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Comments: Introduction

The Alaska Miners Association (AMA) is pleased to submit these comments on the August 2020 Draft Environmental Impact Statement (DEIS) for Midas Gold Idaho Inc.'s (Midas Gold's) Stibnite Gold Project (SGP) near McCall, Idaho. We have reviewed the DEIS that the Payette and Boise National Forests have prepared for this important project that combines restoring the environment at an old mine site with a new, highly regulated, state-of-the-art mining project that will provide several hundred well-paying jobs and become the Nation's only domestic antimony mine.

AMA is a professional membership trade organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,400 members that come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, suction dredge miners, small family mines, junior mining companies, major mining companies, Alaska Native Corporations, and the contracting sector that supports Alaska's mining industry.

The Project Will Become an Important Domestic Source of Antimony

In 2018, the U.S. Geological Survey (USGS) created a list of 35 critical minerals that designates antimony as a critical mineral¹. When the SGP goes into production, the antimony that will be produced as a byproduct of the gold production will make it the Nation's only antimony mine. (Like many critical minerals, antimony is rarely produced as a stand-alone mineral deposit. It is almost always produced as a byproduct of gold, silver, and base metal production.) According to the USGS's 2020 Mineral Commodity Summaries², the U.S. imported the 86 percent of the antimony we used in

2019 from China and Russia. The antimony to be produced at the SGP would help reduce our reliance on these unfriendly countries as our primary sources of antimony.

President Trump's September 30, 2020, Executive Order (EO) entitled, "[d]Addressing the Threat to the Domestic Supply Chain from Reliance on Critical Minerals from Foreign Adversaries," heightens the importance of the antimony that will be produced at the SGP. In this EO, the President declares the Nation's reliance on countries like China for critical mineral is creating a national emergency:

"[h]determine that our Nation's undue reliance on critical minerals[h]from foreign adversaries constitutes an unusual and extraordinary threat[h]to the national security, foreign policy, and economy of the United States. I hereby declare a national emergency to deal with that threat.

The EO contains a directive to the Secretary of the Department of the Interior, the Secretary of the Department of Energy, and the Administrator of the Environmental Protection Agency to "[d]examine all available authorities of their respective agencies and identify any such authorities that could be used to accelerate and encourage the development and reuse of historic coal waste areas, material on historic mining sites, and abandoned mining sites for the recovery of critical minerals." This directive has obvious applicability to the SGP, which includes reprocessing and repurposing the legacy mine wastes in the SODA.

This new EO is another reason why the Forest Service needs to expedite preparing the Final EIS and issuing a Record of Decision to authorize the PRO for the SGP. In doing so, the Forest Service will help the U.S. respond

to the national emergency by enabling development of a domestic antimony mine and reducing our imports from China and Russia for this critical mineral.

Restoring Fish Migration

Given the importance of salmon to Alaskans, the most exciting aspect of the proposed SGP for AMA is Midas Gold's commitment to reestablish a viable fish passageway to restore upstream fish migration. As described in the DEIS, the East Fork of the South Fork of the Salmon River (East Fork) flows through the SGP project area and is home to populations of Chinook salmon, steelhead, and bull trout. Since 1938, the Yellow Pine Pit has been a barrier to upstream fish migration, preventing fish from reaching their spawning grounds in the upper reaches of the East Fork. Midas Gold's SGP is proposing to fix this problem. The restoration activities in the SGP would provide permanent access to about 25 miles of perennial streams and six miles of anadromous fish spawning habitat above the Yellow Pine Pit.

In addition to permanently restoring the East Fork to allow upstream migration, the SGP is proposing an interim solution during mining of the Yellow Pine Pit, which is one of the most laudable aspects of the SGP. The planned temporary 0.9-mile long fish passage tunnel to be constructed around the western perimeter of the Yellow Pine Pit will restore fish migration early during project development. Once mining in this pit is completed in about Year 7 of the project, the Company will backfill the pit with waste rock and reclaim the backfilled pit to recreate a natural and dynamic sinuous drainageway and riparian corridor that will permanently enable upstream fish migration. The fully restored East Fork across the backfilled pit will be completed by Years 10-11 of the project life.

