

STIBNITE GOLD PROJECT



PAYETTE & BOISE NATIONAL FORESTS
INTERMOUNTAIN REGION

August 22, 2018



STIBNITE MINING DISTRICT, PAYETTE NATIONAL FOREST, KRASSEL RANGER DISTRICT

Regarding Locatable Minerals , **36 CFR 228, Subpart A:** requires the Forest Service to:

- Respond to a mining plan, evaluate that plan
- Consider requirements to minimize adverse effects to the extent feasible
- Comply with applicable laws, regulations and standards for environmental protection
- Assure appropriate reclamation
- Further respond by following National Environmental Policy Act (NEPA) processes.

Per **36 CFR 228.4**, the Forest Service is required to take action to ensure that “operations are conducted so as, where feasible, to minimize adverse environmental impacts on National Forest surface resources.

"Where conflicting interests must be reconciled, the question shall always be answered from the standpoint of the greatest good of the greatest number in the long run." - James Wilson, Secretary of Agriculture, 1905 in a letter to Gifford Pinchot, 1st Chief of the Forest Service.

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PAYETTE & BOISE NATIONAL FOREST - INTERMOUNTAIN REGION

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Forest Service Project

webpage: <https://www.fs.usda.gov/goto/StibniteGold>

Why is this project of interest to many people and organizations?

- ◆ 5 million recoverable ounces of gold x \$1315.00 per ounce = \$6.57 billion, and 100 to 200 million pounds of antimony
- ◆ 3 Open Pits
- ◆ Rerouting of the East Fork of the South Fork of the Salmon River through a tunnel
- ◆ 17 miles of new temporary road and 6.4 miles of new powerline in Inventoried Roadless Areas

Contact Information:

Keith Lannom, Forest Supervisor—
klannom@fs.fed.us, 208-634-0701

Kathryn “Piper” Goessel, Project Manager—
kgoessel@fs.fed.us, 208-634-0760

Brian Harris, Forest Public Affairs—
bdharris@fs.fed.us, 208-634-6945

Executive Summary

The project is located east of McCall, Idaho, in Valley County, on the Payette National Forest with a portion of the project on the Boise National Forest. Approximately 500 acres of patented mining claims and 1,500 acres of unpatented claims on National Forest System lands are involved. A large portion of the project site is impacted by historic mining operations. Some historic impacts have been previously remediated, and Midas Gold proposes to reclaim and/or remediate other legacy mining impacts in addition to the impacts of their operation.

The Plan of Operations includes the following: mining from two historic pits and one new open pit to recover gold, silver and antimony; reprocessing of historic tailings; back-filling of one pit; reconstruction of stream channels and wetlands, and restoring fish passage in the East Fork of the South Fork of the Salmon River through the legacy Yellow Pine pit.

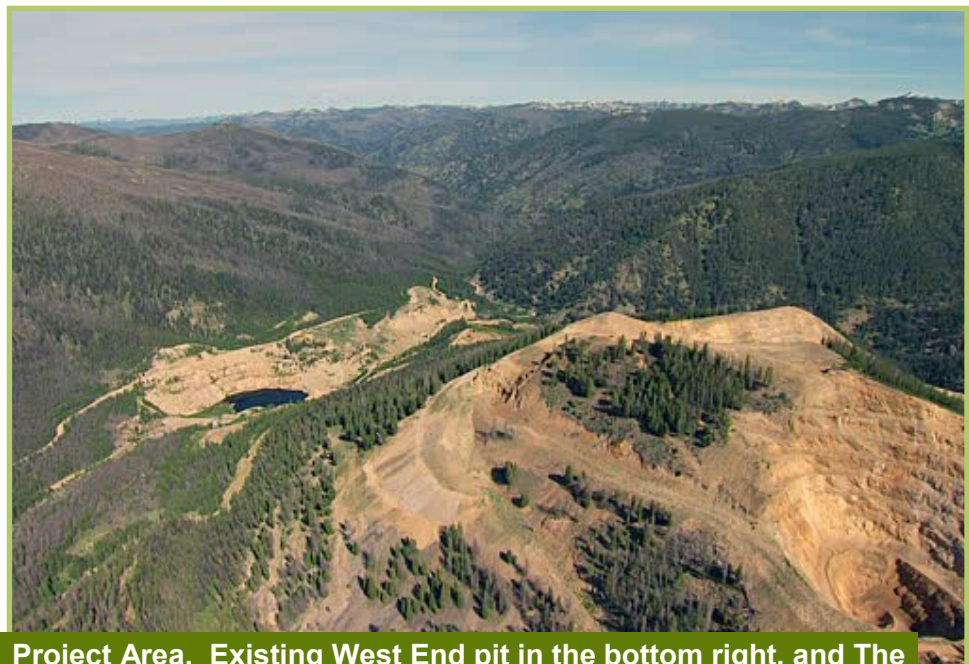
The company is estimating a project life of approximately 21-28 years, including redevelopment and construction (2-3 years), mining and processing (12-15 years), initial closure and reclamation (2-3 years), and post-closure and monitoring (5-7 years).

