

MINERALS CEO MEETING

| SEPTEMBER 15, 2022



AGENDA

Welcome and Introductions

Mike Kendrick

Global Market Trends

Rich Nolan/Mike Kendrick

Interagency Working Group on Mining Regulations, Laws and Permitting

Katie Sweeney/Ryan Jackson

Intersection of Interagency Working Group with Trade Policy

Veronika Shime

Implications of Rosemont Litigation

Katie Sweeney

Inflation Reduction Act

Ryan Jackson

Federal Incentives for Domestic Mining and Processing

Ryan Jackson

Congressional Permitting Reform

Ryan Jackson

Chilean Tax Treaty

Ryan Jackson

Integration of Environmental Justice in Permitting Decisions

Caitlin McHale

Communications

Ashley Burke

Adjournment

Mike Kendrick

GLOBAL MARKET TRENDS



**Commodity
Prices**



**Production
Costs**



Inflation

WHITEHOUSE INTERAGENCY WORKING GROUP – MINING REFORM

PURPOSE

- To evaluate potential reforms to hardrock mining laws and regulations, including financial assurance and permitting policies to

THE GOOD

- Includes review of permitting policies as required by the Bipartisan Infrastructure Law
- Allows leveraging of administration's electrification and infrastructure priorities
- Some realization that domestic mining must be part of the supply chain solution
- Starting point was not NGO's petition for rulemaking
- New allies including car manufacturers and investment firms

THE BAD

- Imposition of punitive royalties
- Changes to financial assurance requirements
- Lack of understanding that there is no one-size-fits-all-standard for mining
- Carry over of some players from Obama and Clinton administration

THE UGLY

- Starting assumption: current system fails to (1) sufficiently protect environment, (2) provide appropriate opportunities for community and tribal engagement, or (3) ensure responsible mining
- Upending of the certainty and security of tenure provided by the Mining Law



WHITEHOUSE INTERAGENCY WORKING GROUP – CONTINUED

NMA ENGAGEMENT

- May 10 Interagency Working Group kickoff meeting
- Regular communications on next steps
- July roundtables
- August 16 meeting with Interagency Working Group on NMA comments

NMA COMMENTS

- Highlight importance of domestic mining and processing as solution
- Lay groundwork for urgent need to act
- Rebut notion that major changes are needed
- Defend existing frameworks

IWG NEXT STEPS

- September Interagency Working Group subgroups on specific topics

RECOMMENDATION TIMING

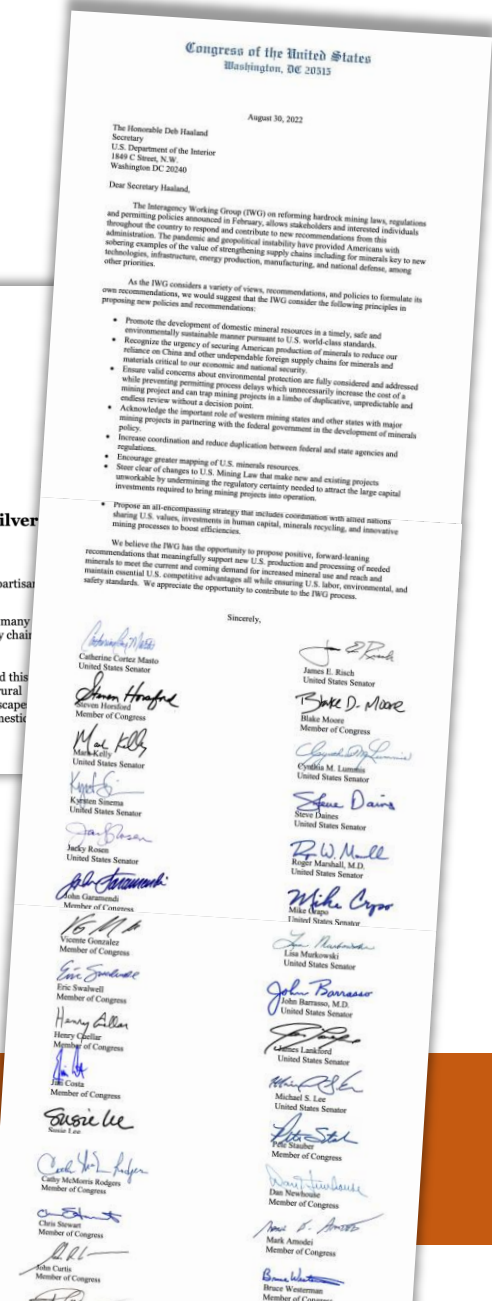
- Interagency Working Group to recommend changes to Congress on the Mining Law by Nov. and proposed regulations by end of 2022; timeframes are likely to slip

