Message

From: Tenpas, Ron [rtenpas@velaw.com]
Sent: 6/15/2020 11:17:59 PM
To: Wright, Peter [wright.peter@epa.gov]; Bodine, Susan [bodine.susan@epa.gov]
CC: Cook, Steven [cook.steven@epa.gov]; Starfield, Lawrence [Starfield.Lawrence@epa.gov]; Mackey, Cyndy [Mackey.Cyndy@epa.gov]; Hall, Tayoka [Hall.Tayoka@epa.gov]; John C. Cruden [JCruden@bdlaw.com]
Subject: Midas Gold -- quick follow-up

Dear Peter and Susan,

On behalf of Midas Gold, thank you for taking time last Friday to discuss our Project. I also wanted to briefly follow up on two items that arose during our call where I may not have gotten the facts quite right or been as clear as I ought to in explaining Midas Gold's proposed approach.

First, as to the timing of getting our Project into operation on the Stibnite site, step one is to complete the NEPA process. The Forest Service is committed to release of the DEIS in the third quarter of 2020, and as best as we can project, issue an FEIS and record of decision (ROD) in late 2021.

After issuance of the ROD, and assuming no delay attributed to litigation, Midas anticipates an estimated three-year pre-mining construction schedule to begin during the summer of 2022 that would last into 2025. Thus, substantial actual revenue from mining would likely not occur until 2025 at the earliest.

The second topic I wanted to touch on briefly relates to the scope of Midas Gold's restoration efforts. In discussing the scope of the AOC and how that fit with positions Midas Gold might take in litigation, I hope I was clear but just in case I want to reiterate the following. Midas Gold is committed to the redevelopment of mineral resource at Stibnite in conjunction with site environmental restoration, including being open to restoration efforts that go beyond what Midas Gold might be legally obligated to undertake, such as restoration efforts beyond the anticipated mining project footprint. Thus, the current administrative order on consent (AOC) proposal consists of a good-faith effort – at a material cost to the Company at a time when funds are severely constrained - to improve water quality well before its plan of operations is approved and more comprehensive redevelopment and restoration gets underway.

In that overall spirit, our AOC proposal extends to characterizing areas off-Project, i.e. areas never intended to be disturbed by future Project operations and not necessary for such, including areas we believe are completely within the United States control and responsibility. In sum, we are an atypical potential AOC party because we do propose to take on more than the bare minimum. In that respect, our AOC proposal embodies what we have consistently presented to our government partners when presenting the overall Project plan, namely, that Site restoration is not an afterthought to Midas Gold. In the current context of our discussions, it is a prerequisite.

With the upcoming work season looming at the Stibnite Site, we hope you will look favorably at our proposed AOC and we look forward to hearing further from you.

Again, thank you. John and I have some understanding of the many demands you and your team face daily. We appreciate that you made time for such an extensive and substantive presentation from us.

Regards,

Ron

cc: Steven Cook
Cindy Mackey
Larry Starfield

Tayoka Hall
John Cruden

Ronald J. Tenpas
Partner

Vinson&Elkins

E rtenpas@velaw.com
W +1.202.639.6791

Vinson & Elkins LLP
2200 Pennsylvania Avenue NW
Suite 500 West
Washington, DC 20037

bio | vcard | velaw.com

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Thank You.