

# West Central Mountains Community Partnership Agreement

**DRAFT JULY 30, 2018**

As Midas Gold advances the Stibnite Gold Project, we recognize that being a good corporate citizen requires partnership, transparency and accountability. For these reasons, it is beneficial to all parties to create an enduring, positive relationship with the communities of the West Central Mountains through a formal Community Partnership Agreement.

Working with the West Central Mountains Community Partnership, a group of established leaders from the region, we collectively developed a model Community Partnership Agreement (Agreement). The goal of the model agreement is to act as the starting point to formalize our commitments to the community through two basic functions:

**COMMUNITY ADVISORY COUNCIL:** Establishment of the Community Advisory Council (Council), made up of one appointed representative from each signatory to the Agreement. The Council will facilitate open and regular communication between Midas Gold and the surrounding communities and resolve matters of mutual interest throughout the life of the project. Council participants would also take part in the public engagement process for permitting the Stibnite Gold Project through the National Environmental Policy Act (NEPA).

**THE STIBNITE FOUNDATION:** Midas Gold plans to create and fund the Stibnite Foundation (Foundation), a charitable foundation, led by a board of directors comprised of one appointed individual from each signatory to the Agreement, plus a representative from Midas Gold. The Foundation will help fund community projects that support our shared values such as families, quality of life and the environment.

The Community Partnership Agreement model is intended to create a platform on which we can begin working with local governments to collect feedback, refine details and, if communities are willing, to enter into formalized agreements.

## **Community Partnership Agreement:**

The following is a model for the Community Partnership Agreements. This model is for discussion purposes only.

### **A. VISION, OBJECTIVES, VALUES:**

The Community Partnership Agreement model starts by identifying a common vision, agreeing on a set of objectives and discovering our shared values. These will be the compass for the agreement and instrumental in guiding the process.

- 1. VISION:** Create a long-term partnership and accountability system between Midas Gold and the West Central Mountain Communities to formalize commitments to care for people, the environment and support economic opportunity for the region.

2. **OBJECTIVES:** A Community Partnership Agreement is structured to guide certain elements surrounding the Stibnite Gold Project in accordance with shared values and the following objectives:

- Establish and maintain an enduring relationship between Midas Gold and West Central Mountain Communities during all phases of the Stibnite Gold Project;
- Create and support an advisory committee to maintain transparency and facilitate open and regular communication regarding the Stibnite Gold Project, beginning with participation in the public comment periods for the Stibnite Gold Project;
- Facilitate positive and sustainable benefits within the communities of the West Central Mountains by forming partnerships around issues such as communication, workforce training and employment; business opportunities; housing and infrastructure; recreational access and use; community support and sustainability;
- Form and fund a charitable foundation to provide a pathway for communities to directly influence how financial benefits from the Project should be used in accordance with our shared values; and
- To directly resolve matters of mutual interest, so that as the Stibnite Gold Project advances, communities are comfortable with the Project and can fully participate during the public comment periods of the NEPA process.

3. **SHARED VALUES:** Our shared values reflect who we are and what we stand for as we collectively develop a value-based vision for our future. Together, Midas Gold and the West Central Mountain communities have identified our shared values that may help guide our partnership in the future.

- **Transparency** – Midas Gold and the West Central Mountain Communities have an honest and open relationship.
- **Quality of Life** – Midas Gold and the West Central Mountain Communities believe that our actions and activities should be of mutual benefit to all parties, with the intent of advancing the values of the communities in which we live and work.
- **Sustainability** – Midas Gold and the West Central Mountain Communities work hard to ensure the effect we have on the Community remains positive and enduring, based on human relationships, shared values and recognizing the historical and cultural base of natural resources, mining, timber, ranching, recreation and tourism.
- **Economic Opportunity** – Midas Gold and the West Central Mountain Communities will work with local and regional educational facilities to encourage a pathway for Idahoans to advance professionally and personally, including access to education and training that provides opportunities for employment and business engagement for the Stibnite Gold Project and throughout the region, now and for the future.
- **Environmental Conservation** – Midas Gold and the West Central Mountain Communities are finding ways for the economy and Community to work in tandem to support and restore the natural environment.

- **Safety** – Midas Gold and the West Central Mountain Communities are creating safe environments for Idahoans to work and play so our employees, our families and our residents feel safe at home, at work and in the outdoors.
- **Accountability** – Midas Gold and the West Central Mountain Communities are responsible for delivering on our commitments.

