



STIBNITE GOLD PROJECT

Valley County, Idaho



PLAN OF RESTORATION AND OPERATIONS

September 2016



Midas Gold Idaho, Inc.

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Dear Reviewer,

Our plan for the future of Stibnite is finally ready. We would like you to read it, fully consider its implications and let us know what you think.

Midas Gold has spent more than five years building relationships with individuals and organizations across Idaho, establishing existing environmental baseline conditions at Stibnite, and conducting extensive technical studies to determine the environmental, social and economic feasibility of redeveloping the Stibnite Gold Project. Now, this Plan of Restoration and Operations (**PRO**) is ready for review and consideration.

The Stibnite Gold Project, as proposed, represents a rare opportunity to use private investment for natural resource restoration. The Project will restore salmon migration into the headwaters of a branch of the Salmon River, clean up a large abandoned mine site that has compromised water quality, and help the local economy and local communities.

Many interested parties have already commented on our ideas and Midas Gold has, where possible, incorporated their suggestions and advice into this PRO so that we can clearly demonstrate that this mining project will have a positive outcome from social and conservation perspectives, as well as providing economic benefits and employment. Cleaning up the site's existing legacy impacts and restoring salmon migration is a major endeavor. These are just the first steps of the multi-year restoration plan laid out in this PRO, which would also create more than 1,000 well-paid jobs for an entire generation of Idahoans.

With the redevelopment of the Stibnite Gold Project, Midas Gold will repair the damage from a century of mining activity that has left a legacy of un-reclaimed open pits, tailings, development rock dumps, heap leach piles and a failed hydro dam, all of which have impaired water quality, elevating metal and sediment levels in local waterways. Forest fires have compounded the legacy impacts, accelerating erosion and exacerbating the effects of past human activity.

Midas Gold is looking forward to supporting the U.S. Forest Service as it co-ordinates the review of this PRO by the public, by other federal and state agencies, and by local and tribal governments. We recognize that there are sensitivities in developing a project in an historical mining area with an already impacted fishery, and so we commit to continue our open, respectful communication as we work with government and with all of the Stibnite Gold Project's stakeholders to navigate diverse interests in a collaborative manner.

Thank you for taking the time to review this Plan of Restoration and Operations. We're proud of the work we've done so far, and will welcome your comments. We look forward to working with you.

Sincerely,

The Midas Gold Team

EXECUTIVE SUMMARY



RESTORE THE SITE

EXECUTIVE SUMMARY

ES.1 INTRODUCTION

Midas Gold Idaho, Inc. (**Midas Gold**) proposes to redevelop portions of the Stibnite Mining District (**District**), as outlined in this *Plan of Restoration and Operations (PRO or Plan)* for the Stibnite Gold Project (**Project**). This PRO has been prepared to meet the requirement for a plan of operations for approval by the U.S. Forest Service (**Forest Service**) for Project operations on the surface of National Forest lands under regulations at 36 CFR 228 Subpart A and to meet the requirements for a plan of operations for approval by the Idaho Department of Lands under state regulations and Idaho state code. This PRO also includes a description of access/transportation, power supply and other Project infrastructure and operations components planned for Midas Gold's private (patented) lands and other lands in the area.

The Project consists of cleaning up legacy impacts related to more than a century of past mining activities, restoring the salmon fishery, employing and training a qualified direct workforce of approximately 600 persons (with many more indirect jobs created by the Project), growing the local economy of Valley County and benefiting the economy of Idaho and the U.S. All of these redevelopment objectives are integrally connected with the building, operating and proper closure of a new mine.

ES.2 PURPOSE & NEED FOR PROJECT

The Stibnite Gold Project creates the opportunity for Midas Gold to clean up a heavily disturbed site, reclaiming historically impacted areas; replanting extensively reduced forest cover; restoring stream channels, wetlands and fisheries; and creating a sustainable ecosystem.

The purpose and need for the Project is for Midas Gold to economically develop and operate a modern mining operation at the Stibnite site to obtain financial return and benefits from its property rights and investment and supply extracted minerals for various uses. This would be accomplished while providing broader environmental restoration and socioeconomic benefits at the site and for the surrounding area.

The scale and nature of the pre-existing conditions at this brownfields site means that cleanup and restoration is best undertaken as part of site redevelopment. A "brownfields" site is one that has already been extensively disturbed by previous mining activity, as opposed to an area that has never been mined before and remains relatively wild or pristine. The large-scale equipment, power, transportation routes, process facilities and lined tailings storage facility that are needed to effectively complete the restoration work are readily available as part of a mining operation but would be prohibitively expensive to provide and develop on a standalone basis.

The estimated mineral resource is four to five million ounces of gold and 100 to 200 million pounds of antimony. An important aspect of the Project will be the recovery and sale of domestically sourced antimony to U.S. markets. America's need for strategic and critical minerals continues to increase. A common definition of "critical minerals", in particular antimony, is that these minerals are integral to national defense, aerospace and energy industries, but are threatened by supply disruptions due to limited domestic production or political risk. There is no antimony mining or antimony production in the U.S.; there is no strategic antimony stockpile. China supplies 90% of the world's total production of antimony, and the U.S. imports about 73% of its antimony from this country. The U. S. Department of Defense (**DOD**) includes antimony on the list of strategic and non-fuel defense shortfalls (*DOD, 2015*). Antimony is used in alternative wind and solar energy applications, fire resistant transmission lines,



batteries, military equipment and munitions, fire suppressant flame-retardants, and semi-conductors. This import reliance on foreign countries, primarily China, exceeds 85%.

The Stibnite Mining District potentially contains over 180 million pounds of antimony, and this mineral resource could represent the Nation's long-term strategic stockpile.

Midas Gold proposes to conduct restoration, mining and milling activities at its Stibnite Gold Project site in a safe, technically feasible, economically viable, environmentally sound and socially responsible manner. The Project will comply with applicable laws and regulations. As a result of the Project, Midas Gold will rehabilitate this brownfield site and restore sensitive fisheries.

ES.3 PROJECT HIGHLIGHTS

The Stibnite Gold Project is comprised of a comprehensive restoration, operation and reclamation plan by which a heavily disturbed brownfield site will be cleaned up, old tailings will be reprocessed, and habitat will be enhanced to help rehabilitate a very important salmon fishery at the same time as improving the local economy of Valley County and of Idaho.

The Stibnite Mining District has been subject to extensive mining-related activities by prior owners over the past century. Historical mining activities included underground and open pit mining, heap leaching, ore processing in a mill, smelting, tailings disposal, development rock disposal, waterway diversions, hydro dam development (and failure), town and camp sites, haul roads, power lines, landfills, etc. All of these impacts took place prior to the Midas Gold affiliates' acquisition of their mineral rights in the area and were carefully documented prior to them taking ownership. These human impacts have been compounded by extensive forest fires that have burned approximately 76% of the Project mineral holdings area. Such activities have resulted in widespread impacts on the natural environment including: deforestation, accelerated erosion; increased sedimentation; elevated metals loading in surface and ground waters; diversion and degradation of natural waterways (including the East Fork of the South Fork of the Salmon River); blockages to anadromous fish passage; impaired water quality; and compromised fish habitat, waterways and wetlands.

In this PRO, Midas Gold addresses the substantial majority and largest of the historical impacts at the site, in conjunction with the redevelopment of mining operations. Based on discussions with stakeholders interested in the Project area, Midas Gold's Plan prioritizes the restoration of the site in the early stages of the Project, maximizes restoration of habitat, restores fish passage, re-establishes forest cover, maximizes reuse of historically impacted areas and minimizes impacts on (and risks to) the environment. These early-stage activities lead to a fully reclaimed site on closure that supports a robust, naturally self-sustaining ecosystem with enhanced habitat to support the natural fish and wildlife populations. Midas Gold's Plan considers site restoration at the watershed level, and will be incurring the necessary restoration costs as part of its redevelopment activities, thus avoiding the substantial costs that would otherwise be incurred by taxpayers. It is unlikely that many of the contemplated restoration activities would be undertaken without concurrent site redevelopment, given the substantial cost to the public to buy or lease and operate suitable equipment, and to build the necessary facilities.

The redevelopment of the site will entail: a resumption of open pit mining; ore processing; recovery of gold, silver and antimony; placement of neutralized tailings in a composite-lined tailings storage facility (TSF); development rock placement in fully engineered and designed facilities; and supporting infrastructure. The Project's TSF will be contained on approximately 90% of its perimeter by impenetrable mountains and on 10% of its perimeter by a rock-filled embankment (constructed using downstream methods) fortified by the placement of approximately 65 million tons of rockfill buttressing the



embankment and substantially enhancing its geotechnical stability. Use of grid and solar power will substantially reduce greenhouse gas emissions and fuel haulage. Upgrading and connecting two existing roads will move traffic travelling to and from the Project site away from major waterways. The combination of efforts to reduce greenhouse gas emissions and extensive reforestation will limit contributions to climate change.

The Stibnite Gold Project would generate significant net employment and economic benefits to the local communities, counties, the State of Idaho and the Nation, providing more than 1,000 direct and indirect jobs over the approximately 15-year construction and operations periods at wages two to three times the local and Idaho averages. The Project would contribute significant local, state and federal taxes. Additional employment and benefits would occur during the closure and monitoring periods.

