2</sup> states: "the SRCE is well regarded amongst mining reclamation programs and is used by several other states and Federal agencies."

<sup>3</sup>[https://ndep.nv.gov/uploads/land-mining-regs-guidance-docs/20190313\\_NDEP.FS\\_BLM\\_MOU\\_fjp\\_da2\\_tg\\_ADA.pdf](https://ndep.nv.gov/uploads/land-mining-regs-guidance-docs/20190313_NDEP.FS_BLM_MOU_fjp_da2_tg_ADA.pdf)



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billion to guarantee reclamation of Nevada’s numerous mining and mineral exploration operations.<sup>4</sup> The MOU minimizes the potential for duplicative bonding among the agencies with jurisdiction over a project.<sup>5</sup>

C. Cyanide Transportation and Use Safety

Because Nevada is the largest gold-producing state in the country, NVMA has a comprehensive understanding of how the reagent sodium cyanide is widely and safely transported to and used in Nevada gold mines. Additionally, one of NVMA’s member companies manufactures sodium cyanide at a facility in Humboldt County near Winnemucca, NV.

NVMA understands that Perpetua has committed to complying with the International Cyanide Management Code (Cyanide Code) at the SGP. Many Nevada gold mines adhere to this code, which governs the management of cyanide in gold and silver mining operations and covers all aspects of cyanide manufacturing, transportation and use. These Nevada mining and manufacturing facilities are subject to the rigorous Cyanide Code auditing and certification protocols as well as the Standards of Practice under the Cyanide Code that establish stringent performance goals and objectives.

Because many mining operations worldwide follow this code, and follow the same exacting standards, the Cyanide Code is proven to be effective in protecting people and the environment in a wide array of geographic and climatic settings. Given this history, NVMA is confident that adherence to the Cyanide Code at the SGP will provide comprehensive protection of human health and the environment.

D. NEPA Public Comment Period

For most proposed Nevada mining operations, the federal land management agency, which is usually BLM<sup>6</sup>, must prepare an EIS. Typically BLM establishes a 45-day public comment period for a Draft EIS,

which is the timeframe specified in the Council on Environmental Quality’s NEPA regulations. A 75-day comment period on a Draft EIS would be unusual for a proposed Nevada mining operation.

NVMA thus takes note of the lengthy 75-day comment period for the SDEIS and also recalls that the public comment period for the 2020 Draft EIS also lasted 75-days. By giving the public a combined 150-day (five month) public comment period on the Draft EIS and the SDEIS, there can be no doubt that the Forest Service has gone the extra mile to give the public ample opportunity to review the SDEIS.

With that in mind, NVMA encourages the Forest Service to conclude the comment period as planned on January 10, 2023, and to not grant any extensions to the public comment period.

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<sup>4</sup> <https://ndep.nv.gov/land/mining/reclamation>

<sup>5</sup> As discussed in Section 2.4.7.17, the U.S. Army Corps of Engineers, the Idaho Department of State Lands, the Idaho Department of Environmental Quality, and the Idaho Department of Water Resources will also require financial assurance for various aspects of the MMP. In aggregate, there is potential for overlapping and duplicative financial assurance requirements among the five listed agencies, with the Forest Service’s bond representing the “omnibus financial assurance” covering all of the MMP project facilities, and the other bonding requirements addressing specific components of the MMP. A Nevada-stye MOU could minimize the potential for overlapping and duplicative bonding.

<sup>6</sup> There are a few Nevada mineral projects on National Forest System lands in the Humboldt-Toiyabe National Forest where the Forest Service is the lead federal agency responsible for preparing the NEPA document.

E. The Nation's Need for the Critical Mineral Antimony

When it goes into production, the SGP will become the Nation's only domestic antimony mine. Because the U.S. urgently needs a domestic source of antimony, the Forest Service should complete the NEPA review for the SGP as soon as possible in order to comply with the recent critical minerals directives from the Biden Administration and Congress described below.

NVMA is closely following the policy issues surrounding critical minerals because Nevada mining companies are in various stages of exploring for and developing several projects to produce lithium, which is another critical mineral. Nevada also has copper projects that are being explored and developed to supply this essential building block for clean energy infrastructure.

Both antimony and lithium are important battery storage minerals, with lithium batteries mainly used to power EVs, whereas antimony batteries are used for grid-scale electricity storage projects. Antimony is also essential to our military because it is a key component of munitions.

Just as NVMA is urging timely approvals for Nevada's lithium and copper critical minerals projects, we similarly urge the Forest Service to do everything possible to expedite approving the SGP. According to the USGS, the U.S. imports most of the antimony we use from our adversaries, with much of it coming from China<sup>7</sup>. The vulnerability of the U.S. antimony supply chain will be reduced with the antimony to be produced from the SGP.

Since publication of the 2020 Draft EIS, Congress and the Biden Administration have focused on the need to strengthen critical minerals supply chains and directed the Secretaries of the Interior and Agriculture to develop policies that would reduce the Nation's reliance on imported minerals. These policies include the following:

- Executive Order 14017 "On America's Supply Chains," February 24, 2021;
- The White House's 100-day Supply Chain Review Report in response to Executive Order 14017, "Building Resilient Supply Chains, Revitalizing American Manufacturing, and Fostering Broad-Based Growth," June 2021;
- The Infrastructure Investment and Jobs Act of 2021, which includes a section on critical minerals (Section 40206) that directs the Secretaries of the Interior and Agriculture to prepare a report to address permitting delays and that identifies the Federal permitting process "as an impediment to mineral production and U.S. mineral security;" and
- President Biden's use of his authority under Title III of the Defense Production Act directing the Department of Defense to increase domestic mining and processing of critical minerals that are used for storage batteries (March 2022).

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<sup>7</sup> <https://pubs.usgs.gov/periodicals/mcs2022/mcs2022-antimony.pdf>



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The above-listed 100-day supply chain report specifically directs evaluating reprocessing mine wastes as a viable source of critical minerals. Because the SGP involves remining and reprocessing legacy mine wastes to recover residual gold and antimony and at the same time improve area water quality downstream from the mine, it is a prototype project that could potentially serve as a “proof of concept” project that might stimulate interest in remining projects elsewhere.

### III. Conclusions

The MMP presents the public with a unique opportunity to capitalize upon the environmental restoration measures that are integrated into Perpetua’s plans to redevelop this legacy mine site. Perpetua is proposing to use over \$1 billion of private-sector resources to redevelop the Stibnite Mine and remediate what is currently a public problem. Idaho and the entire country are fortunate that Perpetua is planning to undertake this visionary environmental restoration project and that the Forest Service has prepared a detailed SDEIS to evaluate the Company’s project proposal.

Without Perpetua’s proposed investment, the historic, pre-regulation mining and mineral processing features at Stibnite will continue to leach arsenic, antimony and other contaminants into the watershed, adversely affecting both surface water and groundwater resource. Additionally, the Yellow Pine open pit mine will remain an impassable barrier to fish migration. These environmental problems at Stibnite have gone largely unabated for over 80 years, harming the public and the ecosystem – especially aquatic wildlife.

NVMA applauds the Forest Service and Perpetua for working together on this innovative project proposal that will bring so many environmental and economic benefits to central Idaho. **It seems clear that the Forest Service – or any stakeholder who cares about the environment – should prefer Perpetua’s proactive proposal to redevelop and restore this site over maintaining the degraded conditions at Stibnite.**

Thank you for this opportunity to present our comments. Please contact me if you have any questions.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Tyre Gray".

Tyre Gray, Esq.  
President and CEO