## **B. COMMUNICATION:**

The Community Partnership Agreement model requires open, transparent communication. Our intent is to create an advisory committee to implement the Community Partnership Agreement and facilitate communication between the company and local communities throughout the life of the project.

- 1. COMMUNITY ADVISORY COUNCIL:** Each signatory to the community agreement shall appoint an individual to serve as a member on the Council. Midas Gold shall provide sufficient administrative support to the Council and Midas Gold's Representative shall serve as interim Chair of the Council. However, as soon as practicable the Council shall elect, by simple majority vote, one representative to serve as chair of the Council. This election will happen on an annual basis.

The Council shall meet monthly and serve as a conduit to provide regular updates to the leadership and citizens of the West Central Mountain Communities regarding the meetings, the Stibnite Gold Project and the implementation of the community agreements. At the meetings, the Council shall discuss project-related issues and topics, which may include:

- 2. WORKING GROUPS:** The Community Partnership Agreement details areas of mutual interest for future partnership and encourages the Council to establish working groups to focus on specific areas for collaboration.
  - (i) ENVIRONMENT, HEALTH AND SAFETY:** The Council may develop a working group to discuss matters involving environment, health and safety related to the Stibnite Gold Project.
  - (ii) EMPLOYMENT AND WORKFORCE TRAINING:** Developing a qualified and productive workforce is important for the success of the Project and the West Central Mountains. Midas Gold favors hiring locally and wants to work with the communities to help foster residents to be prepared to fill necessary positions. The Council may establish a working group to discuss matters related to workforce training and make recommendations to Midas Gold regarding internal training programs.
  - (iii) BUSINESS OPPORTUNITIES:** The Council may develop a working group to discuss business opportunities as they relate to the Stibnite Gold Project, including contracting, supply of consumables and services.
  - (iv) COMMUNITY SUPPORT AND SUSTAINABILITY:** The Council may develop a working group to discuss supporting the community in areas of education, public safety health, recycling, local food economy, humanities, arts and culture.

(v) **HOUSING AND INFRASTRUCTURE:** The Council may develop a working group to discuss housing and infrastructure needs and potential solutions including transportation and access, power and communication infrastructure upgrades, road maintenance, and traffic.

(vi) **TOURISM, RECREATION AND USE:** The Council may establish a working group to discuss matters related to tourism, recreational access and use particularly as it relates to the Stibnite Gold Project.

(vii) **STIBNITE GOLD PROJECT:** The Council may develop a working group to discuss the permitting, construction and operations of the Stibnite Gold Project.

3. **PARTICIPATE IN THE PUBLIC PROCESS:** Permitting the Stibnite Gold Project requires public participation and feedback. Each signatory to the Agreement is encouraged to submit a letter to the U.S. Forest Service during the NEPA process. The letter may include language with concerns or recommendations regarding improvements to aspects of the Stibnite Gold Project. Participants are encouraged to use the Council to bring forward concerns and seek resolution to those concerns directly with Midas Gold before the comment period and throughout the life of the project.

### **C. SUPPORT AND SUSTAINABILITY:**

The Community Partnership Agreement aims to help the West Central Mountain Communities achieve common goals alongside Midas Gold.

1. **STIBNITE FOUNDATION:** Midas Gold will establish a mechanism for funding the Stibnite Foundation (Foundation), a charitable community foundation, to support projects that benefit the communities of the West Central Mountains area. Each signatory to the Community Partnership Agreement shall appoint an individual to serve on the board of the foundation. Midas Gold intends to manage the funds in such a way to allow for an endowment lasting long after the project is complete.
2. **FUNDING:** Midas Gold will make an initial grant to the Stibnite Foundation in cash and in shares of Midas Gold Corp. Each year thereafter, as determined by the phase of the project, Midas Gold will make additional contributions to the Foundation. The milestones listed below represent advancement of the Company towards being profitable and therefore being able to share more with the surrounding Communities. As we meet these milestones, representing each stage of the Project, Midas Gold should be able to attract the funding necessary to advance the Project to the next step. Figures will be agreed upon for the following phases:
  - Each year during permitting;
  - After receipt of a positive Record of Decision for the project;
  - After receipt of all necessary permits and approvals;
  - Upon commencement of construction;
  - Upon commencement of production and every year while in production;
  - Upon commencement of the final Reclamation.