Preliminary issues identified include access and transportation; fisheries, wildlife, and threatened and endangered species; surface and groundwater; post-closure site management and land use; cultural and historic resources, including Tribal treaty and trust responsibilities; public health and safety; recreation; Roadless and Wilderness resources; and socioeconomics.

Project-specific Forest Plan amendments will be required in order to approve the Plan of Operations.

Cooperating agencies are the Environmental Protection Agency, the Army Corps of Engineers, and the Idaho Departments of Lands, Environmental Quality, and the Governor's Office of Energy and Mineral Resources, and Valley County.

A third-party contractor, AECOM, has been hired to prepare the EIS.



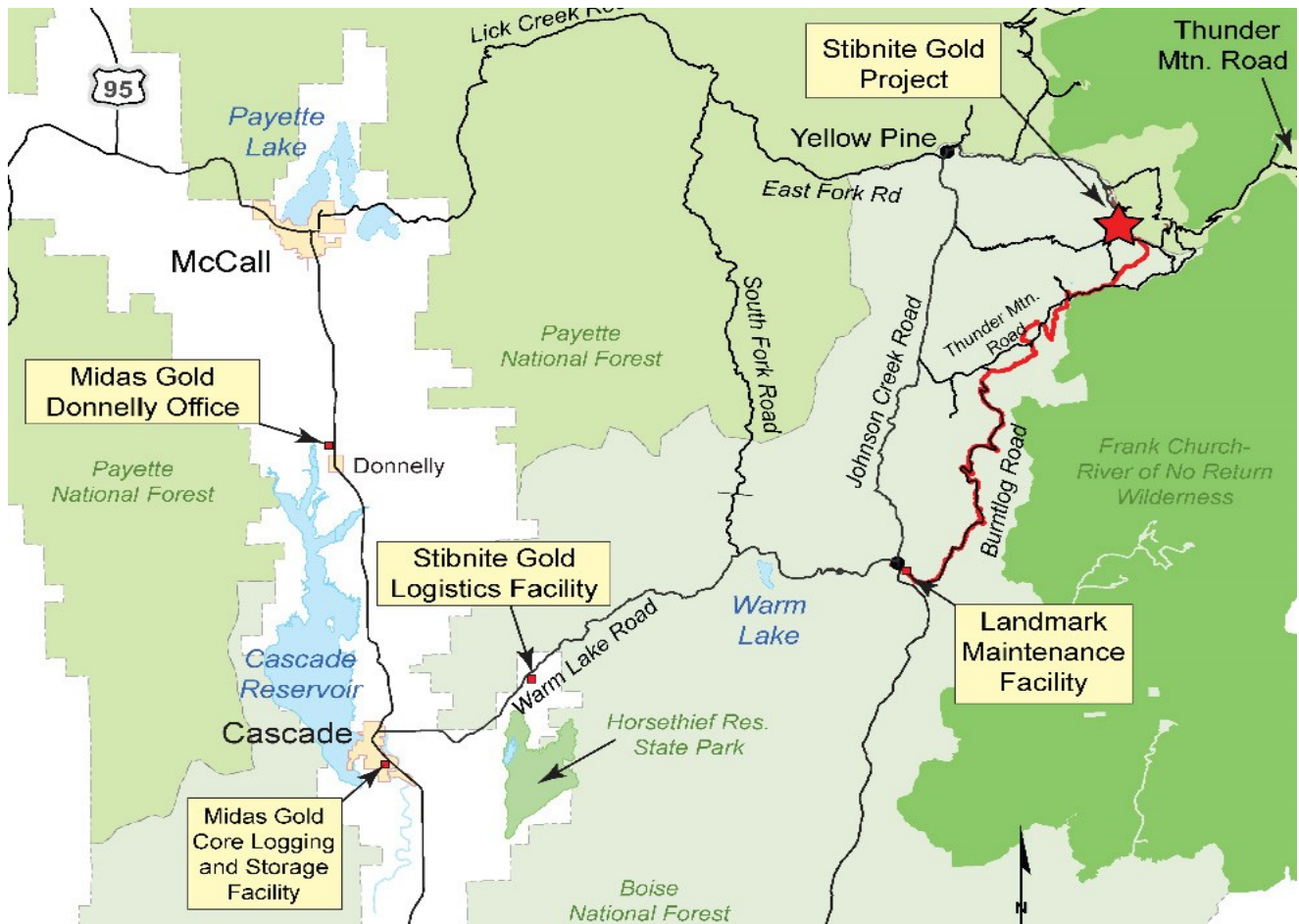
Project Area. Existing West End pit in the bottom right, and The East Fork of the South Fork of the Salmon River flows into the Yellow Pine pit in the mid-left of the photo.