GRASSROOTS
ACTIVATION

2.6K



SUPPORTER COMMENTS



WHITEHOUSE INTERAGENCY WORKING GROUP – ALLIES

August 30, 2022

Bureau of Land Management
Division of Solid Minerals
1849 C Street NW, Room 5645
Washington, DC 20240

Mr. Steven Feldgus
Deputy Assistant Secretary
Land and Minerals Management
U.S. Department of the Interior

Re: Response to the Request for Information (RFI) from the Interagency Working Group on Improving Federal hard rock mining regulations, laws, and permitting processes, DOI-2022-0003

Dear Deputy Assistant Secretary Feldgus,

Ford is committed to accelerating the development of breakthrough electric, connected vehicles that are made for Americans, by Americans, on our nation's soil. As a company, we take great pride in assembling more vehicles in the U.S. than any other manufacturer. Ford acknowledges domestic supply chain that supports this goal. This includes new measures in the Inflation Reduction Act to onshore critical minerals and advanced battery manufacturing.

At Ford we're doing our part to strengthen our North American and U.S. supply chain. This includes working with companies from across the country, like lonner in Nevada, Compass Minerals in Utah, and Syrah Resources in Louisiana. Yet, there is still much to be done as this pipeline.

Today's lengthy, costly, and inefficient permitting process makes it difficult for American businesses to invest in the extraction and processing of critical minerals in the United States. Current permitting requirements for critical mineral production can take as long as seven to ten years. In contrast, Canada and Australia have adopted mineral permitting policies that enable producers to complete the process in two to three years, while maintaining stringent environmental standards.

Government Affairs



THE STATE
of ALASKA
GOVERNOR MIKE DUNLAW
Department of Natural Resources
OFFICE OF PROJECT MANAGEMENT AND PERMITTING

August 30, 2022

Steven Feldgus, Deputy Assistant Secretary
Department of Interior
1849 C Street NW
Washington, DC 20240
Submitted through www.regulations.gov

Re: Request for Information to Inform Interagency Working Group on Mining Regulations, Laws, and Permitting (Docket No. DOI-2022-0003)

Dear Deputy Assistant Secretary Feldgus,

The Office of Project Management and Permitting has coordinated with the Alaska Departments of Natural Resources, Environmental Conservation, and Fish and Game to review the U.S. Mining Regulations, Laws, and Permitting (Docket No. DOI-2022-0003) published in the Federal Register (Volume 87 No. 62, 18811-18812) March 11, 2022. The following consolidated input is provided on behalf of the State of Alaska (State).

Regulatory Reform Must Improve Outcomes

Modern society increasingly depends on the responsible development of a wide variety of minerals and metals that are essential to the national security and economy of the United States. These mineral commodities are used in nearly every facet of the daily lives of Americans, including in numerous consumer products, construction materials, medical applications, and aerospace technologies. Military equipment, critical infrastructure, and power generation and transmission are dependent on continued access to secure mineral supplies.

Fifty specific minerals are now classified by the U.S. Geological Survey as critical and strategic minerals due to heavy dependence on imports by the United States that has the potential to create strategic vulnerabilities arising from adverse foreign actions, pandemics, natural disasters, or other events that disrupt mineral supply chains.¹ Moreover, many of these critical and strategic minerals are extremely important for transitioning from a fossil fuel-based economy to one in which renewable energy is a major part of the Nation's energy grid, but their source, production, or processing is totally controlled by trading partners or governments that have adversarial relationships with the United States.

Alaska's resource and mineral abundance means we can play a major role in the success of the critically or strategically important. Unfortunately, the greatest challenge to meeting the goals of domestically sourced critical and strategic minerals is the current federal permitting process.

