

MINUTES

SENATE RESOURCES & ENVIRONMENT COMMITTEE

DATE: Wednesday, February 08, 2023

TIME: 1:30 P.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Burtenshaw, Vice Chairman Adams, Senators Guthrie, Den Hartog, Harris, Schroeder, Semmelroth, and Taylor

ABSENT/ EXCUSED: Senator Okuniewicz

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Burtenshaw** called the meeting of the Senate Resources and Environment Committee (Committee) to order at 1:31 p.m.

PRESENTATION: **Idaho Mining Association, Idaho Mining: Keeping Idaho a Gem. Benjamin Davenport**, Executive Vice President, Idaho Mining Association, provided an overview of the Idaho Mining Association, including who they were, their vision and mission, and what they did. He included the mining industry's contribution to Idaho, which was more than 10,500 direct and indirect jobs in exploration, mining, and processing, more than \$735 million dollars in total compensation, more than \$130 million dollars in state and local taxes, and more than \$1.4 billion dollars in gross state product.

DISCUSSION: In response to a request from Chairman Burtenshaw, **Mr. Davenport** explained when the Surface Mining Act was updated in 2019 it added a requirement for every mine in Idaho to have money set aside and a plan in place for the real cost of restoration and reclamation before they could start mining.

PRESENTATION: **Simplot Company, Making Nutrients for American Agriculture: Simplot's Idaho Phosphate Operations. Alan Prouty**, Vice President, Environmental & Regulatory Affairs, J.R. Simplot Company, provided an overview of Simplot's Idaho phosphate operations. He spoke about the Smokey Canyon Mine near the Idaho and Wyoming border, how phosphate ore was mined and transported via pipeline to the Don Plant in Pocatello, and how they made phosphate fertilizers and animal feed. He spoke about their reclamation of mined lands that ran concurrent with mining and their current activities, including projects to improve water quality and address releases.

DISCUSSION: In response to a request from Chairman Burtenshaw, **Mr. Prouty** responded he could not give an exact mesh number for the material flowing through the pipeline, but it was very, very fine material that was pumped at high pressure through a pipe that was eight inches in diameter. Senator Guthrie asked about the abrasiveness of the material and the maintenance requirements for the pipe. **Mr. Prouty** responded that they periodically sent what was essentially a plug through the pipeline that measured the thickness of the pipe and took images. Based on this information, they made decisions about what parts of the pipeline needed replacement or another maintenance activity.

PRESENTATION: Hecla, Hecla-130 Years. Lance Boylan, Manager, Health, Safety & Environmental, Hecla Mining, provided an overview of Hecla Mining Company, who was the largest primary silver producer in the United States and responsible for nearly half of the country's silver production. He spoke about Hecla's efforts towards responsible mining, including their commitment to improving safety and their efforts towards building a skilled and motivated workforce. He provided some examples of families employed at the Lucky Friday mine for multiple generations, and of economic contributions of the Lucky Friday mine, its employees, and the Hecla Charitable Foundation to local communities.

DISCUSSION: Senator Den Hartog asked what they looked for, such as skills or certifications or background, when hiring a new miner, and what types of training programs they offered for someone with no experience. **Mr. Boylan** responded that they had jobs that covered a wide spectrum of skill sets and educational needs, everything from the trades, such as electricians, welders, mechanics, geologists, and engineers, to professionals in human resources and the legal industry. He added the skill sets that they were looking for were broad and he emphasized that they were moving to a more highly skilled workforce. In response to a request from Senator Taylor, **Mr. Boylan** shared that he started working at the Lucky Friday mine 12 years ago. He graduated from school in Colorado as an environmental engineer. He became the Health, Safety, and Environmental Manager at the mine site and he now worked out of their corporate office, but the majority of his career was spent on site with the people doing the work. In response to a story about going into the Lucky Friday mine told by Senator Guthrie, **Mr. Boylan** explained how mine equipment, such as trucks and drills, were dismantled and cut into pieces to fit through a small shaft, sent down the shaft piece by piece, and reassembled so that it could be utilized by the work force.

PRESENTATION: Integra, The DeLamar Project: Going Gold for Idaho. Tim Arnold, Chief Operating Officer, Integra Resources, provided an overview of Integra Resources and the DeLamar Project near Silver City, Idaho. He shared the company's core values that were identified using employee input. He shared highlights of the DeLamar Project, which was a restart of a gold mine closed in 1998. He shared some of the innovation they intended to use, including using the Railveyor conveyor system to move material instead of using diesel haul trucks, and using solar power in conjunction with liquefied natural gas to generate their own power. He expected they would complete their Plan of Operations this year with a Record of Decision expected in 2026.

