



MIDAS GOLD

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To: Ms. Laura Skaer
Northwest Mining Association
Spokane, Washington

Subject: Letter of Support for H.R. 761 – National Critical Needs Bill and Domestic Antimony Supply Needs

Dear Ms. Skaer:

It is the understanding of Midas Gold Corporation (“Midas Gold”) that Congress will consider the *“National Strategic and Critical Minerals Production Act of 2013”* this week. My letter is written in support of the critical need for passage of this important legislation. It is extremely important to the United States’ national security, domestic economy, and social well-being that this bill be passed and sent to the Senate. The United States cannot continue to “look outside” for these vital natural resources, depending on sources that may be unreliable or unstable, always paying the price and leaving its military and economic interests exposed to the whims of other governments. We must address the important issue of critical materials supply head-on, ensuring that the United States alone determines its own future regarding the availability of critical minerals by ensuring a domestic supply is available and that a reasonable, responsible permitting pathway is available to ensure environmental protection and predictable regulatory pathway.

Midas Gold is a public company that trades on the Toronto Stock Exchange, with its project team based in Idaho. Our development focus is directed to a 10,700 acre property northeast of Boise, Idaho in what is known as the *Stibnite Mining District*. During the period 1937 to 1952 a significant antimony and tungsten resource was developed by the U.S. Government in conjunction with private mining entities. Approximately 90% of the total antimony and 30% of the tungsten for the nation's wartime needs were mined at the Stibnite mine site. At that time, the chief uses of these elements were in the production of alloys for armor piercing shells, filaments in lamps, x-ray tubes, and radar equipment. These two minerals were a key component of the Allied victory over the Axis Powers.

Today, antimony is a chief element in flame retardants in plastics, plastic casings, televisions, computers, batteries, and semi-conductors – perhaps the most critical usage being in making plastic (including insulation on wiring in military and commercial products such as foam mattresses and baby clothing) flame retardant. Most recent research has shown new applications for antimony in micro-capacitors and new green energy applications. Over 90% of the world’s



needs for antimony are currently imported from China, which is currently curbing production which many believe will further impact supply and prices. In 2011, the British Geological Survey indicated antimony as the element with the highest risk for supply disruption, while the European Union identified antimony as one of 14 critical raw materials at the EU level, mainly due to the fact that a high share of production comes from China.

Midas Gold shares the US Government's concern that security or competitive threats to the availability of rare elements can emerge quickly. We support the efforts headed up by the National Research Council of the National Academy of Sciences to define needs and protect critical minerals supplies "in-house". We strongly support the establishment and startup of the Critical Minerals Institute (CMI) by the Department of Energy. However, this is only the first step needed to enable the U.S. to have access to, as well as eliminate the shortage of, critical materials, like antimony, that are subject to supply disruptions. Now, research must also continue in the use of these materials in clean energy technologies. Without diminishing environmental and worker safety protections provided by existing laws and regulations, the regulatory process for obtaining approvals to produce these critical elements must be supplemented with new efficient requirements like H.R. 761, which would ensure thorough and timely permit reviews. This law would clearly incorporate current best management practices and would in no way circumvent or reduce the environmental protection incorporated into the current regulatory regime. More importantly, it would require strict coordination between state and federal agencies. This is key to a responsible resource developer like Midas Gold - in one word, predictability.

To date, Midas Gold has spent nearly \$70 million exploring and proving the antimony resource at Stibnite. We have operated with zero environmental exceedances or associated regulatory actions. We operate under the guidance of the U.S. Forest Service and Idaho Department of Lands, as well as the U.S. EPA, Army Corps of Engineers, and other state, federal and local agencies involving over 20 environmental authorizations. Soon Midas hopes to file a Plan of Operations and kick-off work on a full Environmental Impact Statement (EIS) and approximately 35 permits for the actual mining operation. To do this, we need certainty in the permitting process; we need predictability in the time required to meet all regulatory authorizations. Our project planning also incorporates substantial remediation and restoration of legacy environmental disturbance, primarily left over from operations during World War II and the Korean War, so that the site is left in a considerably better condition than it is today.

Our proposed operation is forecast to create over 1,000 badly needed, family-supporting jobs during construction and about 400 during operation. This will take place in an Idaho county currently experiencing over 15% unemployment. It is also forecast to generate substantial tax revenues to the local communities, the State of Idaho and to the Federal Government.

We again urge you to thoroughly consider the information provided herein, and vote YES in a bi-partisan fashion on this very important bill. H.R. 761 is a very positive step and contribution to the revival of the US economy. It is an insurance policy for the Country's security and peace of mind.



Respectfully submitted,

A handwritten signature in black ink, consisting of a large, rounded initial 'S' followed by a long, horizontal stroke that tapers to the right.

Stephen Quin, CEO
Midas Gold Corporation

cc: *A. Labelle (Midas Gold)*
B. Barnes (Midas Gold)