The Project has been designed with closure in mind. From the outset Midas Gold has incorporated these objectives: addressing historical impacts; protecting the environment during all Project phases; and completing reclamation that incorporates stream restoration, wetland construction and enhancement, reforestation and wildlife habitat enhancement. This integrated Plan of Restoration and Operations for the Stibnite Gold Project will be subject to permit constraints that ensure protection of the environment and financial assurance that is sufficient to cover third party costs for closure and site reclamation. As noted above and throughout this PRO, the majority of site restoration happens early in the Project life, assuring that Midas Gold delivers the intended benefits.

A summary of the features of the Stibnite Gold Project is set forth in Table ES-1.

Table ES-1, Summary of Stibnite Gold Project

General Components	
Restoration	Clean up and reprocess historical tailings. Reuse legacy development rock and spent ore, plant trees across mining-impacted and forest fire affected areas. Remove potentially contaminated soils in legacy mill and smelter sites, and other areas, to improve quality and sustainability of the local ecosystem. Repair Blowout Creek to restore wetlands and reduce sedimentation.
Fish Habitat	Restore the fishery by restoring the habitat. Remove the river from the Yellow Pine pit, where in its current location it forms a pit lake and prevents fish passage; temporarily re-route the river through a tunnel capable of providing fish passage to the East Fork of the South Fork of the Salmon River (EFSFSR) and Meadow Creek while the river channel is being fully restored. Backfill the Yellow Pine pit and re-create a more natural river alignment to provide habitat that will support permanent fish passage post-closure. Extensively restore stream channels and enhance fish (and wildlife) habitat in the Project area to improve fish habitat and spawning beds to encourage salmon population growth. Upgrade area roads and culverts to remove fish barriers, reroute main access road to reduce proximity of transportation route to major streams.
Production	Average life-of-mine ore mining and processing rate of 20,000 to 25,000 tons per day. Average life-of-mine development rock mining rate of 75,000 to 100,000 tons per day.
Mining	Surface (open pit) mining with limited underground exploration and sampling.
Development Rock Storage Facilities (DRSFs)	Storage areas include: Hangar Flats DRSF in the already impacted legacy tailings area that would buttress the lined TSF; backfill of the mined-out Yellow Pine pit to support river channel restoration; expansion of the existing West End DRSF; and, a DRSF in the already impacted Fiddle valley.
Ore Processing	Flotation to produce concentrates. Antimony concentrate sent offsite for processing. Gold and silver concentrates processed on site with oxidation and tank cyanidation using carbon-in-pulp method to produce gold-silver doré on site. Tailings neutralization to meet wildlife and fisheries standards before discharge into the TSF.

Table ES-1, Summary of Stibnite Gold Project

General Components	
Tailings Storage Facility	Lined, zero-discharge facility with engineered, rockfill dam and an extensive development rock buttress. Post-closure reclamation to create wetlands and fish habitat.
Employee Transportation	Busing/van pooling from Stibnite Gold Logistics Facility in Valley County.
Supply Transportation	State Highway 55 to Warm Lake Road to the upgraded and extended Burntlog Road that connects to an upgraded portion of the Thunder Mountain Road. This route will move traffic away from major waterways, reducing potential interactions with the environment and reducing potential impacts on local residents along the currently available routes.
Power	On-site solar power supplementing a reconnection to grid power, reducing: environmental footprint, fuel transportation risks, and greenhouse gas emissions and associated climate change.
Housing	Onsite contractor/employee housing to minimize Project traffic, promote safety and provide appropriate work/home life balance.
Reclamation	Backfill Yellow Pine pit to restore EFSFSR channel. Reclaim, re-contour and re-vegetate DRSFs, TSF, mill site, employee-housing facility, and haul roads to create sustainable ecosystem. Reforestation and/or revegetation of Project-impacted areas. Creation of wetlands on reclaimed DRSF and TSF.
Restoration	Repair of Blowout Creek to reduce sedimentation and restore wetland functionality. Enhancement of fish habitat in EFSFSR and Meadow Creek to provide salmon spawning beds and increase fish populations. Revegetation and reforestation of legacy impacted and forest fire affected areas to improve vegetative cover and wildlife habitat. Removal of potentially contaminated soils from legacy operations and facilities. Removal and reprocessing of legacy tailings, eliminating a potential source of groundwater and surface water contamination.
Employment Projections	
Construction/Development (3 years)	1,000 jobs at peak, averaging 600 – 700 jobs
Operations (12-15 Years)	524 to 670 direct jobs, with a similar number of indirect jobs resulting from operations
Closure/Reclamation (2-3 years)	up to 200 jobs, with approximately 15 to 45 jobs in final stages of Project
Land Ownership and Administration (within Midas Gold claim block)	
Forest Service Administered	28,477 acres (95.5% of total Midas Gold claim block)
Private Ownership	1,350 acres (4.5% of total Midas Gold claim block)
Estimated Project Site Area	
New Project Area on Previously Disturbed Unpatented Claims	392 acres (20% of total Project site area excluding new powerline)
New Project Area on Previously Disturbed Patented Claims	449 acres (23% of total Project site area excluding new powerline)
New Project Area on Previously Undisturbed Unpatented Claims	1,055 acres (53% of total Project site area excluding new powerline)
New Project Area on Previously Undisturbed Patented Claims	95 acres (5% of total Project site area excluding new powerline)
New Powerline	44,100 linear feet of new powerline
Estimated Area Subject to Past Forest Fire Damage	
Midas Gold Claims	22,563 acres (76% of 29,827 acres)
Within Project Footprint	685 acres (34% of 1,991 acres)

ES.4 MIDAS GOLD'S CORE VALUES

We at Midas Gold consider the health and safety of people, the protection of the environment and the sustainability of our activities to be the core values that drive all aspects of Project planning and development. This foundation of core values is reflected in our policies below, and the training of our employees so that they understand and appreciate these core values.

Our commitment to our core values can be summarized as follows:

- **Safety** – The health and safety of our employees, contractors and the public is of the utmost importance.
- **Environmental Responsibility** – We go above and beyond what is required; we find practical solutions to manage growth, while protecting and enhancing the natural environment.
- **Community Involvement** – As proud members of the community, we actively strive to serve the community's needs, and to collectively enhance prosperity and well-being.
- **Transparency** – We fulfill our commitments in an open and transparent manner. We aim to be accurate, consistent and straightforward in all information delivered to our stakeholders.
- **Accountability** – As part of our corporate governance, we ensure that accountability guides all of our actions, decisions, conduct and reporting.
- **Integrity & Performance** – We hold ourselves to high moral standards and strive to fulfill our commitments in an effective and sustainable manner.

In aligning the Project with our core values, Midas Gold has adopted the following **conservation guidance principles** for the Project:

- Conduct restoration, mining, milling and reclamation activities in an environmentally responsible manner;
- Locate Project infrastructure on previously disturbed areas wherever practicable;
- Design and construct facilities to minimize impacts to aquatic and terrestrial wildlife, improve habitat across the Project site, and protect anadromous and local aquatic populations;
- Protect and improve local surface water and groundwater quality; and,
- Repair, relocate, or construct new ecologically diverse stream channels and wetlands to mitigate those disturbed by legacy and new mine development.

ES.5 SOCIOECONOMICS & WORKFORCE REQUIREMENTS

At Midas Gold, we always look to Idaho first, and particularly Valley County, for our workforce and for the materials we need for the Stibnite Gold Project. There will be many opportunities for local businesses to contract with Midas Gold for surface infrastructure and miscellaneous facilities, to provide supplies and services, and for local residents to be directly or indirectly involved during the construction, operations, closure and reclamation of the Project. Midas Gold aims to continue to encourage local hiring, contracting, provision of supplies and services within the local communities and Valley County, and in expanding circles that include adjacent counties, the State and the balance of the U.S. Valley County saw employment in 2014 of 3,926 individuals and wages were below the national average. Employment in the county was dominated (50%) by tourism and government; typical wages in the mining sector were four and two times the average pay levels in those fields, respectively, indicating potential for well-paid jobs as the Project is developed.

During initial construction and mine development activities, Midas Gold and construction contractors will employ up to 1,000 people, with an average of 600 to 700 people, likely making it the largest single employer in Valley County. It is expected that approximately 25 to 30% of this initial construction and development workforce will be residents of Valley County due to the specialized skills and limited duration of the positions in this period. Based on average wages of \$70,000 per year, total payroll would be in the range of \$42 million to \$49 million per annum.

During operations, total Project employment could reach a peak of approximately 670 people and average approximately 600 people, with approximately 50% of these people expected to reside in Valley County. Assuming wages ranging from \$80,000 to \$85,000 per year and an average Project workforce of 600 people, the total annual payroll for direct employment during operations would range between \$48 million and \$51 million.

On completion of the operations phase of the Project, Midas Gold will continue to employ approximately 200 people during closure and reclamation, and then 15 to 45 people during the initial reclamation monitoring period. Annual payroll for direct employment during reclamation would be approximately \$12 million, and then \$900,000 to \$2.7 million as the workforce moves into reclamation monitoring duties.

In addition to the direct employment figures above, substantial indirect employment will be created as a result of the Project's activities. Indirect employment will include personnel involved in the supply chain for consumables used at site, for the transport and export of gold/silver doré and antimony concentrates offsite, increased needs in local communities (e.g. teachers in schools, hospitality and commercial staff to meet increased demand, etc.). Based on third party analysis of the impacts for such projects in Idaho on employment, it is conservatively estimated that approximately 0.878 jobs will be created indirectly for every direct employment position noted above during the operating period.

The Stibnite Gold Project would generate significant tax revenues for the various levels of government. Total direct, indirect and induced taxes are estimated at \$506 million in federal taxes and \$218 million in state and local taxes, representing a significant contribution to the economy during the 15-year construction and operating life of the Project. Payroll and other taxes would continue to be paid during the closure and reclamation period, adding to the totals paid throughout the initial and intermediate stages of the Project.

