Message

From: Mahmud, Shahid [Mahmud.Shahid@epa.gov]
Sent: 11/21/2019 12:38:16 AM
To: Sciretta, Nicholas [sciretta.nicholas@epa.gov]; Ammon, Doug [Ammon.Doug@epa.gov]
CC: McKenna, Elizabeth [Mckenna.Elizabeth@epa.gov]
Subject: RE: Stibnite Statement of Work
Attachments: image001.png; 2019-07-25 Draft Stibnite SOWsm.docx

Nick,

Attached are just some markups on the Stibnite SOW. These are not major show stopper comments as the SOW seems to be very generic and and not really mining site specific. I have added some language on features (open pit, underground workings, Mine Influenced Water discharge, tailings and waste rock as source areas that need to be investigated and subsequently addressed in the long-term, if needed. There seem to be some adits shown in the attached figures in the SOW and I am not sure of their condition. If Midas is going to address collapsed adits or saturated tailings, they may need to come in for a fluid hazard consultation. Not sure we we need to get into that level of detail though. Thanks for sharing this copy of the SOW.

I agree that we need Financial assurance in place as I don't know how leveraged this company is and what their financial condition is. Also, if this is a junior or mid-major mining company, it may turn around and sell the operations to another company for a nice profit. I am sure the AOC has considered this ownership transfer scenario.

I am also concerned with the open ended nature of the RI/FS as we do not know when the various actions to address legacy/existing contamination will take place. Just wondering of the site Plan of Operation would shed some light on the sequencing and schedule.

Shahid Mahmud
Team Leader
EPA Abandoned Mine Lands Team
703-603-8789

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From: Sciretta, Nicholas
Sent: Tuesday, November 19, 2019 3:29 PM
To: Mahmud, Shahid; Anderson, RobinM; Ammon, Doug
Cc: McKenna, Elizabeth
Subject: RE: Stibnite Statement of Work

Thanks, Shahid! That's a really helpful comparison point. We did discuss these two sites on a recent enforcement mining call, but I hadn't actually seen the Madison County Mines SOW before.

Elizabeth, I also noticed that Madison secured $10.9 million in FA (I'm not sure if that is a large or small number for an RI/FS). It is also cash held in escrow. While we don't usually like to see escrow agreements, they are better than some alternatives, like the financial test.

One FA thought for Stibnite is that we might want to write in an easy mechanism to allow modifications of the amount by EPA. Modifications are always allowed, but it is usually not the easiest process to actually get a modification through. We might want to write something to the effect of, 'any early action taken under the authority of this RI/FS will automatically require Midas to establish additional FA as required by EPA.'

-Nick

From: Mahmud, Shahid <Mahmud.Shahid@epa.gov>
Sent: Tuesday, November 19, 2019 2:26 PM
To: Sciretta, Nicholas <sciretta.nicholas@epa.gov>; Anderson, RobinM <Anderson.RobinM@epa.gov>; Ammon, Doug <Ammon.Doug@epa.gov>
Cc: McKenna, Elizabeth <Mckenna.Elizabeth@epa.gov>
Subject: RE: Stibnite Statement of Work

Nick,

Thanks for sharing the Stibnite information. I am attaching the Madison County Mines AOC where Missouri Investments reached a deal with Region 7 to remine cobalt and at the same time reprocess tailings and carry out removal activities at the site. Hope this may be something Region 10 can use for the Stibnite site. Also, I am not certain how the remining activities at Ballard Mine, Idaho was going to address this situation. Thanks!

From: Sciretta, Nicholas <sciretta.nicholas@epa.gov<mailto:sciretta.nicholas@epa.gov>>
Sent: Tuesday, November 19, 2019 12:11 PM
To: Mahmud, Shahid <Mahmud.Shahid@epa.gov<mailto:Mahmud.Shahid@epa.gov>>; Anderson, RobinM <Anderson.RobinM@epa.gov<mailto:Anderson.RobinM@epa.gov>>
Subject: FW: Stibnite Statement of Work

Have either of you been involved with the Stibnite SOW? Midas Gold is planing to mine and remine old tailings at the Stibnite Mining District in Idaho, which will destroy some previously implemented removal actions that were overseen by EPA and the Forest Service. The Forest Service is close to issuing a draft EIS, and Midas hopes to sign an RI/FS AOC with Region 10. This RI/FS would be intended to last the lifetime of the project, maybe 20 years, with a RD/RA agreement to follow.

We'd like the RI/FS to track contamination at the site, with the ability for Midas to take any early actions as necessary. (The site is currently contaminated, and scored high enough to be an NPL site, though it was not listed. Midas' stated intention is to leave the site much cleaner than it is now.) Perhaps as they finish mining in one section of the site they can perform a response action there, so that the work does not all have to wait until the entire project is done. I think most of this type of language is more appropriate for the SOW than the AOC, so I wanted to see if either of you had been involved so far. Or, are you aware of any other sites where we allowed a past CERCLA response to be interfered with? And what language we could include in the SOW to ensure that there is a benefit to the environment from allowing this?

Thanks,
Nick

From: McKenna, Elizabeth <Mckenna.Elizabeth@epa.gov<mailto:Mckenna.Elizabeth@epa.gov>>
Sent: Thursday, November 14, 2019 4:39 PM
To: Sciretta, Nicholas <sciretta.nicholas@epa.gov<mailto:sciretta.nicholas@epa.gov>>
Cc: Nearhood, Jennifer <Nearhood.Jennifer@epa.gov<mailto:Nearhood.Jennifer@epa.gov>>; Kulpan, Bruce <Kulpan.Bruce@epa.gov<mailto:Kulpan.Bruce@epa.gov>>; Dixon, Douglas <Dixon.Douglas@epa.gov<mailto:Dixon.Douglas@epa.gov>>; Abrams, Robert <abrams.robert@epa.gov<mailto:abrams.robert@epa.gov>>
Subject: RE: Stibnite Statement of Work

I have attached the latest draft of the SOW. The parties have provided comments on the SOW this week. The Region is waiting to get a map from Midas that overlays their ownership/claims/areas of exploration so that we can make sure the scope of the RI/FS is commensurate with the area for which Midas has liability.

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From: Sciretta, Nicholas <sciretta.nicholas@epa.gov<mailto:sciretta.nicholas@epa.gov>>
Sent: Thursday, November 14, 2019 8:38 AM
To: McKenna, Elizabeth <Mckenna.Elizabeth@epa.gov<mailto:Mckenna.Elizabeth@epa.gov>>
Cc: Nearhood, Jennifer <Nearhood.Jennifer@epa.gov<mailto:Nearhood.Jennifer@epa.gov>>; Kulpan, Bruce <Kulpan.Bruce@epa.gov<mailto:Kulpan.Bruce@epa.gov>>; Dixon, Douglas <Dixon.Douglas@epa.gov<mailto:Dixon.Douglas@epa.gov>>; Abrams, Robert <abrams.robert@epa.gov<mailto:abrams.robert@epa.gov>>
Subject: Stibnite Statement of Work

Hi Elizabeth,

Jennifer and I looked at the model RI/FS briefly this morning, focusing on the covenants and definitions section. It seemed to us like the model as-is might cover everything we would need from Midas, but that the definition of Work, as set out in the Statement of Work, will be the most important piece to review. Could you send us the draft Statement of Work when you get a chance? Is the draft you have now created by Midas, or by EPA?

Thanks,
Nick

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