16 FR 62199

ZETA

August 30, 2022

The Honorable Deb Haaland
U.S. Secretary of Interior
Department of Interior
1849 C Street N.W.
Washington, DC 20240

Re: Request for Information To Inform Interagency Working Group on Mining Regulations, Laws, and Permitting

SUBMITTED VIA: <https://www.regulations.gov>
Docket No. DOI-2022-0003

The Zero Emission Transportation Association (ZETA) is an industry-backed coalition of nearly sixty companies advocating for 100% electric vehicle (EV) sales by 2030. ZETA is committed to enacting policies that drive EV adoption, create hundreds of thousands of jobs, dramatically improve public health, and significantly reduce carbon pollution. Our coalition spans the entire EV supply chain, encompassing critical minerals developers, original equipment manufacturers, charging infrastructure installers, utility providers, battery recyclers, and more.

We would like to thank the Department of Interior (DOI) for the opportunity to inform the Interagency Working Group (IWG) on Mining Regulations, Laws, and Permitting. With global demand for electric vehicles growing at an unprecedented rate, the United States has the opportunity to become a leader in clean transportation. However, domestic mining law does not reflect the need to ramp up minerals production. If EVs were to represent 100% of new car sales—17 million annually, in line with ZETA's primary goal—current lithium carbonate equivalent (LCE) production would only meet 0.05% of total domestic EV battery pack demand.

In order to scale up EV manufacturing capacity in the U.S., our domestic supply chain for critical minerals needs to be reliable, sustainable and held to the highest environmental, equity, and human rights standards. By combining our high labor and environmental standards with efficient mining reform, the United States has the chance to conduct the most sustainable, ethical mining in the world of critical minerals, improve national security, create jobs in the U.S., promote ethical mining practices, and dramatically reduce dependence on foreign resources. If North American critical mining materials are not adequately secured and prioritized, we will continue to be at the mercy of foreign supply chains for our battery, energy, and security demands.

Background

1.1 Domestic Critical Minerals State of Play

The United States has 7.9 million metric tons of lithium content resources, which is the world's fourth-largest identified lithium supply—or, 9.2% of the world's total lithium resources.¹ U.S. lithium

¹Mineral Commodity Summaries, U.S. Geological Survey, January 2021, <https://pubs.usgs.gov/comsum/2021/>



August 30, 2022

Mr. Steve Feldgus
Deputy Assistant Secretary, Land and Minerals Management
Department of Interior
Bureau of Land Management
Division of Solid Minerals
1849 C Street NW, Room 5645
Washington, DC 20240

Re: Request for Information to Inform Interagency Working Group on Mining Regulations, Laws, and Permitting (FR Vol 87, No. 62, pp. 18811-18812)

Dear Mr. Feldgus,

The Alaska Miners Association (AMA) appreciates the opportunity to respond to the March 31, 2022 request by the Interagency Working Group (IWG) on Mining Regulations, Laws and Permitting information on the mining industry in the United States. The IWG was formed in response to the 100-day report issued June 8, 2021 pursuant to Executive Order (E.O.) 14017, "America's Supply Chains."

AMA is a professional membership trade organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,400 members that come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, suction dredge miners, small family mines, junior mining companies, and major mining companies, Alaska Native Corporations, and the contracting sector that supports Alaska's mining industry.

Within Alaska's borders there are five large-scale operating hardrock mines: The Red Dog zinc and lead mine in Northwestern Alaska, the Fort Knox gold mine near Fairbanks, the Pogo gold mine near Delta, the Kensington gold mine in Southeast Alaska, and the Greens Creek silver, lead, and gold mine in the Wrangell Mountains. There are also three large hardrock projects currently in the permitting process: The Donlin Gold project and the Pebble copper, gold, and molybdenum project, both in the Wrangell Mountains, and the Chukchi, a gold project in Interior Alaska. Finally, while there are currently 50 significant exploration projects in Alaska, there are seven large hardrock projects considered to be in advanced exploration. Advanced exploration status is defined by a mineral prospect with defined or known reserves, having undergone robust environmental baseline studies and engineering evaluation, and in pursuit of a permit application for the foreseeable future.

Aside from large-scale hardrock mining, Alaska is home to the vast majority of the nation's placer miners. Placer mining is conducted differently than large-scale hardrock mining, through a practice of excavating sand and gravel soils and using water separation to recover gold. While the placer mining process is not significantly impacted by changes considered by the IWG, Alaska's 150 placer mining operations stand to be

4539-6493-3679-43

August 30, 2022

Submitted Electronically at the Federal Register Portal: <https://www.regulations.gov/>
Bureau of Land Management
Division of Solid Minerals
1849 C Street NW, Room 5645
Washington, DC 20240

Re: Request for Information to Inform Interagency Working Group on Mining Regulations, Laws, and Permitting (Docket Number DOI-2022-0003)

Please accept the following comments regarding the Department of Interior's (DOI) request for information to "develop recommendations for improving Federal hardrock mining regulations, laws, and permitting processes". The undersigned hunting, fishing, outdoor recreation, and public lands advocacy organizations represent hundreds of thousands of hunters, anglers and public land advocates nationwide who share in a collective belief that healthy public lands are essential for sustaining our hunting and angling traditions.