DISCUSSION: In response to a question from Chairman Burtenshaw, **Mr. Arnold** stated they would mine gold and silver and the economic potential of the mine was excellent. He added that they had a great relationship with Silver City and the people in Jordan Valley were excited about the mine starting again. **Senator Den Hartog** asked if they intended to upgrade the roads around Silver City. **Mr. Arnold** responded his impression was that the residents of Silver City were alright with the road as it was, but they would be willing to upgrade the roads if the residents of Silver City asked.

PRESENTATION: Liberty, Focus on Oxide Gold in the Great Basin: Black Pine Project. Peter Shabestari, Vice President of Exploration, Liberty Gold Corporation, provided an overview of the Black Pine Project, located south of Burley, Idaho. He explained this was a past producing gold mine purchased by Liberty Gold Corporation in 2017. He reviewed some of the benefits of the project. He reviewed their mineral resource estimate, which gave a significant total gold resource of about 3.1 million ounces at 0.52 grams per tonne. He explained this gold deposit was gold oxide, which meant the gold would be easily liberated from the rock in an environmentally clean way. He reviewed the Black Pine work plan for 2023 and potential timeline to a Record of Decision.

DISCUSSION: In response to a question from Senator Taylor, **Mr. Shabestari** explained PFC stands for a pre-feasibility study. **Senator Harris** asked where they would drill their water wells. **Mr. Shabestari** replied they acquired the water rights from the previous company, and they had agreements in place with two of their neighbor farmers to use their water when they were not irrigating. In response to another question from Senator Harris, **Mr. Shabestari** explained in more detail this was a unique type of gold deposit and there would be no need to crush or mill the rock, so there would not be tailings. **Senator Guthrie** asked if environmental, social, and corporate governance (ESG) was part of Liberty Gold's financial program. **Mr. Shabestari** responded that Liberty Gold was a publicly traded company, so they had adopted ESG to meet a market demand.

PRESENTATION: **Jervois, Jervois Global: Update on Idaho Cobalt Operations.** **Matt Lengerich**, Executive General Manager - Mining and Acting General Manager for Idaho Cobalt Operations, Jervois Global, provided an overview of Idaho cobalt mining operations, including recent site activity and expansion drilling results that demonstrated high potential for extended mine life. He shared their operation was located at 8,000 feet in the Salmon Chalice National Forest outside of Salmon, Idaho. They officially opened the mine on October 7, 2022 and were in construction of both the mining operation and the mill and processing facilities.

DISCUSSION: **Chairman Burtenshaw** asked Mr. Lengerich to explain where they sent their cobalt to be processed and the expense involved. **Matt Lengerich** explained they took material from underground that is .6 percent cobalt. After milling and the concentration process, they produced a product that was around 10 percent cobalt. This was loaded into containers and transported to a warehouse in Salmon, then by truck, then rail to a port city, then by ship to a refinery in Sao Paulo, Brazil, because there was no cobalt refinery in the United States. They were able to do this due to the high value of cobalt.

PRESENTATION: **Centerra Gold, Permitting Status and Future Outlook of Thompson Creek Mine.** **Ryan Stebbins**, Environmental Superintendent, Thompson Creek Mine provided an overview of Thompson Creek Mine, which was halfway between Stanley and Challis, Idaho. He explained this was an open pit mine for molybdenum ore that had been a care and maintenance phase since 2014. He explained the benefits of molybdenum concentrates. He explained they were preparing for the eighth and final phase of the mine and he reviewed their current maintenance and preparation activities, permitting status, pending approvals, and Phase 8 objectives. He spoke about their plans for community development in Challis to support an increase of more than 300 employees.

DISCUSSION: In response to a question from Chairman Burtenshaw, **Mr. Stebbins** stated he did not have the total depth, but the water depth level was about 400 feet, from the pit edge was another 200 feet, and their high wall was another 700 feet.

ADJOURNED: There being no further business as this time, **Chairman Burtenshaw** adjourned the meeting at 2:45 p.m.

Senator Burtenshaw
Chair

Shelly Johnson
Secretary