



Midas Gold pitches cleanup via capitalism for Stibnite

By Nicole Foy | October 2018

STIBNITE — Midas Gold has spent a decade and millions of dollars to convince Idaho that industry can fix the environment, but conservation groups are skeptical.

The Canadian mining company is in the federal permitting process to start open-pit mining along the Salmon River, east of McCall. Their target is the Stibnite Mining District and its 4.5 million ounces of gold and 100 million pounds of antimony, a metal used in batteries. But, company officials say, they're committed to an extensive restoration plan that could repair damage done by past mining operations. Midas Gold estimates actual mining operations will last 15 years and they could be working in the area up to 25 years.

"We knew going into this that mining had a bad reputation," said Laurel Sayer, president and CEO of Midas Gold Idaho. Sayer was previously the executive director of the Idaho Coalition of Land Trust, worked on natural resource issues for U.S. Rep. Mike Simpson and Sen. Mike Crapo, and helped get the Boulder-White Clouds designated as a protected wilderness area. "We will be restoring as we go. Because it's a historic mining site, we knew that we had to be different."

While Midas Gold works on federal approval, company officials are working a parallel track to win over community members. The company's expensive and multiyear campaign to inform the public includes economic and environmental appeals to neighbors who have become self-taught scholars on extraction.

Mining would take place in the headwaters of the South Fork of the Salmon River, also known as the East Fork of the South Fork of the Salmon River. Tribes such as the Nez Perce have fishing rights in the area, which is an important spawning ground for Chinook salmon. Earlier this year, the environmental group American Rivers, citing the Stibnite project, named the South Fork of the Salmon one of the most endangered rivers in America.

“The South Fork Salmon still boasts clear, free-flowing waters, and feeds the beloved Wild and Scenic Main Salmon downstream,” Mike Fiebig with American Rivers said in an April press release. “It’s time for the U.S. Forest Service to put an end once and for all to toxic mining near this treasured river.”

Midas Gold already owns the mineral rights to 25,000 acres in the area — about the size of Disney World — but is seeking a permit under the National Environmental Policy Act to mine on Forest Service land intertwined with their private holdings. Overall, they say their mining operation will impact only 2,000 acres of private and public land. The controversy stems from the location of those 2,000 acres, and the fact that the scope of the mining would exceed past those operations.

Another aspect of Midas Gold's permit pitch is the potential of a domestic source for antimony, a mineral used in electronics, fire retardants and in the national defense industry. It was recently added to the U.S. Department of Interior's list of essential minerals, and Stibnite would be the only domestically mined source. According to the Department of Interior, the United States imported more than 53 million pounds of antimony in 2017 — mostly from China. The entire lifespan of the Stibnite Mine would produce only two years' supply.

When it comes to environmental concerns, Midas Gold has a plan for that as well, which they say is central to the mission of Stibnite. Midas Gold says its intervention and industry is needed to restore the area to what it was before a century of irresponsible mining. Concerned citizens and conservation groups such as Idaho Rivers United say the river and the surrounding area are already in the process of healing themselves — and what Midas has planned would only further disrupt the pristine wilderness.

“We just need to call it what it is,” said Ava Isaacson, conservation associate at Idaho Rivers United. “I think we would feel more comfortably about things if it was spoken about as a mining project with potential for restoration, rather than a restoration project with some possible mining.”

What's wrong with the South Fork of the Salmon River?

Other companies mined gold and several minerals in the Stibnite area intermittently from 1899 until 1998. During World War II, the mining camp at Stibnite swelled to a town of about 1,000 people as then Bradley Mining Company mined aggressively for tungsten and antimony. Stibnite was so crucial to the war effort that men could fulfill their draft service there and Dwight D.

Eisenhower, then Commander of the Allied Forces in Africa, sent a telegram thanking “the men and women of Bradley Mining Co.” for their help.

A century of aggressive underground and open-pit mining significantly changed the landscape and quality of the South Fork's headwaters. Arsenic and mercury leaked into the river, miners rerouted the headwaters and disrupted the flow of salmon, and added a dam that eventually failed in 1965, rightfully earning the name Blowout Creek.

Since 2011, the U.S. Geological Survey's Idaho Water Science Center has been conducting a study — partially funded by Midas Gold — on the stream flow and arsenic, mercury and antimony levels of the East Fork of the South Fork of the Salmon River and tributaries affected by mining. Boise hydrologist Austin Baldwin said the average amount of dissolved arsenic in the East Fork of the South Fork, is 56.7 micrograms per liter — well above the human health benchmark of 10 micrograms per liter. Their highest recorded sample in the area is 108 micrograms per liter of dissolved arsenic. The chronic or long-term toxicity value for aquatic life is 150 micrograms.