Project Location

The Stibnite Mining District sits atop the Idaho Batholith, one of the signature features of Idaho's unique geology. The Mining District is officially on the Boise National Forest, but the area is administered by the Payette National Forest.

The mine is located 35 air miles east of McCall, Idaho. Access to the site is via three routes. In the summer, the Lick Creek and Johnson Creek roads are the primary routes. During winter months, only the South Fork of the Salmon River route is accessible due to snow levels. These routes lead to the community of Yellow Pine, then to the Stibnite Mining District along 12 miles of the East Fork Road.

Driving time from McCall to the project site is approximately three hours depending on route taken.



Project Area showing National Forests, wilderness boundaries and mine location.



Stibnite Mining District in the late 1940s.

than 1,500 people were working at the site. From 1941 to 1945 Stibnite mined and milled more tungsten and antimony than any other mine in the United States. During this wartime period, Stibnite produced 40 percent of the nation's domestic supply of tungsten and 90 percent of its antimony.

Following the closing of the mine in the mid-1950s, additional mining occurred on small and large scale from the 1970s through the late 1990s.

Stibnite Mining District History

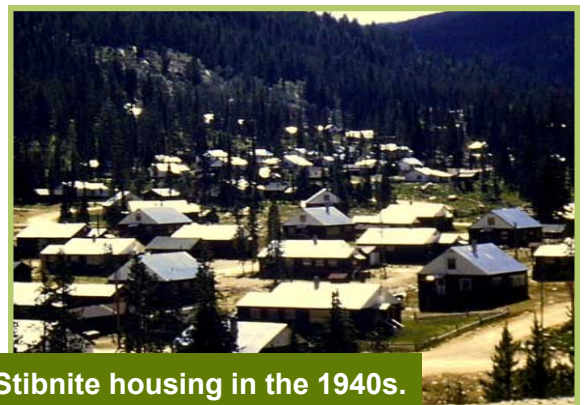
The Stibnite area had been mined prior to the establishment of the Forest Service. The District is one of the most historic mining districts in all of Idaho. The site is rich with minerals, including gold, silver, antimony and tungsten. Over the last hundred years, it has been home to thousands of miners, operated by several mining companies and was critical to the U.S. war effort in the 1940s and 1950s. Mining activity stopped at the site in 1997.

Miners first came to Stibnite during Idaho's gold rush days in 1899. Over the next few years, the number of miners at the site continued to grow and several operators, including United Mercury Mining Company and Bradley Mining Company, started working in the area. In 1938, miners started focusing their efforts on the Yellow Pine Pit, where they were able to extract large quantities of gold from this area of the site. These operations at the pit blocked fish passage and to this day, fish in the East Fork of the South Fork of the Salmon River cannot swim upstream past the site.

During World War II, antimony became a mineral critical to the war effort as it was used to create ammunition. Stibnite contained such large quantities of antimony that individuals were able to serve their country by working at the site. At one point, more

Remnants of previous mining activities include the Bradley tailings (main deposition area), smelter process area and wastes, process ponds, five heap-leach pads, and two open mine pits. Past mining activities have deposited metals, spent and neutralized ore, waste rock, and mine tailings over half of the site. Contaminants associated with mining operations include heavy metals and cyanide in area soil, groundwater, seeps and sediments.

In 1991, a release of arsenic was discovered due to an analysis of steelhead trout taken from the East Fork of the South Fork Salmon River was discovered. The site includes a number of waste source areas resulting from mining along Meadow Creek and the East Fork of the South Fork of the Salmon River.



Stibnite housing in the 1940s.

Who is Midas Gold

(Text provided by Midas Gold Idaho)



Midas Gold Idaho is a company

based in Idaho with roughly 30 employees. The company developed and submitted the Plan of Restoration and Operations for the Stibnite Gold Project in 2016. Midas Gold Idaho has offices in Donnelly, Cascade, Stibnite and Boise. The team of experts at Midas Gold Idaho are committed to seeing the Stibnite Gold Project restore the site and bring economic opportunity to surrounding communities. Midas Gold Idaho is overseen by a seven-member board comprised of a majority of independent industry experts and citizens from Idaho.

The parent company, Midas Gold Corp., is a publicly traded company on the Toronto Stock Exchange, based in Vancouver, Canada. The four employees of Midas Gold Corp. focus on finance and investor relations.

Recently, Barrick Gold purchased shares totaling 19.9% of the currently issued shares. This investment does not alter the company's independence or plans for the future, and Midas Gold Idaho will continue to direct and guide the future of the Stibnite Gold Project.