ES.6 PAST MINING RELATED ISSUES

Two major periods of mineral exploration, development and operations have occurred in the Stibnite Mining District. These activities that occurred over the past century have left behind substantial environmental impacts that remain to this day.

The first period of activity commenced in the mid-1920s and continued into the 1950s; it involved the mining of gold, silver, antimony, and tungsten mineralized materials by both underground and, later, open pit mining methods. During World War II, this District is estimated to have produced more than 90% of the Nation's antimony and 65% of the Nation's tungsten; materials that were used in munitions, steel-making, fire retardants and for other purposes. Mining of these strategic minerals was considered so critical that the federal government subsidized the mining activity, managed site operations and military time could be served at the mine site. Strategic metal mining operations at Stibnite continued through much of the Korean War. Antimony-gold-tungsten mining and milling ceased in 1952, near the end of the Korean War.

The second period of major activity in the District started with exploration activities in 1974 and was followed by open pit mining and seasonal on-off heap leaching and one-time heap leaching from 1982 to 1997, with ore provided by multiple operators from a number of locations, and processed in adjacent heap leaching facilities.

The mining, milling and processing activities created numerous legacy impacts including underground mine workings, multiple open pits, development rock dumps, tailings deposits, heap leach pads, spent heap leach ore piles, a mill and smelter site, three town sites, camp sites, a ruptured water dam (with its associated erosion and downstream sedimentation), haul roads, an abandoned water diversion tunnel, an airstrip and other disturbances. Extensive forest fires have compounded the human-created impacts and have increased soil erosion and impacted water quality.

Both the main stem of Meadow Creek and its East Fork tributary have been severely impacted by past mining activity. The East Fork of Meadow Creek, locally known as “Blowout Creek”, is today one of the largest sources of sediment for this part of the Salmon River. “Blowout Creek” got its name from a water dam that failed in the 1960s with a washout that scarified an erosional channel and drained the meadow and the productive wetlands above. The erosional and dewatering effects continue today, with sediment being rushed downstream with every spring melt and every summer rainstorm, the finer sediments choking the spawning grounds of the EFSFSR.

The EFSFSR, a branch of the Salmon River headwaters, currently runs though the old Yellow Pine pit (sometimes referred to locally as the “Glory Hole”). First mined in the late 1930s and abandoned in the late 1950s, the pit has since filled with river water and sediment, and formed a lake. While recreationists currently camp on the old mine benches within the open pit and catch fish in the un-reclaimed pit lake, anadromous and local fish populations have not been able to migrate upstream from this point since 1938. Figure ES-1 illustrates the current condition of the Yellow Pine pit.

Figure ES-1, Current condition of the Yellow Pine pit.



ES.7 RESTORATION & MITIGATION

Figure ES-2 illustrates what restoration means to Midas Gold.

Figure ES-2, Inspiration for the restoration of the Yellow Pine Pit



The restoration concepts for this important fishery include backfilling the Yellow Pine pit to create an effective foundation for reconstructing the EFSFSR to its approximate historical gradient. Subsequent stream rehabilitation and restoration will include active vegetation replacement to the entire area of the pit which has blocked anadromous and other fish passage since 1938 as well as aquatic habitat improvements and riparian re-establishment.

Midas Gold will commence the cleanup of the site as an early priority, and will begin as soon as feasible once Midas Gold raises the US\$1 billion capital required for the Stibnite Gold Project, and puts the necessary financial assurance for reclamation securely in place. This cleanup activity will start in advance of new mining operations, and will continue throughout the construction, operation and closure stages of the Project. Private investors, not the American taxpayer, will pay for the site cleanup, as the restoration work is a fundamental aspect of the Stibnite Gold Project as proposed. This approach will achieve a net environmental benefit for the site.

As detailed in this PRO, Midas Gold proposes to clean up the existing conditions of historically impacted areas, recover and re-mill old tailings, reuse the existing waste materials such as development rock and spent heap leach ore, mine the remaining portions of previously mined gold-silver-antimony deposits, and produce a concentrate of antimony and gold-silver doré bars. Both concurrent and post-operations closure and reclamation will be undertaken so that the site is left with a self-sustaining natural ecosystem, enhanced habitat for the natural fish and wildlife populations and improved water quality. The closure and reclamation costs will be supported by a financial assurance sufficient to cover the costs of third parties completing this work if, for any reason, Midas Gold does not.



As part of the site cleanup, waterways impacted by contact with old mine workings and legacy mining-related waste will be moved from their current locations and re-aligned. There are several of these waterways at the Project site, and, of these, the two priorities for Midas Gold are the EFSFSR and one of its tributaries – Meadow Creek.

In addition to meeting the requirements of Forest Service regulations at 36 C.F.R. 228 Subpart A and other laws and regulations, Midas Gold has designed the Stibnite Gold Project to be consistent with recently updated guidance regarding mitigation of effects on natural resources and the environment, including guidance in the Presidential Memorandum: Mitigating Impacts on Natural Resources from Development and Encouraging Related Private Investment (the “**Presidential Memorandum**”), dated November 3, 2015.

The information provided in this Plan of Restoration and Operations clearly demonstrates Midas Gold’s intent to avoid and minimize harmful effects to the land, water, wildlife and other natural resources at the Stibnite site; and achieve a net benefit to the environment. The “net benefit policy” aspirational goal set out in the Presidential Memorandum will be achieved by implementation of the Project, as outlined in this PRO, by avoiding and/or minimizing harmful effects related to the Project, and through the extensive restoration of legacy impacts at the Project site, which will provide net benefits to the natural environment.

Numerous opportunities exist during the initial site cleanup, mine development, operations, and closure to restore and enhance wetlands, riparian habitat and stream channels, and improve water quality throughout the Project area. The presence of mining equipment combined with active development in early years (and operations, reclamation and closure in later years) provides opportunities to improve environmental conditions at the site. A summary of the restoration and enhancement projects is provided in Table ES-2.

Table ES-2, Restoration and Mitigation Projects

Restoration Component	Drainage	Quantity
Metal loading reductions in surface water by removal or reuse of legacy tailings, development rock and spent ore material	EFSFSR	At least 10.5 million tons of legacy material
Bridges and culverts upgraded and/or replaced to restore fish passage	EFSFSR, Johnson Creek and tributaries	34+ bridges/culverts
Removal of Yellow Pine pit barrier to restore fish passage	EFSFSR and tributaries	Restores fish access to 29,500 linear feet of EFSFSR and Meadow Creek
		In conjunction with stream restoration, increases Project-area Chinook salmon population to average of: 33 adults 11,000 juveniles 910 smolts
		In conjunction with stream restoration, increases Project-area steelhead population to average of: 49 adults 4,900 juveniles 2,400 smolts
Development, operations and closure stream and riparian habitat restoration	EFSFSR and tributaries	Creates and enhances additional 51,350 linear feet of stream and riparian habitat
Development, operations and closure wetlands restoration and enhancement	EFSFSR and tributaries	Creates and enhances 358 acres of wetlands Creates 96 acres of open water habitat

ES.8 ENVIRONMENTAL PROTECTION

We at Midas Gold believe strongly in environmental protection and have established our own “net benefit” goal for the Stibnite Gold Project that also meets the spirit and intent of the Presidential Memorandum. In establishing the goal of net benefit to the environment, and as central principles to the Project development and operation, early in the design process Midas Gold focused on these key restoration and mitigation principles:

- Remove existing barriers to fish migration and re-establish salmon and steelhead passage as a beneficial environmental outcome;
- Remove and re-process uncontained legacy tailings as an advance compensation measure created by the Project;

- Remove and re-use legacy development rock and spent ore material for construction activities;
- Restore and enhance stream channels and riparian habitats that were altered or impacted by historic mining, thereby providing shade for cooling of water, and enhancing fish habitat;
- Enhance fish habitat, with a particular focus on access to spawning habitat and creation or improvement of spawning habitat quality for salmon for the long-term as a durable beneficial environmental outcome;
- Replant the Project area where it was impacted by mining and/or forest fires in order to enhance vegetative cover and wildlife habitat; and,
- Implement sediment control actions, such as repairing Blowout Creek, removing or mitigating uncontained legacy development rock dumps, and reforestation to reduce erosion, thereby enhancing fish habitat and protecting salmon spawning beds.
- Reduce fossil fuel energy consumption at the site by the targeted application of solar power and through the use of line power over diesel generation for processing and mining, thereby reducing human emissions of greenhouse gases.

By achieving this net benefit goal, Midas Gold will have provided Project restoration and mitigation projects that are both durable and additive; that is to say the mitigation outcomes will be above and beyond that which would have occurred in the absence of the Project. Early restoration and mitigation are key aspects of the Stibnite Gold Project.

In addition to the cleanup and restoration of legacy mining-related disturbance, Midas Gold plans to minimize, to the extent practicable, the Project's footprint and related impacts by using existing roads, locating facilities on previously disturbed ground and avoiding riparian areas.

For example, Midas Gold will upgrade and extend the existing Burntlog Road for access to the Project site to avoid using existing roads that are adjacent to the region's rivers and large streams. The use of the Burntlog Road will result in improved sediment control, minimal construction in riparian zones, and protection of water quality through avoidance of the transportation of supplies and materials (including fuel and reagents) adjacent to Johnson Creek and the EFSFSR during operations. These measures are consistent with the Presidential Memorandum. The Burntlog Route is shorter than the historically used routes and will reduce carbon emissions by transport vehicles and protect the fisheries resources along the historically used routes to the Project.