To be clear, we are not opposed to mining, including on public lands. Much progress has been made in the field of mining to minimize impacts from operations, including greater consideration of fish and wildlife habitat. But the track record of mining is not perfect, nor can it be expected to be perfect in the future. Numerous studies have documented negative impacts of mining on several species, including greater sage-grouse, mule deer and other big game animals, and native species of fish. The need to balance responsible mining with public land values, including quality hunting and fishing opportunities and clean water, is paramount and needed more than ever as our country and policymakers consider strategies to secure critical minerals necessary for clean energy technologies.

Thank you for considering the following recommendations in response to questions listed in the request for information.

Are there areas that should be off-limits from mining, and if so, how should these be identified?

First, we encourage the Department to revisit the definition of "unnecessary or undue degradation". A clear, objective and substantive standard should support Federal Land Policy and Management Act's definition of multiple use, including the "harmonious and coordinated management of the various resources without permanent impairment of the productivity of the land and the quality of the environment." Revisions to Bureau of Land Management and Forest Service mining regulations should support the ability for local land management professionals to develop mining regulations that would be unnecessary or undue degradation.

Second, although the General Mining Law does not allow for it, local land use management plans should provide suitable decisions for mining, just as these plans do for oil and gas operations, timber harvest, motorized travel, and other multiple uses. These decisions



Office of the Governor
Public Lands Policy Coordinating Office
RICHIE B. JOHNSON
Governor

SPENCER J. COOK
Deputy Governor
DEBRA M. HENDERSON
Lieutenant Governor

August 30, 2022

Submitted via electronically: <https://www.regulations.gov/>

Tommy Broadhead
Deputy Secretary
U.S. Department of the Interior
Bureau of Land Management
Division of Solid Minerals
1849 C Street NW, Room 5645
Washington, DC 20240

Subject: Request for Information to Inform Interagency Working Group on Mining Regulations, Laws, and Permitting
Docket No. DOI-2022-0003; 22SD102DM, DSGC00000, DLNS00000.000000, DX-6C525
RDCC Project No. 81709

Dear Deputy Secretary Broadhead:

Under President Biden's February 24, 2021 Executive Order ("EO") 14017 titled "America's Supply Chains", and under the subsequent 100-Day reviews released on June 8, 2021 established:

"... an **interagency team** with expertise in mine permitting and environmental law to identify gaps in statutes and regulations that may need to be updated to ensure new production meets strong environmental standards throughout the lifecycle of the project; ensure meaningful community consultation and consultation with tribal nations, respecting the government-to-government relationship, at all stages of the mining process; and examine opportunities to

DOI, Public Lands Policy Coordinating Office, 1504 W. North Temple, 94010-0001



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Freeport-McMoRan Inc.

**Response to Request for Information
To Inform the Interagency Working Group on Mining
Regulations, Laws, and Permitting**

August 30, 2022



August 30, 2022

Steve Feldgus
Deputy Assistant Secretary, Land and Minerals Management
Department of the Interior
Bureau of Land Management
Division of Solid Minerals
1849 C Street NW, Room 5645
Washington, DC 20240

Re: Request for Information to Inform Interagency Working Group on Mining Regulations, Laws, and Permitting (FR Vol 87, No. 62, pp. 18811-18812)

Dear Mr. Feldgus,

The Idaho Mining Association (IMA) appreciates the opportunity to provide the following comments on the Interagency Working Group on Mining Regulations, Laws, and Permitting.

IMA is a non-profit, non-partisan, state-wide trade association located in Boise, Idaho. IMA is the recognized voice in support of exploration and mining in the state of Idaho. Our purpose is to advocate for a sustainable mining industry that benefits our state and local communities, while advancing the mineral resource and mining related interests of our members. We represent and technical, and environmental issues that surround the mining industry. We are committed to the protection of human health, the natural environment, and a prosperous mining industry.