The proposed temporary fish passage tunnel goes well above and beyond what Midas Gold needs to do in order to mine the Yellow Pine Pit. The Company could simply [ndash] and at much less expense [ndash] construct a temporary

diversion around the pit, which would more or less maintain the status quo situation that currently prevents upstream fish migration past the Yellow Pine Pit. Instead, Midas Gold is proposing to construct a fish migration tunnel that will allow upstream fish passage for the first time in more than 80 years.

The multi-million dollar fish passageway tunnel described in Section 2.3.5.9 of the DEIS has been designed to comply with NOAA fisheries guidelines using a system of concrete weirs and pools that has been successfully used for other fish passageway projects. The concrete weirs are designed to produce hydraulic conditions that fish can successfully navigate in both directions through the entire length of the tunnel. Once the fish passageway tunnel is in operation, it will accommodate upstream passage of adult salmon, steelhead, and bull trout and downstream passage of adults and juveniles of all species. As a testament to the merits of the proposed fish passageway tunnel, the SGP and the engineers (McMillen Jacobs) who designed this fish passageway recently received awards from the American Council of Engineering Companies.

Cleaning Up a Legacy Environmental Problem

The fish passageway tunnel and ultimate reconstructing the East Fork drainage across the backfilled Yellow Pine Pit are not the only environmental restoration measures included in the SGP. Several of the project alternatives, including Midas Gold's preferred alternative (Alternative 2), propose to eliminate the environmental contamination that currently emanates from the 10.5 million tons of legacy mine wastes in the Meadow Creek Valley. Alternatives 1, 2, and 4 propose to pick up (reprocess and repurpose) the waste in order to use this site for the tailings storage facility (TSF). The old tailings and spent leached ore in the Spent Ore Disposal Area (SODA) in Meadow Creek Valley are leaching arsenic, antimony, and other contaminants into the East Fork.

The proposed plan to reprocess the 3 million tons of tailings in the SODA and to use the 7.5 million tons of spent

leached ore during construction of the TSF embankment will remove these contaminant sources from the watershed, which will benefit the public and the environment [ndash] especially water quality and aquatic wildlife. The residual metals in the old tailings will be recovered during reprocessing. The resulting new tailings will be stored in a modern, engineered and fully lined TSF. The TSF will be reclaimed with a layered, soil and rock cover that will minimize infiltration into the tailings and promote revegetation of the impoundment. The spent ore will be used as liner bedding material that will be covered by a very low permeability geosynthetic-clay liner that will effectively isolate the spent ore from the environment.

In evaluating the environmental restoration measures included in the SGP, it[rsquo]s important to realize that serious environmental problems have existed at this site for decades. Fish have been unable to migrate upstream to the spawn since development of the Yellow Pine Pit in the late 1930s. In the 1940s, the federal government was actively involved with exploring and mining the area for tungsten and antimony to support the military during World War II. The government[rsquo]s involvement with the site continued into the early 1950s in conjunction with the Korean War. Some of the legacy mine wastes in the SODA date back to the World II and Korean War mining activities. These materials have been leaching contaminants into the East Fork and the groundwater system ever since.

The limited reclamation and cleanup that the federal government and other previous operators performed in the 1990s and 2000s failed to address

many of the environmental problems evident at the site today. The entities involved with this work, including the U.S. Department of Defense, were parties to a consent decree that eliminates any future responsibility for remediating the Stibnite site. Consequently, there are no remaining companies, individuals, or government agencies who are responsible for cleaning up the area.

Midas Gold is the only entity with a plan [ndash] and more importantly a commitment to restore this site using private-sector financial resources. Midas Gold[rsquo]s proposal to invest \$1 billion of private-sector money at the SGP underscores the uniqueness and importance of the Company[rsquo]s Plan of Restoration and Operations (PRO) for the SGP. Midas Gold[rsquo]s PRO is offering Idahoans and the Nation an exceptional opportunity to benefit from an environmental restoration project without spending a dime of taxpayer money. The Forest Service should jump on this opportunity, which will benefit the agency, the environment, and the public for many years. All stakeholders should view Midas Gold[rsquo]s PRO as a welcomed solution to a decades-old problem that no one else is willing to solve. It[rsquo]s time for the Forest Service and Idaho regulators to seize upon this extraordinary offer and approve the PRO for the SGP quickly.

With this in mind, we note that Midas Gold submitted the PRO in September 2016. It has taken the Forest Service nearly four years to develop the DEIS. AMA hopes that the Forest Service will be able to pick up the pace and complete the NEPA process in a much shorter timeframe. It[rsquo]s time to fix the environmental problems at the SGP and Midas Gold has a viable plan to do so.