In addition, to lessen traffic to and from the mine site, Midas Gold will house most of its workforce on site and transport contractors and employees to the site by bus and van. Midas Gold will also operate off site logistics facilities and assign many of the Project's administrative, financial, laboratory and warehousing personnel to work in those facilities; this will reduce the need to transport these town-based workers to the Project site and house them on site.

Midas Gold will re-establish the historic electric power transmission line along much of the existing right-of-way to the Project site. This will minimize new disturbance, provide low carbon electric power to site and minimize fuel haulage to the site that would otherwise be required to power diesel, coal or propane on-site generators. Expanded solar capacity at the Project site will reduce the Project demand for electricity and be available during power outages. Diesel or propane generators used during construction will be maintained at the site for backup or emergency use once the new powerline is energized. These energy related efforts will reduce greenhouse gas emissions and contributions to climate change.

Midas Gold will use best management practices (**BMPs**), monitor the effectiveness of those practices, and implement numerous environmental protection and management measures based on current technology, Midas Gold's environmental management standards, and various accepted standards such as the International Cyanide Management Code, the International Organization for Standardization 14001 Environmental Management System, and applicable federal, state and local laws and regulations. The purpose of these practices will be to maintain responsible mining and processing operations, avoid or minimize adverse impacts detrimental to human health and the environment, and reclaim disturbed areas and the natural environment and enhance fish and wildlife habitat.

ES.9 PROJECT LOCATION & SITE ACCESS

The Project is located at Stibnite in Valley County approximately 92 miles by air and 144 miles by road northeast of Boise, Idaho, 44 air miles northeast of Cascade, Idaho, and 10 air miles east of Yellow Pine, Idaho. The primary current summer access from State Highway 55 to the Project area is via the Warm Lake, Johnson Creek and Stibnite roads. However, this "**Yellow Pine Route**" is deemed unsuitable for the Project for a variety of reasons.

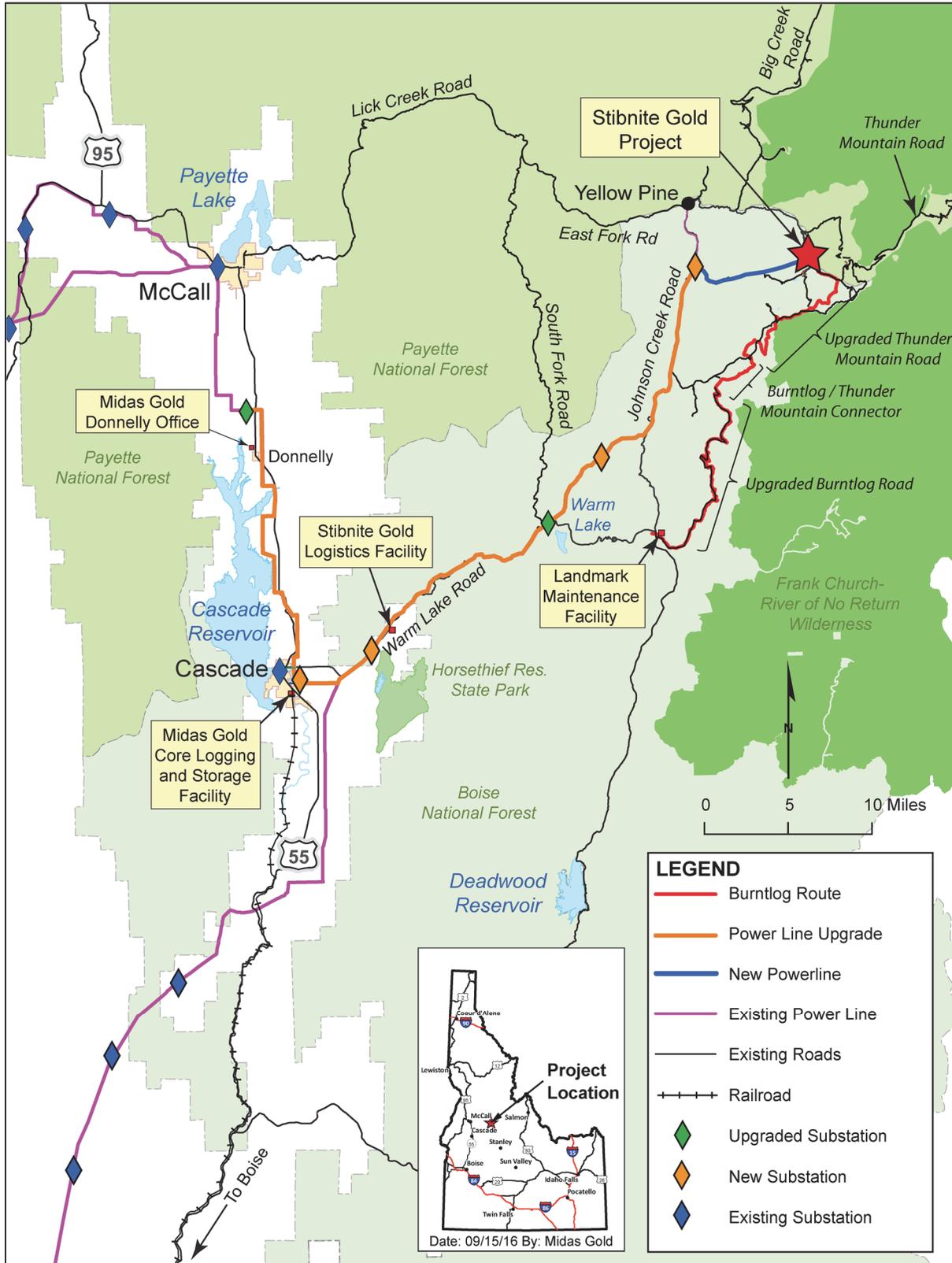
The proposed "**Burntlog Route**", a combination of upgraded existing roads and a new connector road segment, will provide safe, year-round access to the Project site. Midas Gold proposes to upgrade and use Forest Service Road NF-447 (known locally as the "**Burntlog Road**") and Thunder Mountain Road (Forest Service Road 50-375). To complete the Burntlog Route, Midas Gold will extend the Burntlog Road and connect it to the Thunder Mountain Road. Figure ES-3 presents the current and proposed site access routes.

Until the Burntlog Route is complete, during the initial site cleanup activities and the first year of construction, Midas Gold employees, construction workers, suppliers and others will continue to access the Project site via the Yellow Pine Route.

In late 2015, Midas Gold worked with Valley County to undertake a road upgrade project for portions of the Johnson Creek and Stibnite roads in order to mitigate potential sedimentation to local drainages associated with increased temporary road use. A gravel base was applied to the road during 2016, and these road improvements will be enhanced during the construction stage of the Project.

Midas Gold will coordinate with the Forest Service and Valley County Roads Department regarding the road upgrades and extension, which will include an agreement for such matters as routine road maintenance, dust control, and snow removal to provide safe and efficient year-round access to the Project. Eventually, Midas Gold will return the Burntlog Route to its approximate pre-Project configuration.

Figure ES-3, Site Access Map



ES.10 POWER SUPPLY

The Project will require electricity. The primary consumer of power at the site will be the ore processing facility, and electric power will also be needed for the day-to-day operations in offices, employee/contractor housing (**Stibnite Lodge**), and shops for lights, computers, power tools, and other applications.

Midas Gold will contract with the Idaho Power Company (**IPCo**) to supply electric service to the Project site from an upgraded 138-kilovolt (**kV**) transmission line installed from an existing Lake Fork substation along existing transmission line rights-of-way to the Project area. Connecting to IPCo will provide the Project with a long-term stable supply of low-carbon, low-emissions energy (as compared to other power supply alternatives) and significantly reduce the amount of fuel that would need to be hauled to site to support onsite power generation and, as a result, substantially reduce the amount of fuel consumed on site and in hauling the fuel to site, as well as reducing the risk of fuel spills. Midas Gold also plans to build on its existing onsite solar power generating experience, and add solar panels at the Stibnite Lodge and office facilities to provide supplemental renewable energy. The application of these measures will effectively minimize greenhouse gas and particulate emissions from combustion sources, and help to minimize contributions to climate change.

The construction of the upgraded electric transmission line will require that existing power poles be replaced, at spacing similar to existing infrastructure. Existing roads, along with a few new temporary spur roads, will be used to gain access for transmission line construction and maintenance.

While the new 138 kV line is being installed, Midas Gold will use existing solar power, and generators, to produce electric power required for site construction work. During new line and substation work, Midas Gold will also install temporary generators to provide electric power service to the community of Yellow Pine in coordination with IPCo. With the introduction of IPCo line power to the site, the generators will be consigned to backup and emergency purposes. Solar power will continue to supplement electric power at the site, reducing IPCo grid power demand. A new substation will be installed to supply residential power from the new 138kV line to area residents in and around Yellow Pine.

The initial Project power demand to support construction and early development is estimated at approximately 10 megawatts (MW). Power demand will reach 40 to 50 MW as the operation approaches and reaches full production. Temporary generators will be kept on site and operated on a limited basis as necessary in the event of emergency power outages.

ES.11 WORK SPACES & LIVING QUARTERS

The well-being of our workforce is of great importance and, in designing the Project's infrastructure, Midas Gold has given significant consideration given to safety and environmental factors, traffic and noise reduction, and quality of life for workers. Several studies have used these considerations to help inform the choice of locations for the onsite and offsite infrastructure that Midas Gold will construct and maintain to support the Stibnite Gold Project's activities.