Since 1903, IMA has represented miners and mining companies engaged in mineral exploration, mineral developments, and land reclamation throughout the state of Idaho. Our membership also consists of companies and industries that provide services to the mining industry within the state. IMA and its members are dedicated to responsible and sustainable mineral withdrawal in Idaho and to extract minerals needed for everyday life while protecting and preserving the environment in Idaho for future generations.

The IMA agrees and fully supports the comments submitted by the National Mining Association and the American Exploration and Mining Association, including but not limited to the points below.

Domestic Mineral Production is Key to Securing Our Supply Chains

INTERSECTION OF INTERAGENCY WORKING GROUP AND TRADE POLICY



Positives: increased acknowledgment that mining is the solution, increased demand
Challenges: channeling increased focus, educating key influencers, supply chain competition

ACTORS

- Interagency Working Group (IWG)
- U.S. Trade Representative (USTR)
- State Department (Energy Resource Governance Initiative (ERGI) and now Minerals Security Partnership (MSP))
- Commerce Department
- Export-Import Bank
- International Trade Advisory Committees

STAGE

- Increased societal focus on mining
- Proliferation of voluntary responsible mining standards
- Divergence of domestic policies across jurisdictions
- Supply chain vulnerability

TRADE POLICY MEETS DOMESTIC POLICY: OPPORTUNITIES

- Working with allies to secure supply chains **vs.** working with U.S. government to secure domestic supply chains
- Supporting international best practices **vs.** recognizing U.S. robust legal and regulatory framework
- Opening market access via trade agreements **vs.** prioritizing domestic production
- Promoting voluntary responsible mining standards **vs.** understanding that no one size fits all

IMPLICATIONS OF THE ROSEMONT LITIGATION | MINING REFORM

DECISION

- 9th Circuit May 12, 2022, decision misconstrues rights conveyed by the Mining Law to owners of unpatented claims and the use of surface resources to develop those claims
- Key mining states in Ninth Circuit: Alaska, Arizona, Idaho, Montana and Nevada

PETITION FOR REHEARING

- Department of Justice declines to join, decreasing likelihood of success
- NMA supports via amicus brief
- Petition denied in August 2022

USE IN OTHER CASES

- Raised in challenge to Mount Hope Molybdenum Project in Nev. on Bureau of Land Management lands – approved twice by Bureau of Land Management; in permitting since 2008
- Raised in challenge to Lithium Americas Thacker Pass project also on Bureau of Land Management lands in Nev.
- Raised in Earthworks litigation – appeal to D.C. Circuit on hold while Interagency Working Group deliberates changes to mining laws and regulations

POTENTIAL RESOLUTIONS

- Distinguish on facts, in record if possible
- Evaluate ways to distinguish Forest Service and Bureau of Land Management regulations
- Wait and see how Forest Service proceeds with remand (if Rosemont continues with project)
- Explore opportunity for legislative solution



Reported view of lead of Interagency Working Group in response to Ninth Circuit decision:

Now the industry will be forced to the Mining Law reform table

BUILD BACK BETTER – NOW INFLATION REDUCTION ACT

 *After 18 long months...*

- “Build Back Manchin” total - \$740 billion, down from \$3.5 trillion
- No new hardrock royalties
- No new claims maintenance fees
- No hardrock dirt tax, regulatory changes or withdrawals
- 15 percent corporate alternative minimum tax on \$1 billion of book income (three-year average)
- Domestic sourcing for electric vehicles and components
- 10 percent production tax credit for critical minerals and manufacturing tax credit for processing and refining of critical materials
- \$40 billion for new Department of Energy critical mineral lending
- \$25 billion for Advanced Technology Vehicles Manufacturing Loan program
- \$500 million for the Defense Production Act



FEDERAL INCENTIVES FOR DOMESTIC MINING AND PROCESSING

\$1 billion for Defense Production Act for production and processing of strategic and critical minerals for battery manufacturing

\$40 billion for Department of Energy Loan Program Office for critical mineral production

\$25 billion for Department of Energy Advanced Technology Vehicles Manufacturing Loan program for mineral production for electric vehicle components

45X new 10 percent Production Tax Credit for cost of production of critical minerals listed in the bill through 2032 with direct pay for the first five years

48C manufacturing tax credit applicability to processing, refining or recycling critical materials