The Proposed Action and Alternatives

The unique opportunity presented to the public and the Forest Service to use Midas Gold[rsquo]s corporate resources to solve a public environmental problem makes the No Action Alternative (Alternative 5) unselectable [ndash] especially since no other private party or government agency is offering to make the \$1 billion investment necessary to clean up the site. Under the No Action alternative, the current site problems would persist [ndash] possibly for decades [ndash] and could even get worse if there are unusually large storms, forest fires, or other events that could further destabilize the site. The Forest Service cannot ignore its obligation to capitalize upon this unique opportunity to authorize the SGP, which will be a highly regulated mining project that will reduce the ongoing environmental harm due to previous, pre- regulation mining activities.

AMA realizes that all EIS documents have to include the No Action Alternative as a baseline against which to measure a proposed project. In this case, the baseline is a significantly degraded environment that would be substantially improved by Midas Gold's Preferred Alternative (Alternative 2). The Final EIS should thoroughly explain the environmental problems that would continue into the foreseeable future if the Forest Service were to select the No Action Alternative and why this would be inconsistent with the environmental protection mandate and the authorization of mining activities in the Forest Service's Organic Act of 1897, which governs the Forest Service's administration of the National Forests. Selection of the No Action Alternative would also violate Midas Gold's Mining Law rights to develop its mining claims.

Based on our review of the DEIS, it seems obvious that the Forest Service should select Alternative 2 as the Agency's Preferred Alternative because this alternative includes the following environmental benefits and advantages:

- [bull] It accomplishes significant environmental restoration by removing the old mine waste pile in the SODA and placing the proposed TSF in Meadow Creek Valley;
- [bull] It reprocesses the old tailings in the SODA and places the spent leached ore beneath an impermeable liner under the TSF embankment. Although these activities involve a volumetrically small quantity of material (only 10.5 million tons compared to the 100- million tons of ore that will be processed during the life of the mine) they constitute an important and highly effective environmental restoration aspect of the PRO;
- [bull] It includes an active water treatment facility;
- [bull] It is the only alternative that proposes an on-site lime kiln that will minimize traffic, thereby enhancing safety, and reduce vehicular air emissions, including greenhouse gases;
- [bull] It best responds to public comments raised during public scoping, including the request to preserve seasonal access through the mine site to popular recreational areas;
- [bull] It avoids the Alternative 4 Johnson Creek travel route that parallels area streams, which increase potential sedimentation and the risk that spills of hazardous substances could flow into Johnson Creek and other streams;
- [bull] It minimizes exposure to identified avalanche- and landslide-prone areas, thereby reducing public and worker safety hazards; and
- [bull] It reduces the project footprint by eliminating the West End Development Rock Storage Facility (DRSF) and partially backfilling the Hanger Flats Pit with some of this material.

AMA would like to emphasize that the Forest Service should not select Alternative 3 as the Agency's Preferred Alternative because the Alternative 3 location for the TSF in the East Fork is environmentally and geotechnically inferior compared to the Alternative 2 location in the SODA/Meadow Creek Valley. The Alternative 3 East Fork location would disturb currently undisturbed land and would fail to capitalize on the important synergy of removing the legacy wastes from the SODA and reusing this already disturbed and currently contaminated site. The Alternative 2 SODA location for the TSF solves a serious environmental problem whereas the Alternative 3 location in the East Fork creates more environmental disturbance. It should thus be obvious that Alternative 3 is not an environmentally sound alternative.

Additionally, there are geotechnical problems with the Alternative 3 East Fork TSF location. The large landslide at this location could become destabilized during construction of the TSF. There would be no justification for creating and increasing risks by building the TSF in the vicinity of this geohazard SF.

Accessibility of Project Information

The Forest Service's project website and virtual meeting afforded Alaskans excellent access to information about the SGP. The project website provides AMA and other Alaskans with round-the-clock access to the DEIS, including

all of the reference and a complete copy of the PRO and scoping documents. From our perspective, the virtual meeting is exceptional because we would not be able to travel to Idaho to attend in-person public meetings. The virtual meeting is an effective way to give all stakeholders an equal access opportunity to attend the meeting to learn about the SGP. We especially appreciated the storybook map and the project alternatives maps which helped us understand the differences between the project alternatives.