The off-site administrative offices, transportation hub, warehousing and assay laboratory needed for the Project will collectively be known as the Stibnite Gold Logistics Facility (**SGLF**) and will be located on private land in Valley County, with easy access to State Highway 55. The SGLF will include offices for managers, safety and environmental services, human resources, purchasing and accounting personnel. In addition, in order to support year-round maintenance and snow removal on the Burntlog Route, a maintenance facility will be located on National Forest land near Landmark.

Onsite facilities at Stibnite will include employee housing and recreation, an administrative office, a mobile equipment maintenance shop, warehouse and storage areas, water storage and distribution facilities, fuel storage and dispensing facilities, communication infrastructure, explosive storage, sewage disposal facilities, and other facilities necessary for operations and exploration (see Figure ES-4 and Figure ES-5).

Given the need for onsite housing, Midas Gold will expand and relocate its existing exploration housing facility for the use by the workforce engaged in the Project's initial cleanup, construction, and legacy impact restoration. The existing exploration housing facility will be used until the construction of Stibnite Lodge is completed (see Figure ES-4 for location).

The Stibnite Lodge will provide accommodations for the Midas Gold employees and contractors who will work at the Project site. The Stibnite Lodge will be comparable to a hotel, with amenities such as meal services, laundry and housekeeping, a commissary, first aid and health services, Wi-Fi, recreation facilities and 24-hour access to food and beverages. The Stibnite Lodge will have self-contained water, trash and sanitation facilities that will conform to federal and State of Idaho building, safety and health codes and other regulatory requirements.

While work rotations are still in the process of being finalized, it is expected employees at site will work a 2 to 4-week rotation schedule and employees working at the SGLF would likely have 8-hour days, 5 days a week.

ES.12 WATER SUPPLY & MANAGEMENT

Water quality is of the utmost importance to Midas Gold. In recognition of the fact that the Stibnite Gold Project is located in an area with extensive environmental impacts that previously supported an important fishery, water management will be an important component of the Project. Given the remote location of the operation, Midas Gold will develop a water supply system that furnishes potable water, along with water for fire protection, exploration, surface mining (dust control), ore processing, and tailings transport, while maintaining a sufficient supply of good quality water for the surrounding ecosystem by recycling the majority of the water used in all aspects of the Project.

An early Project construction activity will be the construction of a tunnel to divert flows in the EFSFSR to prevent contact with the planned Yellow Pine pit and provide fish passage around the area. Surface water that contacts mine and process operations areas can introduce sediment and other possible contaminants into the water. Midas Gold will implement active and passive treatment measures during construction, operations and closure before discharge of water to the environment. In addition, and where practicable, water will be collected and recycled to the ore processing facility.

As much as practicable, Midas Gold will divert water or use wells to prevent surface or ground water from contacting operational facilities. Midas Gold will have the option of pumping or routing water to different locations including: (1) the ore processing facility for use in processing or other beneficial site uses, (2) rapid infiltration basins located in the downstream alluvial material or in the backfilled areas of the Yellow Pine pit to re-establish alluvial groundwater levels, if the water is of suitable quality, and/or (3) treated water to be discharged into the EFSFSR at National Pollutant Discharge Elimination System (**NPDES**) discharge points in compliance with permits and discharge standards.

The planned EFSFSR tunnel will route the EFSFSR around the Yellow Pine pit. The surrounding steep terrain would make a surface diversion impractical and unsafe for mining activities, fish passage and environmental protection.



Midas Gold has designed the tunnel such that it will provide the key benefit of enabling fish passage for anadromous fish and local fish populations into the headwaters of the EFSFSR for the first time since 1938, when Bradley Mining Company was mining in the historical Yellow Pine pit. Midas Gold selected a tunnel alignment on the west side of the planned Yellow Pine pit to avoid potential surface water impacts to Sugar Creek, with its sensitive salmon spawning habitat, to reduce the tunnel's gradient to one that is more favorable to facilitating fish passage during mining operations, and to keep EFSFSR water in the EFSFSR waterway since these waterways are adapted to handling these volumes of water. These measures will also help meet the net benefit policy of the Presidential Memorandum.

The 0.8-mile long tunnel will have the capacity to handle the 500-year flood event, and feature a low-flow channel sized to support fish passage during low-flow periods. Lighting will be installed in the tunnel to promote and encourage passage of migrating salmon, steelhead and trout.

ES.13 SITE PREPARATION & ONSITE INFRASTRUCTURE

An important aspect of the Project is the infrastructure necessary to support and sustain the proposed future restoration, development, mining and milling operations. This infrastructure includes: a comprehensive water management system including storm water management and sediment control, onsite roads, parking and laydown areas, firefighting support facilities, security and fencing, sanitary and solid waste handling facilities, offices, shops, warehouses, communication facilities, borrow sources, and solar and diesel or propane power supply systems.

ES.14 SURFACE MINE DESIGN & OPERATION

The Project will include three open pits: Yellow Pine, Hangar Flats and West End (see Figure ES-4), and re-mining and reprocessing of the legacy tailings located in the Meadow Creek valley. Early in the Project, Midas Gold plans to re-mine and reprocess the legacy tailings that were deposited in the Meadow Creek drainage basin. The legacy tailings were deposited in the valley-bottom, without a liner system, and are located under the spent heap leach ore disposal area (**SODA**) and within the planned footprint of the proposed Hangar Flats Development Rock Storage Facility (**DRSF**). The spent heap leach ore will be removed and reused for construction purposes. The tailings will then be removed and mixed with recycled water from the new TSF and transported by pipeline to the ore processing plant. Removal of the SODA and the underlying legacy tailings will be accomplished early in the Project schedule to remove a potential source of metal leachates and to provide a more stable foundation surface for the Hangar Flats DRSF. These "advanced restoration/mitigation" components have substantial environmental benefits, and are key to the overall Project development.

Although there will be overlap in the mine redevelopment and operations, the general sequence of mining will be the Yellow Pine deposit first, Hangar Flats deposit second, and the West End deposit third. This mining sequence is guided by the restoration aspects of the Stibnite Gold Project, which includes backfilling the Yellow Pine pit with West End development rock to restore the approximate original gradient of the EFSFSR, to provide permanent fish passage, and facilitate aquatic habitat enhancement.

Mining in the three mineral deposits will be conducted with a series of benches from which development rock and ore will be extracted. Midas Gold will use conventional open pit surface mining techniques and equipment including blast-hole drills, shovels, frontend loaders, and off-highway trucks. Other related mining equipment includes dozers, rubber-tired loaders, motor graders, water trucks and other mobile support equipment.

At full operation, targeted daily ore production will range from 20,000 to 25,000 tons per day. Ore will be transported in off-highway mining trucks to the ore processing facility. During the life of the Project, approximately 100 million tons of ore will be mined from the three pits.

Development rock removal and disposal will be an integral and necessary part of the mining operation, and Midas Gold estimates that nearly 350 million tons of development rock will be handled over the life of the surface mining activity. Development rock will be stored in several DRSFs over the life of the mine, as shown on Figure ES-4, including backfilling the Yellow Pine pit to support restoration of the EFSFSR and fish passage.

ES.15 ORE PROCESSING & TAILINGS MANAGEMENT

Ore processing involves the separation of gold-, silver- and antimony-bearing minerals from their host material. The specific method of ore processing depends on the mineralogy and the economics of the deposit. At the Stibnite Gold Project, the ore processing facility will be designed and constructed to process ore from surface mining operations (rock) and from metal-bearing legacy tailings.

The ore processing facilities area will include an administration office (with meeting and training rooms), workshops, warehouses, reagent storage areas, process plant control rooms, and construction and operational laydown areas (terrain for temporary, uncovered storage). The proposed arrangement of the ore processing facilities and associated support infrastructure is shown on Figure ES-5.

In the ore processing facilities, workers will operate and maintain equipment that will crush and grind the ore, then use a froth flotation technique to produce a gold-silver concentrate and an antimony-silver concentrate. Gold-silver concentrates will be oxidized to allow leaching to recover gold and minor amounts of silver, while antimony-silver concentrates will be shipped off-site for refining. Oxide ores will be processed in a carbon adsorption process for gold and silver recovery (see Figure ES-6).

The two finished products from the Stibnite Gold Project ore processing facility will be: gold/silver bars, known as doré; and, antimony-silver concentrate (approximately 60% antimony plus some silver), which will be transferred off-site (approximately 1 to 2 trucks per day) for refining.

Tailings are the finely ground material remaining after the metal-bearing minerals have been extracted from the ore. The ore processing facility will include a circuit that will thicken and neutralize the tailings before the tailings are transported to the tailings storage facility. Thickened and neutralized tailings will be transported as slurry through a carbon steel pipe (or equivalent) lined with high-density polyethylene (**HDPE**) from the ore processing plant to the TSF. A geosynthetic-lined trench or outer pipe sleeve (pipe-in-pipe) will provide secondary containment of the pipeline. The TSF will include an embankment, constructed using the downstream method, comprised of development rock and legacy spent ore, a fully lined impoundment, and ancillary water management features. The Hangar Flats DRSF will function as a buttress, overlapping the TSF embankment and providing significant additional geotechnical stability, over and above that provided by the embankment.

Midas Gold will reclaim water from the supernatant pond that forms on the TSF surface as the tailings consolidate. The reclaim water will be pumped back to the ore processing facility for reuse. The TSF will be designed and operated as a "closed circuit" (zero discharge) facility. If excess water accumulates in the TSF, the inventory will be managed through an enhanced evaporation system or discharged following treatment to permitted discharge standards.