“It appears that those have decreased since the late '70s and early '80s, but they’re still well above the human health benchmarks,” Baldwin said.

Midas Gold and Idaho Rivers United both cite the USGS findings in their contradicting arguments. Isaacson, of Idaho Rivers United, said the decreasing contaminant levels means the river is naturally recovering from the mining past — something Baldwin from USGS clarifies is still inconclusive, especially with incomplete water quality records. Some restoration and remediation completed in that area also could have impacted those levels, Baldwin said. Midas Gold, on the other hand, says contamination in the Salmon River headwaters could only increase without intervention.

Another serious concern is the open Yellow Pine pit, which has blocked the passage of salmon up the tributary to spawning grounds since Bradley Mining Company created it in 1938. The area has adapted, conservation groups say, and salmon still find their way to the spawning grounds above the Yellow Pine pit. The ones that don't are carted from Nez Perce fish hatcheries above the pits to the watershed. Federal agencies like the Forest Service, Idaho Department of Environmental Quality and the EPA as well as private sources have spent about \$13 million in the last several years to restore and reduce pollution in the area.

Repair, conservation and mining

On Sept. 19, the Idaho Press joined Midas Gold Idaho staff members — including CEO Laurel Sayer — on a tour of the site, about 15 miles from the nearest town of Yellow Pine.

Hayley Couture, Midas Gold's community engagement manager and tour leader, checked in with onsite staff over the radio at each mile marker of Stibnite Road. The 14-mile long road that starts in the tiny town of Yellow Pine hugs the Salmon and its major tributaries for most of the trip. Midas paid for most of the repairs and improvements to the road over the past few years — the company accounts for nearly all of the traffic. Because of the liability of transporting mining materials alongside a river, Midas Gold said they plan to transition to using an old logging road.

If the mining permit is approved, those roads would see even more traffic, once the approximately 500 new employees begin working in the area. A fully operational mine would require a fully operational city. Employee housing planned on the project site would also address community concerns about a flood of Midas Gold employees exacerbating Valley County's housing crisis.

That housing would be part of a \$1 billion investment in Idaho. Midas Gold plans to hire as many Idahoans as possible and also expects to generate an estimated \$86 million in tax revenue for local communities and the state.

This has been part of the pitch Couture has given on dozens of other tours just this summer alone, as well as presentations at schools in the area. Many tour members are just curious locals or community stakeholders, but others are eager to explore a local attraction or revisit family history.

“Tours are the best way to show people and allow them to make their own opinions about mines because not many people have seen mines,” said McKinsey Lyon, vice president of public affairs at Midas Gold.

Midas Gold also emphasizes the early "proof points" in their restoration plans during their community outreach. Their plan calls for ongoing restoration work, including backfilling the open pits and removing old tailings from previous mines. Investors in international companies aren't usually patient about getting a return on their significant investment, but Sayer said selling a "restoration first" plan hasn't been hard.

"The investors recognize that this is a new way of looking at mining," Sayer said.

John Robison, public lands director at the Idaho Conservation League, said their staff has been tracking the changes in Midas Gold's Stibnite project for several years. Robison said while Midas Gold was his "favorite" mining company for their stated dedication to environmental restoration, the Idaho Conservation League remains opposed to the proposal.

"The idea of re-mining Stibnite and restoring the previously impacted areas is a good one," Robison said. "The project errs by going outside that box too much, degrading far too much pristine habitat and increasing the risk of future contamination. ... We are inviting the Forest Service and Midas Gold to re-envision a project that scales back to historic mining sites."

Community support and concerns

The reopening of three mining pits is chief among opponents' concerns, as is the additional traffic and work in remote wilderness. They're also worried if Valley County and the small backcountry community could handle the housing strain or weather the boom-and-bust cycle of a mining town. They're also skeptical Midas Gold will follow through with their restoration plans.

About 120 people attended a McCall protest against Midas Gold's plans for Stibnite over Labor Day weekend, according to Boise State Public Radio. Whether they're for or against Midas Gold's proposal, Valley County residents are well-versed on Midas Gold's plans, down to arsenic levels in the water and the endangered salmon population. Some are suspicious of Midas Gold's extensive public relations campaign, specifically the company's circulating draft of the West Central Mountains Community Partnership Agreement — a "starting point to formalize our commitments to the community," according to the draft.

"My concerns are that it's being drafted before the EIS (environmental impact study) is available and we don't know what the alternatives are," said Fred Coriell, a McCall resident who frequently rafts on the South Fork of the Salmon River. "My concern is that getting community support at this point in time only bolsters their support politically and with investors."

The community agreement and visits to city councils in McCall, Cascade and Donnelly are just about establishing a "social license" ahead of potential federal project approval, which includes extensive public comment periods, Lyon said. It also helps Midas Gold have early conversations about potential solutions to community concerns.