The Stibnite Gold Project is the only project for both Midas Gold Idaho and Midas Gold Corp. As is common business practice, Midas Gold's other direct and indirect subsidiaries, Idaho Gold Resources Company, LLC., and the Stibnite Gold Company, hold the mineral rights for the Stibnite Gold Project and Midas Gold Idaho operates the Project on their behalf.

Exploration on the Payette National Forest:

Beginning in 2007, Niagara Resources began acquiring, through purchase from prior owners or by staking on its own behalf, mining claims throughout the District. Niagara Resources later sold the mineral rights to Midas Gold, Inc. Explorations were initiated in 2009 as a precursor to the Golden Meadows Exploration project. Work included construction of several temporary roads to access drill sites, as well as drill pad construction and subsequent drilling on both National Forest System lands and private lands.

For the activities on NFS lands, a Notice of Intent and subsequent Plans of Operations were submitted during 2010, 2011, and winter 2011-2012. The required reclamation bonds were posted. In late 2011, a Plan of Operations was submitted for a multi-year exploration drilling program. An Environmental Assessment (EA) was conducted and a FONSI and a Decision Notice (DN) was signed in 2013. Objections to the DN required a new EA to be conducted and released in 2014. The final DN was signed in January 2016, and Midas Gold conducted their exploration.

In September 2016, Midas Gold Submitted their Plan of Operations (referred to as the Plan of Restoration & Operations by Midas Gold) to initiate the Stibnite Gold Project. This Plan of Operations was deemed administratively complete in December 2016. An NOI in the Federal Register was published in June 2017, and kicked off the EIS with a 45 days scoping/ comment period due to the needed Forest Plan amendments.

Additional geophysical investigations were initiated in 2018 to collect core samples on NFS lands to acquire subsurface data and test drilling in support of feasibility level mine engineering design.

The redevelopment of the project site will entail: a resumption of open pit mining; ore processing; recovery of gold, silver and antimony concentrates; placement of tailings in a composite-lined tailing storage facility; development rock placement; and the construction and operation of supporting infrastructure.

Midas Gold has generally planned for four phases of the mining operations:

- ◆ Early Redevelopment and Construction - 3 years.
- ◆ Mining, Ore Processing, and Mitigation work- 12 to 15 years
- ◆ Final Closure & Reclamation - 3+ years
- ◆ Monitoring - 5 to 7 years



Existing Yellow Pine Pit.

Open Pit Mining: The Plan of Operations consists of operating a total of three separate open pits, each of which are located primarily on patented claims.

- ◆ Yellow Pine Pit: Established in 1938, and mined to a depth of 450 feet. This pit has filled in with 400 feet of material from “Blowout Creek” and currently under 35 to 40 feet of water as the East Fork of the South Fork of the Salmon River flows through this pit. This pit will be drained and reworked to a depth of approximately 660 feet, then completely back filled once mine operations are complete on this pit.
- ◆ West End Pit: This is an open pit established in 1978. This pit is located high in West End Creek, a tributary to Sugar Creek which then

flows into the East Fork of the South Fork of the Salmon River. This pit will be fully worked to a depth of 950 feet, and encompass the small Midnight Pit from previous mining. This pit will be left unfilled at the end of mining operations to form two pit lakes (West End and Midnight lakes).

- ◆ Hangar Flats Pit: This is a new pit located in the Meadow Creek valley. This drainage has had a high volume of previous mining activity including heap leach mining and tailing storage facilities. This 560 foot pit will be left exposed at the end of mining operations and be filled with water from Meadow Creek forming a pit lake.

Reprocessing Legacy Tailing in Meadow

Creek Valley: In the early stages of mining operations, the plan is to remove and reprocess legacy tailings. These tailing are currently covered with approximately 50 feet of spent heap leach ore, and lie within the planned footprint of the Hangar Flats Pit. The tailings will be excavated, hauled to a re-pulping facility, then pumped as slurry to the ore processing facility.

Development Rock and Tailing Storage

Facilities: Five development rock storage facilities will be constructed throughout of the life span of the project to handle the 350 million tons of development rock projected to be produced. A portion of the development rock will be used to fill the Yellow Pine Pit and reshape the area surrounding the pit. Development rock will be used to establish embankments and buttresses for the Tailing Storage Facilities (TSF). Parts of the facilities are located on patented mining claims, but the majority are located on NFS Lands in Meadow Creek, Fiddle Creek and West End Creek.

Tailings are the finely ground rock that remain after gold and other minerals are extracted.

Midas Gold will use the Meadow Creek Valley as their TSF, which is entirely on NFS lands. Development rock will form the downstream embankment of the TSF, while the surrounding mountains form the side walls of the TSF. An estimated maximum depth of 400 feet of tailings will be placed in this TSF. The TSF will be lined with a geosynthetic and clay liner, and a composite liner to prevent leakage of process water. Excess water from the tailings will be drained and reused as a part of the mine operations.