Figure ES-4, General Site Plan Layout

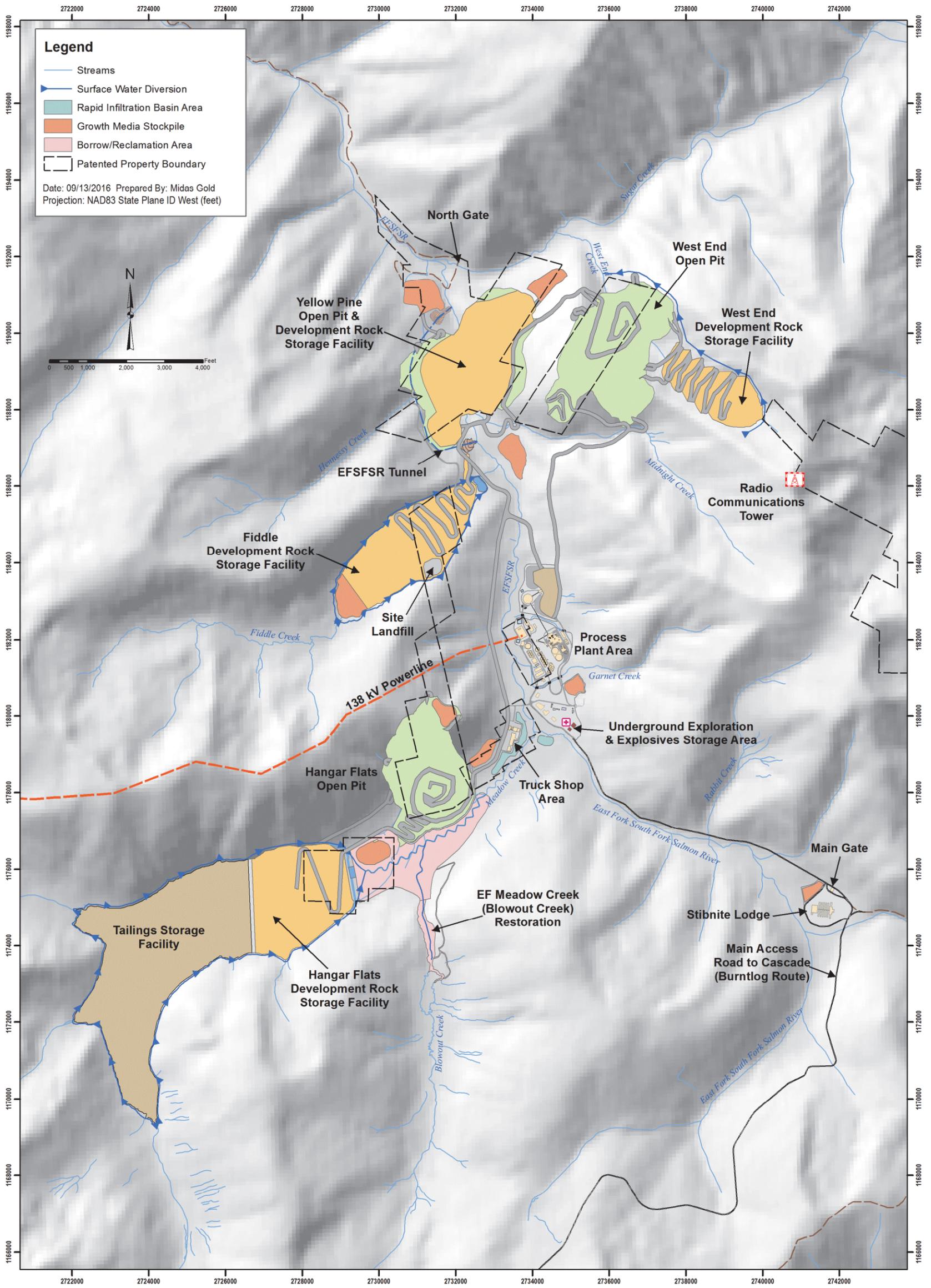
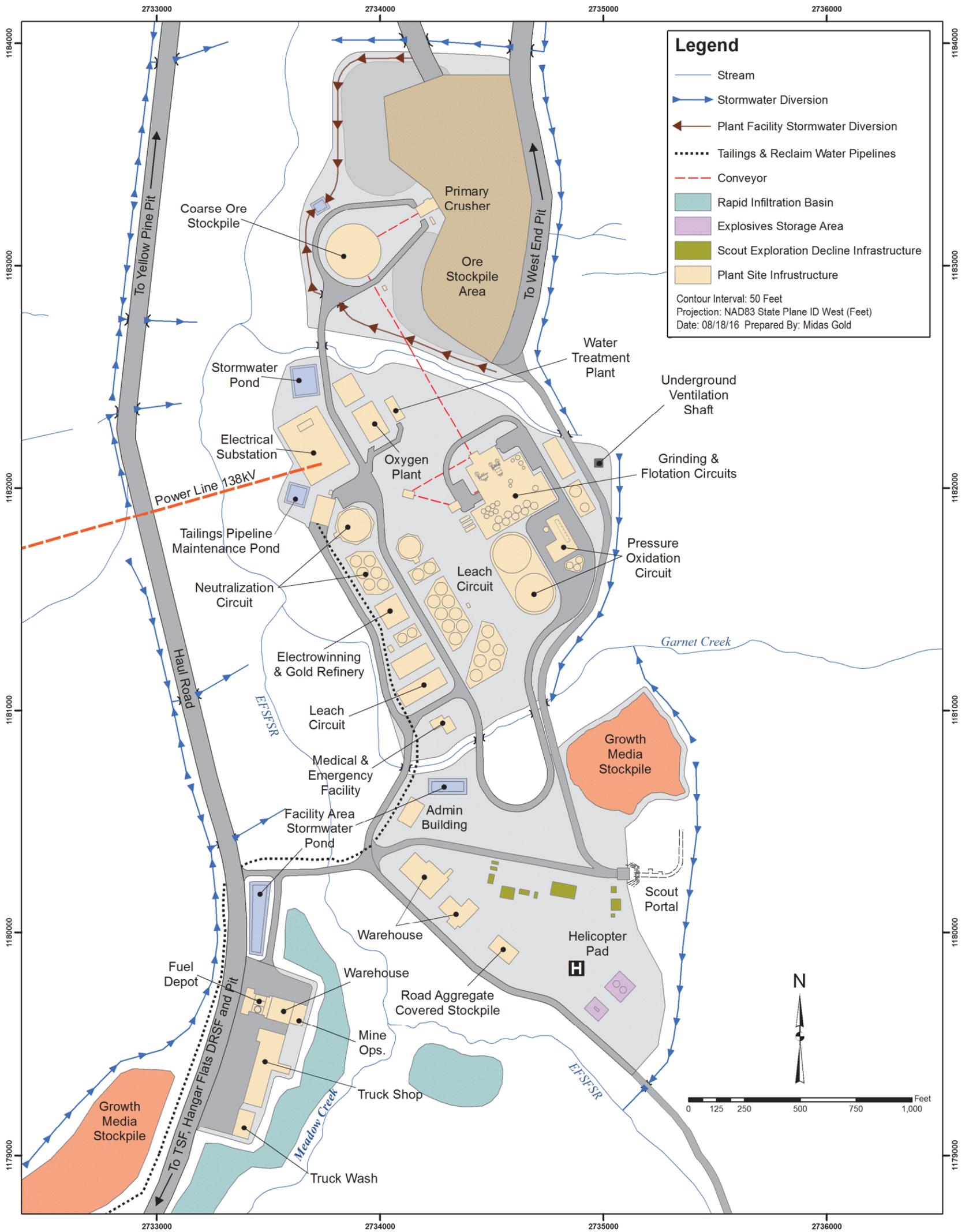


Figure ES-5, Ore Processing and Other Surface Support Facilities



ES.16 EMPLOYEE & SUPPLY TRANSPORTATION

Under good summer weather conditions, it would take approximately two hours to travel from Cascade to the Project site along the Burntlog Route, which would indicate a minimum four hours of daily commute – too long for regular daily commuting to the Project site. Onsite housing will limit the daily commute for employees in conjunction with appropriate rotation schedules (see Section ES.11).

Midas Gold will provide buses and vans as the primary means of employee and contractor transportation to the site and will strongly encourage its employees and contractors use those vehicles. This transportation method will significantly lessen Project-related traffic volumes along the access roads to site, thereby reducing risks to the safety of workers and the general public, as well as minimizing the environmental impacts associated with vehicle traffic (particularly dust generation and sediment run-off, and also greenhouse gas and particulate emissions from vehicle use).

Consumables such as food, beverages, and other operational supplies including diesel fuel, chemical reagents and explosives will be delivered to the Project site on a regular basis. These materials will be shipped by vehicles from places such as Cascade, Donnelly, McCall and Boise, with vehicle traffic minimized by using the SGLF as a central depot for consolidating loads and deliveries.

ES.17 PROJECT SCHEDULE & DURATION

The Stibnite Gold Project has a projected life of approximately 20 years. This includes three years of site cleanup, construction and early restoration activities; 12 to 15 years for operations; and two to three years for final closure and reclamation work. At the permanent cessation of ore processing facility operations, Midas Gold will dewater, close, and reclaim the TSF with several years of follow-up monitoring to measure the success of the closure and reclamation activities.