Other community members feel that allowing mining on a major Idaho river is too risky. Even short-term memories can produce an example. Last year, a federal judge held another Canadian-owned mining company Atlanta Gold (no relation to Midas Gold) in contempt of court for allowing arsenic and iron to enter a tributary of the Middle Fork of the Boise River, according to the Associated Press. Last month, the judge ordered them to pay \$250,000 fine.

“My feeling is that we should follow the precautionary principle that if you cannot guarantee there cannot be damage, then we cannot risk it,” said Judy Anderson, a retired high school teacher who lives in McCall. “That place is too spiritually and ecologically precious to risk.”

Diana Bryant, 78, owns and operates Wapiti Meadow Ranch along Johnston Creek with her husband, about 10 miles down the road from Yellow Pine. Bryant said she's not against mining in her backyard — she's seen a lot of operations come and go over the 30 years they've run the ranch and their previous outfitters business. But Bryant thinks Midas Gold's proposal would ultimately hurt the backcountry community of Valley County.

"The Midas Gold operation frightens me a lot because it is exponentially larger than any of the others and in fact they have said that it would be one of the largest mining operations in North America," Bryant said. "Its tentacles will spread out over the entire eastern half of Valley County, which will really limit the recreation uses back here that are so important to people that live in Donnelly, McCall and Cascade."

But many in Valley County believe business would only be better with the Stibnite project. During the decade Midas Gold has been purchasing land, conducting research and doing exploratory drilling, community members say they've only benefited.

During a lunch stop in Yellow Pine, Corner Restaurant owner Matt Huber told the Idaho Press he's had a good working relationship with the Midas Gold leadership and the staff who trickle through town. He said mine workers and drillers can sometimes be rough characters, but he said everyone employed by Midas Gold has been respectful of the small Yellow Pine community.

"They're just good people," said Huber, wearing a "Support Stibnite" hat. "The care in who they've chosen, it's meant a lot to us."

Ryan Boley, owner of Birch Glen Lodge and Motel in Cascade, said the Midas Gold employees who come through the area or stay in the lodge seem to have a “genuine pride in the work they are doing.”

“I know that they’re there to make money,” he said, “but it seems like the emphasis is on the environment and doing better as far as mining goes.”

What's next?

Sayer said Midas isn't trying to take advantage of the deregulation emanating from Washington, D.C., as critics allege. The requirements of their original proposal were drawn up with the assumption of a Hillary Clinton presidency, Sayer said, and they’re planning to stick to those original guidelines.

Still, in her testimony before the U.S. Senate Committee on Energy and Natural Resources in July, Sayer asked lawmakers to streamline the environmental review process with ideas like mandatory timelines for decisions.

"I do not advocate overlooking any required legal element of environmental review or reducing standards," Sayer said during her testimony. "Rather, environmental review and permitting can always be more efficient, which is what we in the mining industry believe Congress intended in the first place through its environmental laws."

The completed EIS was originally due to be published for public comment in November 2018, but publication has since been delayed until May 2019. Lyon said if they get a decision by the middle of 2020 and further state permits approved, construction could begin by the end of that year. The first year of construction would include fixing Blowout Creek, which Lyon said is one of the largest pollutants in the watershed.

Mining would begin in the Yellow Pine pit first — as well as the construction of a controversial tunnel that would divert the East Fork of the South Fork and the salmon within it for about 10 years.

Midas Gold representatives said they aren’t considering the possibility the project won’t be approved.

“We are confident in this project and its ability to meet the environmental requirements to be approved,” Lyon said.

Robison from the Idaho Conservation League said Midas Gold would have a higher likelihood of success and conservationist support if they scaled back the parts of their operation that involve places that weren't mined in the past.

"The public is going to have a chance to learn more about the project in the coming months when the EIS comes out," Robison said. "We just encourage them to ask tough questions and apply the lessons learned from previous mining companies who made grand promises, but didn't have a mine plan that acknowledged the risks and dealt with them ahead of time."

Still, locals who remain opposed to the Stibnite project aren't that optimistic. The greater Valley County community seems supportive of the project and the economic boost they think it will bring, several local opponents told the Idaho Press. Midas Gold has the political connections and money to buy goodwill. All opponents have is a plea to preserve valuable landscape for as long as possible.

"That's why I think we're fighting an uphill battle here — the people who feel the way I do — because we are all individual citizens who don't have any additional clout," Diana Bryant said. "Whether it's going to make any difference in the long run, I'm not sure. But at least I can let people know there are reasons to not be in favor of it."

View the story at: https://www.idahopress.com/news/local/midas-gold-pitches-cleanup-via-capitalism-for-stibnite/article_fee65cc8-bc50-5475-9c52-2261eae99bc6.html