Endangered Anadromous Fish: The project area is in the headwaters of the East Fork of the South Fork of the Salmon River. This is an anadromous fish bearing river with Chinook Salmon (ESA listed in 1990) and Snake River Steelhead trout (ESA listing reaffirmed in 2006) present. Resident Bull trout (ESA listed in 1999) and Cutthroat trout (Forest

Service management sensitive species in 2002) living and spawning within the river system. Meadow Creek is designated critical habitat for Chinook Salmon and Bull trout.

The river currently runs into and through the abandoned Yellow Pine open pit mine. The pit is filled with water and is referred to as the Yellow Pine "Glory Hole" pit. The project proposes to drain the pit, and reroute the river through a 0.8 mile long tunnel constructed adjacent to the pit. At the end of Midas Gold's mining work on this pit, it will be filled with development rock, and the river will be returned to a newly constructed artificial surface level stream bed. This will allow fish passage into approximately two miles of the headwater river system above the project site, and below the Hangar Flats TSF.



As the project area is positioned high within this watershed, only a few streams flow into the river above the project site. One of those streams is Meadow Creek and its tributary, the East Fork of Meadow Creek, now referred to as Blowout Creek. A dam had been placed in Blowout Creek during previous mining operations; however, the structure in 1963 failed and “blew” out the creek. This failure has historically contributed a large amount of sediment into Meadow Creek, then to the river. The Meadow Creek drainage has been used by previous mine operators as the primary tailing storage facility. Midas Gold proposes to use the drainage for the Hangar Flats Pit, the new tailing storage facility and the development rock storage area.

Additional development rock storage facilities will be within the Fiddle Creek drainage for the working of the Yellow Pine pit, and West End Creek which flows into Sugar Creek (a major tributary to the river) for the West End pit.

Road construction within Inventoried Roadless Areas (IRA). The existing route to the Stibnite Mining District is by use of the East Fork Road from the community of Yellow Pine. This is also the primary public traffic route to NFS Lands beyond the project site, and to a primary entry into the Frank Church River of No Return Wilderness Area. The use of the existing route as a primary access had been determined to be unfeasible by Midas Gold, due to the need to remove the roadway to work the Yellow Pine pit.

In the Plan of Operations, Midas Gold proposes to upgrade and extend portions of the Burnt Log road (Boise National Forest), and the Thunder Mountain Road for an additional 17 miles of new temporary road to connect the two existing roads. This would then act as the primary access to the project site during the life of the project, and may serve as public access to the NFS Lands beyond the project site. The new construction of the Burnt Log route,