Midas Gold plans to begin Project cleanup, restoration, construction, and pre-production mine development during the late spring or early summer following the receipt of the necessary approvals. This work will consist of installation of water and sediment management BMPs, cleanup activities, upgrading and extending the Burntlog Road for long-term access to site, the construction and upgrade of the 138 kV power transmission line into the Project area, the construction of the Yellow Pine diversion tunnel, construction of water diversions, preparation of laydown areas, clearing of vegetation and storage of growth medium material, removal of the majority of the SODA material, initial construction of the TSF, construction of haul and access roads, and the installation of the foundations and structures for the Stibnite Lodge, mill, mine offices, truck shop and other support facilities. In parallel with and in conjunction with these activities, Midas Gold will commence clean-up and restoration of historically impacted areas to prepare for their redevelopment, or to permanently reclaim and restore them if no future activities are planned for the area. In addition, Midas Gold will continue replanting burned areas to reduce erosion of these areas and, thereby reduce the resulting sedimentation of local waterways.

Concurrent with surface facilities construction, pre-production mine development will occur with vegetation clearing, removal and stockpile of growth media, construction of haul roads, removal and use or storage of development rock, and removal of initial ore material, which will be stockpiled in a designated storage area adjacent to the primary crusher at the mill site.

The eventual operation and longevity of the Project will involve various factors, including the estimates of mineable reserves, mining rates, market conditions, revenues, costs, expected returns to shareholders



and investors, and the associated economic, technical, regulatory and political risks that face the mining business.

Midas Gold plans to continue district-wide exploration at the site and in adjacent areas with the objective of identifying additional ore reserves that might extend the life of the Project.

ES.18 NEW EXPLORATION

Even after a hundred years of exploration and development activities in the Stibnite Mining District, many exploration prospects remain that eventually may warrant consideration for development, if they can be proven viable after additional exploration, environmental, socio-economic, metallurgical, engineering, and other appropriate studies.

Because many of the mineralized resource areas within the Project area are not fully defined, Midas Gold plans to conduct new exploration and development drilling work on its mineral claims to further evaluate potential mineralized resource areas. Approved exploration will continue under current plans, as well as in new surface areas and from the proposed Scout underground exploration decline.

For surface exploration, Midas Gold will use appropriate drilling equipment (helicopter-delivered rigs, truck or crawler-mounted rigs) and the same or similar drilling methods that have been previously employed and approved for use at the Project site. New drill site footprints will be kept to the minimum necessary for safe access and working area for equipment and crews, and they will be established while other selected drill sites are being reclaimed concurrently as drill targets are evaluated.

To access mineralized zones inaccessible by surface mining methods for the purpose of exploring and evaluating a mineralized zone called the Scout prospect, Midas Gold plans to conduct underground exploration activities. The Scout mineralized zone will be accessed from a decline, with the decline portal located south of the planned ore processing plant (see Figure ES-5). Midas Gold will use underground exploration and development techniques, including drilling and bulk sampling, to gather samples to characterize the mineralogy, mineral grades, geochemical conditions, groundwater conditions, and geotechnical and other environmental conditions of the Scout prospect. Development rock from the underground exploration decline will either be placed underground or transported to the surface in trucks and transported to the Hangar Flats DRSF; ore grade material will be transported to the ore stockpile area. Collection of underground bulk samples for metallurgical testing and test mining for geotechnical purposes may also be undertaken at Scout.

ES.19 CLOSURE, RECLAMATION & LEGACY RESTORATION

Midas Gold considers site restoration, closure and reclamation work to be an integral and important component of the Project. The overall purpose of the Project's net benefit goal is to reclaim legacy and new activity areas to stable and productive conditions for long-term, post-Project protection of land and water resources.

The objectives of the restoration and reclamation program follow:

- Conduct site restoration activities in conjunction with exploration, development, construction and subsequent mining operations;
- Minimize disturbance levels by siting facilities within existing disturbance to the extent practicable, and implementing concurrent and timely reclamation (see Table ES-3);
- Protect the public and wildlife through proper site closure, exclusion fencing and reclamation;

- Reclaim disturbed areas for recreation and wildlife habitat;
- Prevent the establishment and spread of noxious weeds; and,
- Assure consistency with applicable National Forest Land Resource Management Plan (LRMP) provisions, along with Idaho Department of Lands (IDL) regulations and standards.

Table ES-3, Estimated Project Site Disturbance

Facility ⁽¹⁾	Previously Disturbed ⁽²⁾ (acres)		Undisturbed ⁽³⁾ (acres)		Total ⁽⁴⁾ (acres)
	Public	Private	Public	Private	
Open Pits	95.3	293.3	77.2	55.6	521.4
Tailings Storage Facility	7.8	0.0	405.2	0.0	413.0
Development Rock Storage Facilities (DRSFs)	69.5	55.3	268.4	37.9	431.1
Growth Media Stockpiles (GMSs)	16.2	32.7	17.2	0.4	66.5
Haul Roads	52.9	7.2	5.3	0.0	65.4
Infrastructure Areas	23.8	28.9	80.7	1.4	134.8
Rehabilitation and Borrow Areas	35.8	31.4	25.8	0.0	93.0
Access Road	90.5	0.0	175.2	0.0	265.7
Totals	391.9 19.7%	448.8 22.5%	1,055.1 53.0%	95.4 4.8%	1,991.1 100%

Notes

1. See Figure ES-4, General Site Plan Layout.
2. This area is currently in-use or was previously disturbed by historic mining and related activities.
3. This area has not been significantly previously disturbed by historic mining or related activities.
4. This area does not include the acreage associated with the upgrade of the powerline to the site or exploration activity. Forty-two miles of the existing Idaho Power Company 69 kV line will be upgraded from the existing Lake Fork substation to the Johnson Creek airstrip, with approximately 8 miles of new 138 kV being constructed from a new substation near the Johnson Creek airstrip to a new substation at the Project mill site.

Midas Gold’s restoration plan includes:

- Provision of a tunnel around the current Yellow Pine pit to keep the EFSFSR separate from mining activities and facilitate fish passage during operations, allowing restoration of fish migration and populations early in the Project life;
- Backfilling the Yellow Pine pit to reestablish a natural riverine flow system for the EFSFSR and to permanently reestablish fish passage to Meadow Creek and the upper reaches of the EFSFSR;
- Reestablishing and enhancing a durable habitat to provide long-term support for the fishery resource upstream of the present Yellow Pine pit fish blockage, including enhancement of riparian areas and enhancement of spawning beds;
- Repairing Blowout Creek and the wetlands in the Blowout Creek valley upstream of the historical dam failure to restore functionality, while improving downstream water quality by reducing sediment generation;
- Repairing, replacing, establishing, and enhancing wetland/riparian habitat areas throughout the site, including the EFSFSR and Meadow Creek, and on the reclaimed DRSFs and TSF;
- Removing and re-processing legacy tailings, a potential source of metals impacting surface and groundwater, early in the Project life;
- Removing legacy development rock and spent ore material, in order to improve water quality, and reusing these for construction;

- Removing potentially contaminated materials from the site of the old mill and smelter facilities in the Meadow Creek valley, and any other sites encountered during Project construction or operations;
- Closing and decommissioning the new ore processing facilities upon conclusion of operations;
- Removing surface facilities and infrastructure (except where selected facilities will benefit future activities);
- Re-contouring artificial landforms to blend more naturally into the landscape;
- Replacing growth medium material; and,
- Establishing a productive and sustainable vegetative community on areas disturbed by Project activities, historic activities, and areas disturbed by previous forest fires within the Project area, with resulting mitigation and reduction of greenhouse gas emissions.