AMA understands that the Forest Service recently added another 15 days to the DEIS public comment period, extending it to 70 days, which is 30 days longer than the required 45-day public comment period for a DEIS. In light of the excellent availability of project information, AMA does not believe an additional extension is warranted. We therefore encourage the Forest Service to end the public comment period as currently scheduled on October 28, 2020. Another extension would delay preparation of the Final EIS and the realization of the environmental and economic benefits associated with the SGP.

Financial Assurance

Page 2-75 in the Draft EIS briefly discusses the financial assurance (reclamation bonding) that Midas Gold will have to provide to guarantee the Forest Service and the Idaho Department of Lands (IDL) would have sufficient funds to reclaim the site and to take care of any necessary long-term management.

AMA understands that Midas Gold, the Forest Service, and IDL are planning to use the Standardized Reclamation Cost Estimator (SRCE) software tool to calculate the amount of financial assurance that Midas Gold will have to provide the agencies before mining can start. The SRCE has been used to calculate the financial assurance obligation for the Greens Creek Mine, which is a large silver mine located in southeast Alaska on Admiralty Island within the Tongass National Forest.

AMA is confident the SRCE-calculated financial assurance requirement for the SGP will provide the Forest Service and IDL with a comprehensive reclamation bond that will eliminate any potential that taxpayers would have to fund reclamation of the site in the event the company is unable to complete the reclamation. We base this conclusion on our experience with reclamation bonding and on the U.S. Environmental Protection Agency's (EPA's) February 2018 CERCLA 108(b) final rulemaking, which states:

EPA has determined that modern regulation of hardrock mining facilities reduces the risk of federally financed response actions to a low level such that no additional financial responsibility requirements for this industry are appropriate the hardrock mining industry does not present a level of risk of taxpayer funded response actions that warrant imposition of [additional EPA] financial responsibility requirements for this sector.³

We also note that the Forest Service's surface management regulations for locatable minerals at 36 CFR [sect] 228 are comprehensive and require mining companies to minimize adverse impacts and provide financial assurance.

These regulations provide the Forest Service with the authority to require an operator to modify its Plan of Operations and reclamation plan and to adjust the amount of required financial assurance throughout the mine life to reflect on-the-ground conditions.

It is typical for project opponents to demand that an EIS discuss the amount of required financial assurance. However, this demand reflects a lack of understanding of how the EIS process works and when calculating the required financial assurance requirement can occur. It would make no sense to calculate the financial assurance requirement in conjunction with a DEIS when the lead federal agency has not yet selected the Agency's Preferred Alternative. A financial assurance calculation based on the alternatives presented in a DEIS would be meaningless because the project configuration in the Final EIS and Record of Decision could be different than any of the alternatives evaluated in the DEIS.

Conclusion

AMA very much appreciates this opportunity to provide comments on the SGP DEIS. The Forest Service's excellent project website and virtual meeting truly facilitated our review of the SGP proposal and the DEIS. The Forest Service's DEIS clearly shows that Midas Gold and the agency have collected and analyzed an enormous amount of environmental baseline data and have performed a thorough analysis of this information. The level of planning, analysis, and engineering that has gone into the SGP proposal and development of the project alternatives is quite impressive. The massive amount of information in the DEIS and associated documents will provide the Forest Service with a very strong foundation for its decision-making process.

We commend Midas Gold for its stewardship and the unprecedented proposal to use \$1 billion of private-sector resources to restore this site while developing a modern, state-of-the-art mining project. We also applaud the company for its outreach efforts to work with stakeholders during the EIS process to refine the SGP proposal by incorporating ideas and suggestions from the public.

Timely development of the SGP will benefit the environment, the State of Idaho, and the Nation. It is therefore imperative for the Forest Service to complete the EIS process as quickly as possible to make the substantial environmental and socioeconomic benefits that will result from the SGP a reality, and to lessen the national emergency we face due to our reliance on China and Russia for most of the antimony we use.

1 <https://www.federalregister.gov/documents/2018/05/18/2018-10667/final-list-of-critical-minerals-2018>

2 <https://pubs.er.usgs.gov/publication/mcs2020>

3 Federal Register Vol. 83, No. 35, February 21, 2018, pp. 7556 [ndash] 7588