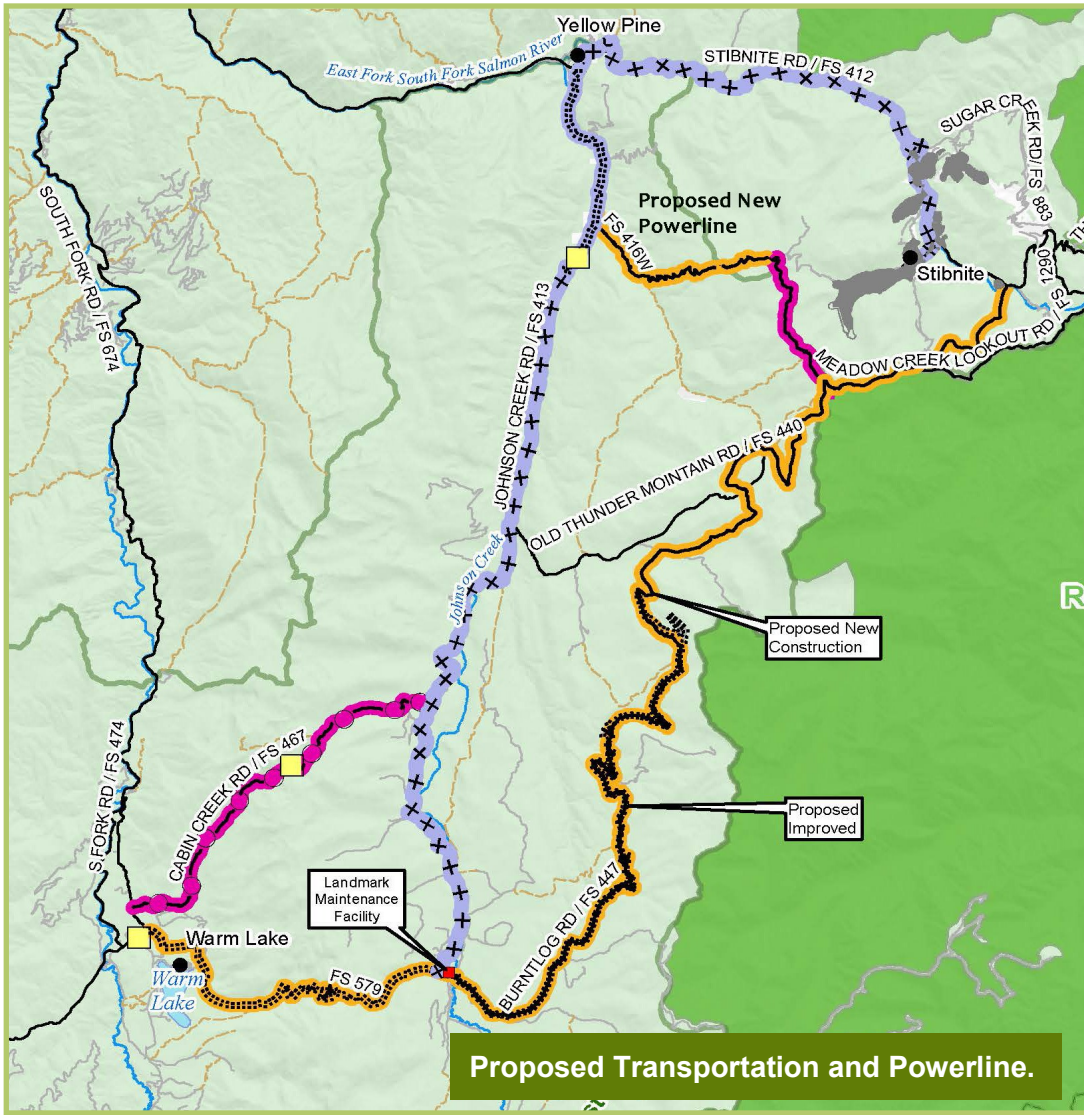


passes through the Burnt Log and other IRAs. Per the Idaho Roadless Rule, temporary roads can be constructed to access locatable minerals. As Midas Gold’s plan is to close and fully decommission the Burnt Log route once mining operations have ended - approximately 20 years, construction of this temporary road is allowable; although, Forest Plan amendments will be needed to redefine “temporary” impacts for the project.

Recently, Midas Gold submitted an alternative to the Burnt Log route that would raise the East Fork road above its current grade. This newly proposed route will be included as an alternative to the Burnt Log route in the EIS.

Powerline construction is proposed through two IRAs on the Payette National Forest (Horse Heaven IRA and Meadow Creek IRA). A total of 6.4 miles of new powerline is proposed by Midas. A Forest Plan amendment is necessary to allow for this activity.

Facilities during mining operations. In an effort to reduce traffic to and from the mining site, reduce the onsite employee housing requirements and provide for local regular weekday jobs in Valley County, Midas Gold Idaho proposes to construct administrative facilities in the vicinity of Cascade, Idaho. This facility would be known as the Stibnite Gold Logistics Facility, and not located on NFS Lands.



infrastructure facilities for electrical power, sewage, waste, water supply, communications, and emergency response.

A proposed road maintenance facility is in the vicinity of the Landmark Guard Station on the Boise National Forest.

This facility would be used year round, and may include housing for employees, stock piles of sand and gravel, fuel storage and communications equipment.

An alternative to this facility will be analyzed in the EIS.

Previous mining operations in the Stibnite Mining District constructed a company town at the project site. Midas Gold will not be doing this; however, a worker housing facility with accompanying dining and recreation facilities would be constructed with employees rotating through their work schedule every two weeks.

Employees will be bused to the work site from Cascade, thus reducing vehicle travel to and from the site.

Additional on site facilities will include warehouses, workshops, offices and



Proposed Worker Housing Facility.

Reclamation & Bonding. Reclamation and bonding is prescribed by the Mining and Minerals Policy Act of 1970. **Mine reclamation** is the process of restoring land that has been mined to a natural or economically usable state. Although the full process of mine reclamation is required once mining is complete, the planning of mine reclamation activities occurs prior to a mine being permitted or started.



An initial reclamation plan is included in the Plan of Operations. An updated reclamation plan will be developed and presented in the DEIS and FEIS, then refined based on the selected alternatives. Midas Gold intends to conduct concurrent reclamation activities as the project progresses.

Reclamation is defined as activities to reclaim impacts that are necessary and inherent to the mining activity being conducted. Activities that occur that are otherwise, are not considered as reclamation activities - these activities can be considered as restoration, mitigation or other forms of work. A restoration activity is not an action being taking by the current operator to correct or compensate for impacts from their own operation, but rather to restore lands and natural processes disrupted by a previous mining operator at the site.

Per the Mining and Minerals Act of 1970, the operator shall, where practical, reclaim the surface disturbance in operations by taking such measures as will prevent or control onsite and off-site damage to the environment and forest surface

resources including: Control of erosion and landslides; control of water runoff; isolation, removal or control of toxic materials; reshaping and revegetation of disturbed areas, where reasonably practicable; remove structures, improvements, facilities and equipment; rehabilitate fisheries and wildlife habitat, and take other such reclamation measures as specified in the Plan of Operations.