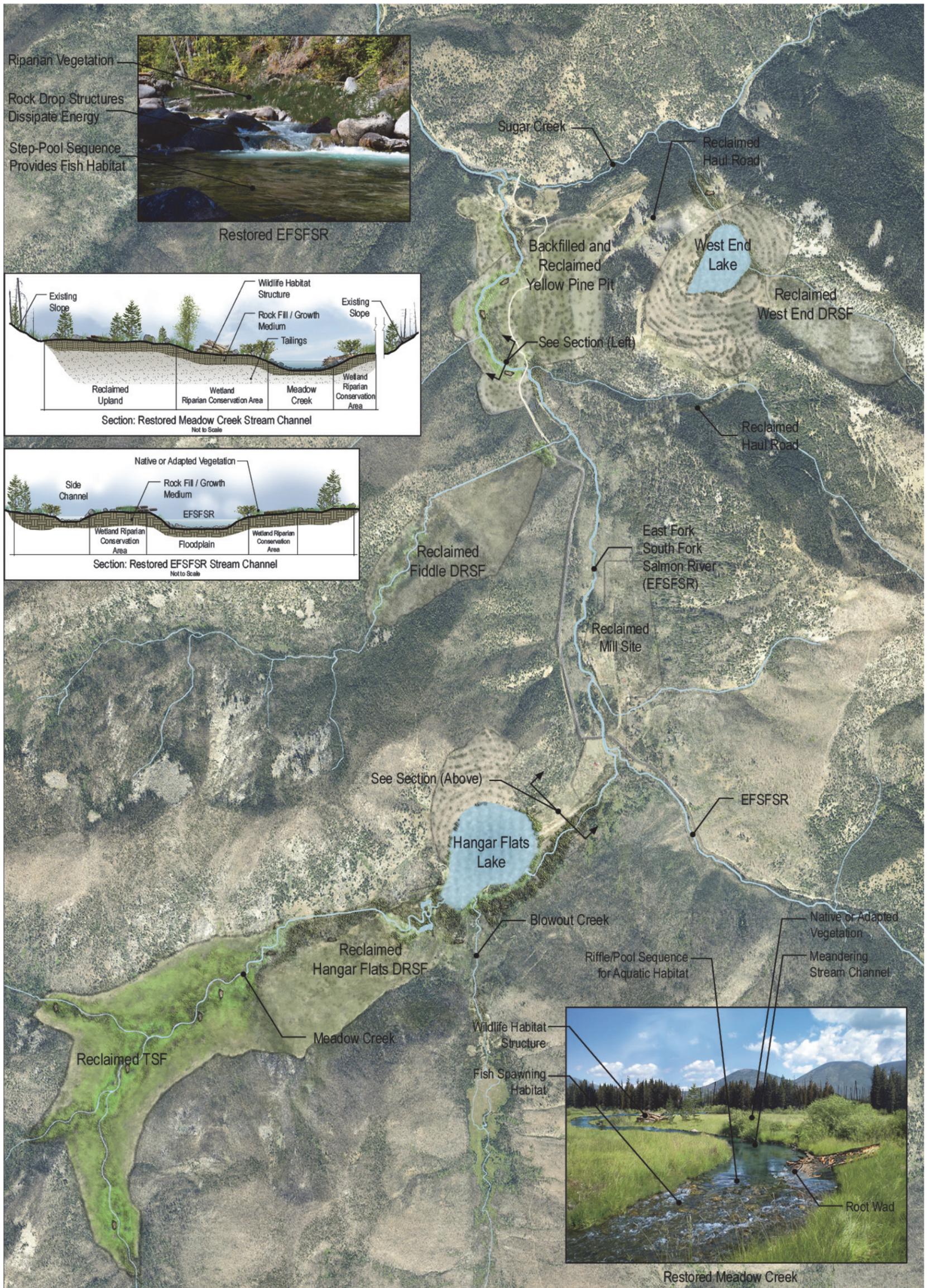
The objective of this restoration work is to establish a sustainable fishery with enhanced habitat to support natural populations of salmon, steelhead, and bull trout; improve water quality; establish a productive and sustainable vegetative community; and enhance wildlife habitat, all contributing to a self-sustaining and productive ecosystem. Figure ES-7 illustrates the closure details listed above.

Midas Gold will contour and grade impacted areas to blend into surrounding terrain. This will include grading and contouring for the backfilled Yellow Pine pit, the DRSFs, the TSF, haul roads, and surface facility areas. Minor regrading and contouring of the Hangar Flats and West End pits (which will likely become lakes), along with tree planting and other re-vegetative reclamation, is planned to occur during closure. These tasks are designed, in part, to minimize the visual impacts of unnatural lines and landforms. Slopes will be graded to blend with surrounding topography and to facilitate establishment of vegetation. The Hangar Flats DRSF will have rounded crests and variable slope angles to more closely resemble natural landforms.

Revegetation of impacted areas (both related to historical and new Project-related activities, and forest fires) will be conducted as final landforms are achieved, and on an ongoing basis, to reduce the potential for wind and water erosion. Following construction activities, areas such as cut and fill slopes along roads, and growth media stockpiles, will be stabilized and seeded. Concurrent reclamation will be conducted to accelerate revegetation of impacted areas. Midas Gold will regularly inspect sediment and erosion control measures and revegetated areas (such as after high precipitation events) to ensure long-term erosion control and successful reclamation. Also, as appropriate, Midas Gold will use adaptive management practices to improve reclamation, as well as to implement the latest BMPs appropriate to mining operations.

Restoration and reclamation practices planned for the Project have been successfully used at other mining and exploration sites and operations in Idaho, as well as throughout the western United States. Because mine and mill closure and reclamation practices and technology evolve and improve over time, Midas Gold will take advantage of future opportunities to explore new reclamation techniques and, where appropriate, will implement practicable improved measures through adaptive management. In this manner, the Project will simultaneously advance economic development, infrastructure, and national security goals along with environmental goals. It will achieve a strong environmental outcome, while supplying well-paid jobs for the local economy. The Project will avoid or minimize impacts, and where appropriate and practicable seek to compensate in advance for impacts that do occur. Best practices outlined in the Plan are designed to protect natural resources, and allow private investment to achieve public natural resource restoration goals.

Figure ES-7, Conceptual Reclamation



ES.20 ENVIRONMENTAL MONITORING & REPORTING

Monitoring will measure the effects of Project activities and the success and efficiency of environmental management and mitigation measures. Monitoring will provide valuable information to Midas Gold, governmental regulatory agencies and other stakeholders regarding Project performance. This information gained from monitoring will be used as the basis for adaptive management in designing additional or altering existing mitigation measures and operational activities, if necessary.

The general objectives for site environmental monitoring follow:

- Confirm compliance with approved Plan of Restoration and Operations, as well as with other federal and state laws, regulations, and permit conditions;
- Provide data and information to calibrate and validate baseline and background modeling applications;
- Provide data and information that can provide for early detection of potential problems;
- Provide data and information to formulate and direct corrective actions, should they become necessary;
- Provide data to assist Midas Gold in avoiding and then minimizing harmful effects to water, wildlife, and other natural resources, consistent with the goal of avoidance and minimization, as directed by the Presidential Memorandum and to support adaptive management of site operations;
- Establish response protocols to prevent or mitigate environmental problems; and,
- Provide related monitoring information to local communities, Tribes, NGOs, agencies and other interested parties.

Midas Gold will employ environmental monitoring measures that will be part of permits and other approvals from the Forest Service, U.S. Army Corps of Engineers, U.S. Environmental Protection Agency (EPA), Idaho Department of Environmental Quality (IDEQ), IDL, Valley County, and other appropriate agencies. The Project will operate under federal, state and local permit approvals that will mandate practices and procedures to mitigate environmental impacts and to reclaim disturbed areas. These agencies will conduct routine inspections to ensure compliance with applicable monitoring and reporting regulations.

ES.21 PERMITTING & REGULATORY COMPLIANCE

The Project area includes both private land (patented mining claims) and unpatented mining claims located on National Forest public land administered by the U.S. Forest Service, Payette National Forest, Krassel Ranger District. Midas Gold affiliates own or control patented and unpatented millsite and lode claims throughout the Project area. The Forest Service oversees mineral activities (exploration and mining) on the surface of unpatented mining claims within the Project area, and IDL oversees mineral activities on private and public lands.

The federal General Mining Act of 1872 (**1872 Mining Law**) and later legislation establish the statutory right to search for, develop and extract mineral deposits on public domain lands open to mineral entry. These rights include the right to initially locate a mining claim. A mining claimant is entitled to reasonable access to the claim for further exploration, mining or necessary related activities, consistent with the Mining and Mineral Policy Act and other applicable laws. The Forest Service regulates locatable mineral



surface activities on National Forest lands under regulations codified at 36 CFR 228 Subpart A, providing for the agency to review and approve a plan of operations that includes, among other requirements:

- Provisions for operations to be conducted so as, where feasible, to minimize adverse environmental impacts on National Forest surface resources;
- Measures to provide for surface reclamation, where practicable; and,
- Measures for operations to meet and comply with applicable federal and state air and water quality and solid waste standards and other requirements.

A number of federal, state and local permits and other approvals may be required for the Project. To comply with regulations implementing the National Environmental Policy Act (**NEPA**) (40 CFR 1500-1508), Midas Gold anticipates that the Forest Service would prepare an environmental impact statement (**EIS**) for approving the Project PRO. Given its position as the land managing agency for federal lands in the Project area, the Forest Service would most likely serve as the lead federal agency to prepare the EIS, which would evaluate in reasonable detail the environmental effects of the proposed Project, identified alternatives, and environmental management and mitigation measures that would avoid, minimize, and/or otherwise mitigate environmental impacts. It is expected IDL would act as lead agency with respect to matters under state jurisdiction.

In preparation of an EIS for the Project, the Forest Service may invite other interested agencies (e.g. U.S. Army Corps of Engineers, EPA, NOAA National Marine Fisheries Service, U.S. Fish and Wildlife Service, Idaho state agencies, and Valley County) to participate in the NEPA process as formal cooperating agencies or otherwise, and can be expected to engage in consultation with interested Tribes. The State of Idaho may initiate the Idaho Joint Review Process, which would be a further mechanism for government agencies to cooperate and coordinate on permit and plan review and approval.

The preparation of an EIS and the permitting processes are related but distinctly separate. An EIS is a procedural tool designed to explore alternatives and discuss environmental impacts. The permitting or approval processes give individual government decision makers the authority to grant, conditionally grant, or deny individual permit applications. Permits may be granted with requirements and conditions to eliminate and/or mitigate specific adverse impacts, or to conduct monitoring, pursuant to their governing statutes, regulations and guidelines.

The proposed Project is consistent with the current Payette National Forest Land and Resource Management Plan (Revised 2003). The federal lands within the Project area are available to locatable mineral exploration and development under the 1872 Mining Law and would be managed in a manner which recognizes the Nation's needs for domestic sources of strategic and critical minerals.

ES.22 IN CONCLUSION

After five years of study, discussion, thinking, planning, and community and stakeholder input that led to more discussion, re-thinking and re-planning, Midas Gold has prepared this comprehensive and integrated plan for the restoration and redevelopment of Stibnite. The public and government agencies now have the opportunity to consider this plan for restoration and operations and decide how best a mining company can clean up a heavily impacted legacy mining site with an impaired fishery and integrate restoration with construction, operations and reclamation.

Restore the Site.