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May 12, 2020

Mr. Christopher W. Hladick
Regional Administrator
U.S. Environmental Protection Agency, Region X
1200 Sixth Avenue, Suite 155
Seattle, WA 98101

Via: USPS and Email: Hladick.Christopher@epamail.epa.gov

RE: Stibnite Gold Project

Dear Mr. Hladick:

This letter follows up on my April 28, 2020 letter regarding the CERCLA negotiations with respect to the Stibnite Gold Project (SGP). We greatly appreciate the time and attention you and the Region's staff have given this matter over the past several months. Our teams have been engaged in significant discussions on many important CERCLA issues and, based on these discussions, it is my hope that the negotiations should soon successfully conclude.

Several days ago, Administrator Wheeler spoke with various mining industry representatives, including me, about the EPA's work. In response to a question I posed, the Administrator emphasized that protection of human health and the environment could peacefully coexist with job creation efforts, including those in the mining sector. He further noted the importance of developing domestic sources of critical minerals. Of course, job creation opportunities are even more critical now, as the COVID-19 pandemic has so severely impacted the Country.

Midas Gold's Stibnite Gold Project exemplifies all of the objectives Administrator Wheeler spoke to: It will provide jobs, address pre-existing source contamination on the Site, develop the only source of domestically mined antimony in the United States, and all in parallel with extracting significant precious metal resources. But critical steps to moving this forward lie within EPA's effective control and we need your assistance to move this forward.

As you may know, Midas Gold Idaho, Inc. (MGII) is proposing to invest approximately $1 billion to create more than 1,000 direct and indirect jobs in rural Idaho over an estimated 15 to 20-year period of mine redevelopment, operations and land restoration in the historic Stibnite Mining District. The Stibnite Mining District's history presents certain challenges to the Project that we want to work with EPA, the U.S. Forest Service, the State of Idaho and the Shoshone-Bannock Tribes to overcome so that we can make this job creation plan a reality.

The Stibnite Mining District was abandoned in the 1990s after decades of mining activity by prior operators, including a period during World War II when it was one of the leading critical mineral producers in the United States, leaving behind various conditions of environmental concern. In addition, the District contains various features and facilities created pursuant to earlier EPA-supervised clean-up efforts. And while those past efforts made some progress towards clean-up, the area's habitat, water quality and fish passage still need help. Unfortunately, no federal or state agency, or other private entity, has identified any pathway or commitment to further address these historical conditions and there are no resources available to address these issues other than through the plan MGII has proposed.

As you know, MGII is seeking a CERCLA Administrative Order on Consent (AOC) to formalize its commitments to address legacy contamination, including contamination existing outside of its proposed project footprint. The AOC work would initiate this effort starting with "early actions" and an evaluation the site's large-scale issues that can be addressed once the project is permitted and funded. Put simply, MGII is willing to evaluate and clean up contamination that it did not cause, including in areas where it does not intend to mine, and for which there are currently no other parties available to shoulder the burden. But MGII doing so unilaterally, without benefit of an AOC, is not realistic: MGII simply does not have the capital resources and, further, doing so would significantly increase MGII's liability risks due to the potential to disturb historic contamination others left behind. It would also risk intruding on prior EPA supervised remedial actions in place, even if they are imperfect.

In light of all of these considerations, I nonetheless directed our technical team to develop the enclosed good faith proposal providing timely and meaningful environmental benefits that are within MGII's means. I am tendering this offer as the CEO of a start-up junior mining company with limited resources, *even though the Federal government has not provided* the permissions that will be required to begin active mining operations. Our proposed AOC provides a path to comprehensively assess the Stibnite Site's legacy contamination issues and develop a plan to address the Site's needs through a site-wide Remedial Investigation/ Feasibility Study (RI/FS), as well as requiring three "early actions" designed to improve the Site's water quality in the short term.

While such a site-wide RI/FS is a common starting point for addressing legacy contamination, simultaneously undertaking early actions that begin to immediately mitigate contamination impacts is not. We are therefore proposing to make a unique and significant commitment to undertake such early actions contemporaneously with the RI/FS work process and before we begin construction or mine operations *or even receive permits to operate*. In short, we are proposing much more than CERCLA parties typically undertake at this stage in the CERCLA process.

While these immediate commitments are already extraordinary for a company in our position, being one that did not cause the historic contamination and having limited funds, they are only the beginning of the restoration that could be possible if the Project is permitted and begins operations. Once mining begins, larger scale restoration efforts, funded through operations,

will also be available. MGII designed its project proposal with the vision that mining can bring the resources to restore the site and is committed to cleaning up legacy contamination funded through the project. All of this is documented in the Plan of Restoration and Operations that has been filed with the U.S. Forest Service.

In sum, the moment is at hand for job creation, production of critical mineral and environmental restoration for the Stibnite Site and we will never have a better chance to succeed in the vision the Administrator expressed when we recently spoke. Further delays would seriously imperil the project's overall viability. We are like any start-up in that sense – we cannot continue on indefinitely in hope, but without meaningful project progress. The AOC is one part of that concrete progress.

I hope you and your team will promptly move to finalize the AOC we propose. As you know, there is a limited work season in Idaho, and we hope that we can partner with EPA soon so that we can begin undertaking this important work this year.

Sincerely,
MIDAS GOLD IDAHO, INC.

Laurel Sayer
President and CEO

Enclosure (Proposed AOC)

cc: The Honorable Susan Bodine
The Honorable Peter Wright
The Honorable James Hubbard (USDA)