Bonding: The operator will be required to bond for a dollar amount adequate to conduct reclamation activities. The initial bond must be revisited throughout the full term of the mining operation and adjusted for unplanned occurrences that may not have been a part of the final Plan of Operations.

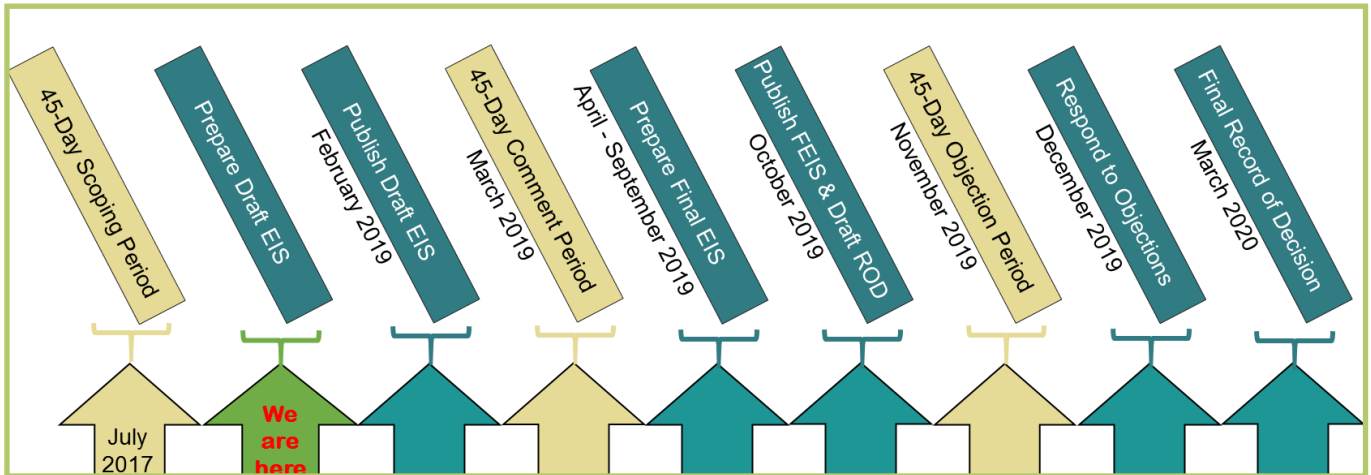
Restoration activities are not considered required reclamation. Activities an operator takes or plans to take that are not considered reclamation or other required work, do not require a bond. If an operator takes restoration activities that are not in some way connected to reclamation or mitigation efforts, the operator is doing so only in good will.

Midas Gold's Plan of Operations will impact approximately 95% of the previous site disturbance from past mining activities. Clean up of the impacts to this area is considered required reclamation - not restoration. The additional operations areas that have not been disturbed from previous mining activities will fall under reclamation requirements.

NEPA Development

Midas Gold Idaho and the Forest Service entered into a **Memorandum of Understanding (MOU)** for the conduct of the Environmental Impact Statement (EIS). Under this MOU, Midas Gold is paying the full expenses for the hiring of a Third Party Contractor (AECOM) to conduct the analysis for the EIS. AECOM takes direction only from the Forest Service under this agreement.

Cooperating Agencies for the EIS are the Payette National Forest as the lead with close coordination with the Boise National Forest, and the U.S. Environmental Protection Agency (EPA), U.S. Army Corps of Engineers (USACE), Idaho Department of Lands, Idaho Department of Environmental



Quality (IDEQ), Idaho Governor’s Office of Energy & Mineral Resources (OEMR), and Valley County.

The timeline of the NEPA analysis. In September of 2016, Midas Gold submitted a Plan of Operations for Mining on NFS lands, and the Forest Service accepted it as administratively complete in December 2016.

In June of 2017, the Forest Service filed a Notice of Intent to conduct an EIS under NEPA . The purpose of the EIS is to evaluate and disclose the potential environmental impacts of Midas Gold’s Plan of Operations. The Payette National Forest is the Lead, and is working closely with the Boise National Forest and cooperating agencies.

Three Federal agencies have administrative actions to make, and will utilize the NEPA analysis in making their decisions:

- ◆ The Forest Service for approving the portions of Midas Gold’s plan on the NFS Lands.
- ◆ The Army Corps of Engineers for CWA 404 permitting.
- ◆ The EPA for CWA NPDES permitting, unless this authority is conducted by Idaho DEQ.

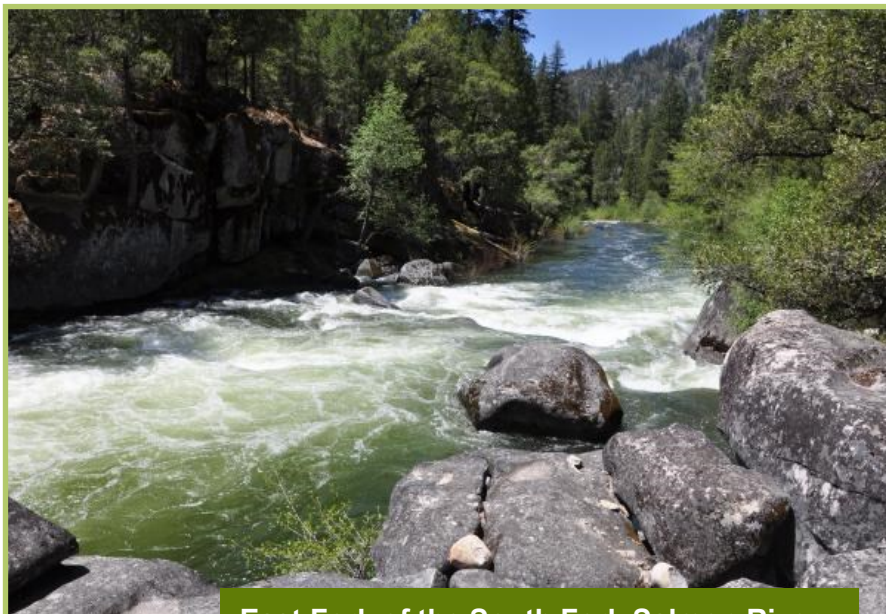
NEPA Timeline	
Notice of Intent	June 2017
45 Day Scoping Period	July 2017
Publish Draft EIS	February 2019
45 Day Comment Period	March 2019
Publish FEIS & Draft ROD	October 2019
45 Day Objection Period	November 2019
Final Record of Decision	March 2020

Nature of the Decision to be Made. The

Payette Forest Supervisor will consider the beneficial and adverse impacts of each alternative. With respect to the portions of the Plan on NFS lands, the Forest Supervisor has discretion to determine whether reasonable changes in, or additions to the Plan will be required prior to approval. However, the Forest Supervisor cannot categorically prohibit operations that are reasonably incident to mining of locatable minerals on NFS lands in the area of the proposed project. Selected Alternatives will incorporate USACE Least Environmental Damaging Practical Alternative (LEDPA) requirements.

Using the analysis in the FEIS and supporting documentation, the Forest Supervisor will make the following decisions regarding the Plan:

- ◆ Decide whether to approve the Plan as submitted by Midas Gold, or to require changes or additions to the Plan to meet the requirements for environmental protection and reclamation set forth at 36 CFR 228 Subpart A before approving a final Plan. The Forest Service decision may be to approve a plan of operations composed of elements from one or more of the alternatives considered. The alternative that is selected for approval in the final Plan must minimize adverse impacts on NFS surface resources to the extent feasible.
- ◆ Decide whether to approve amendments to the forest plans, if required, in order to approve the final Plan.
- ◆ Decide whether and/or how to mitigate the effects of the proposed mining operation to existing public motorized access.



East Fork of the South Fork Salmon River.

impacts to Tribal Trust responsibilities.

The [Idaho Conservation League](#) considers themselves the states' leading voice for conservation. Their work focuses on air quality, clean water and wild places.

In April of 2018, [American Rivers](#) declared the South Fork of the Salmon River as one of 2018's ten most endangered rivers - the East Fork with headwaters in the project site is a major tributary to the South Fork of the Salmon River. American Rivers claims the "open pit gold and antimony mines in the rivers headwaters threaten to pollute this Idaho treasure and the downstream communities that rely on it for jobs, economic livelihood and cultural heritage."

Support for the project exists with elected officials throughout the state, including the Governor and the Idaho Congressional delegation.

Citizens in the area of the project both support and oppose the project for a variety of reasons.

Midas Gold hosts this website <https://supportstibnite.com> that is intended to encouraged support for the project.

Tribal & Public Participation

Previous Midas Gold projects have received objections to the decisions made by the responsible Forest Service official. A private party, the Idaho Conservation League, and the Nez Perce Tribe submitted objections to Midas Gold's prior exploration projects. Objections to the decision for the Stibnite Gold Project should be expected.

Tribal interest in the project center on the three Native American tribes who view the project site to be within their ancestral lands. The three tribes are the Nez Perce, the Shoshone-Bannock , and the Shoshone-Paiute. Midas Gold has agreed to fund ethnographic studies for the tribes, which will assist to inform the project decision as to potential



Top photo: East Fork of the South Fork Salmon River flows into the existing Yellow Pine Pit.

Bottom photo: Existing West End pit.



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