New domestic sourcing for electric vehicle tax credits

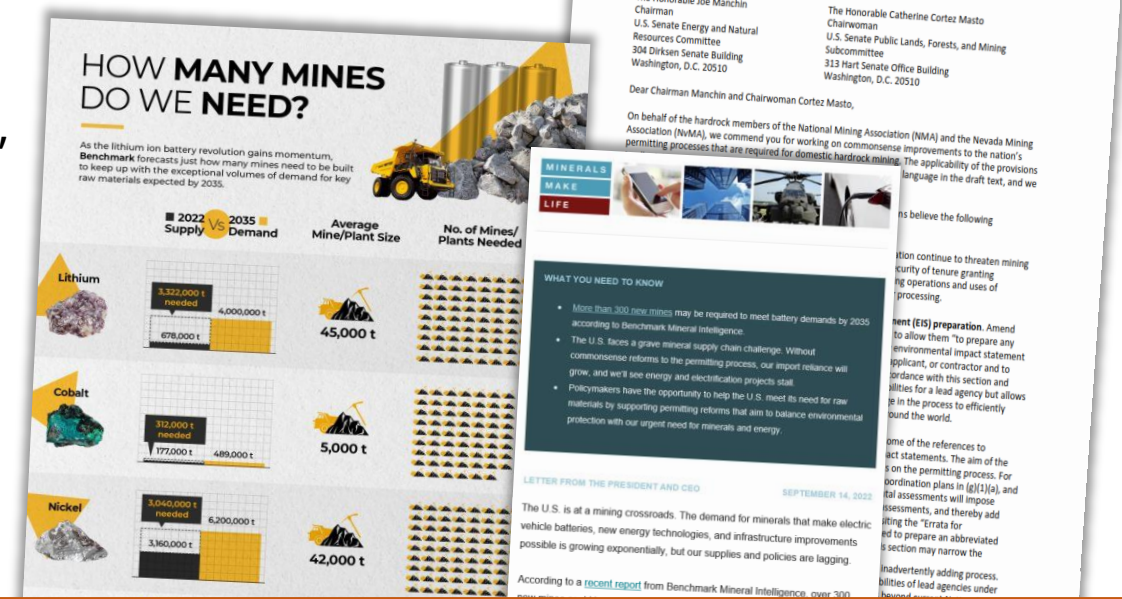


CONGRESSIONAL PERMITTING REFORM

- Manchin's deadline: September 30
- Permitting provisions apply to all mining, extraction, beneficiation and processing of minerals

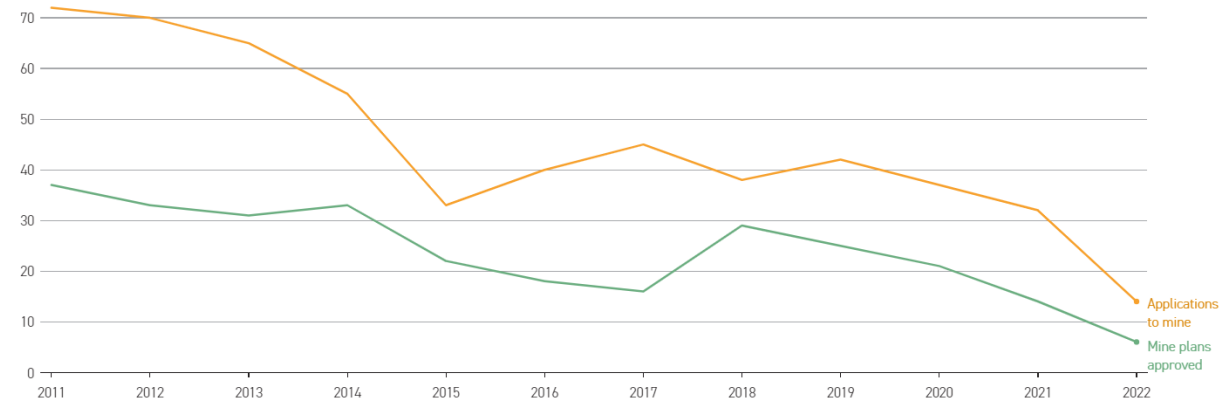
COMPONENTS

- ⚙️ Lead agency new responsibilities
- ⚙️ One Federal Decision timelines: two years for Environmental Impact Statements, one year for Environmental Assessments
- ⚙️ Limits on timing for lawsuits
- ⚙️ 150 days after final agency decision or action
- ⚙️ Federal agency performance metrics
- ⚙️ Presidential priority list
- ⚙️ Random assignment of judges



Federal mine approvals declined over the last decade

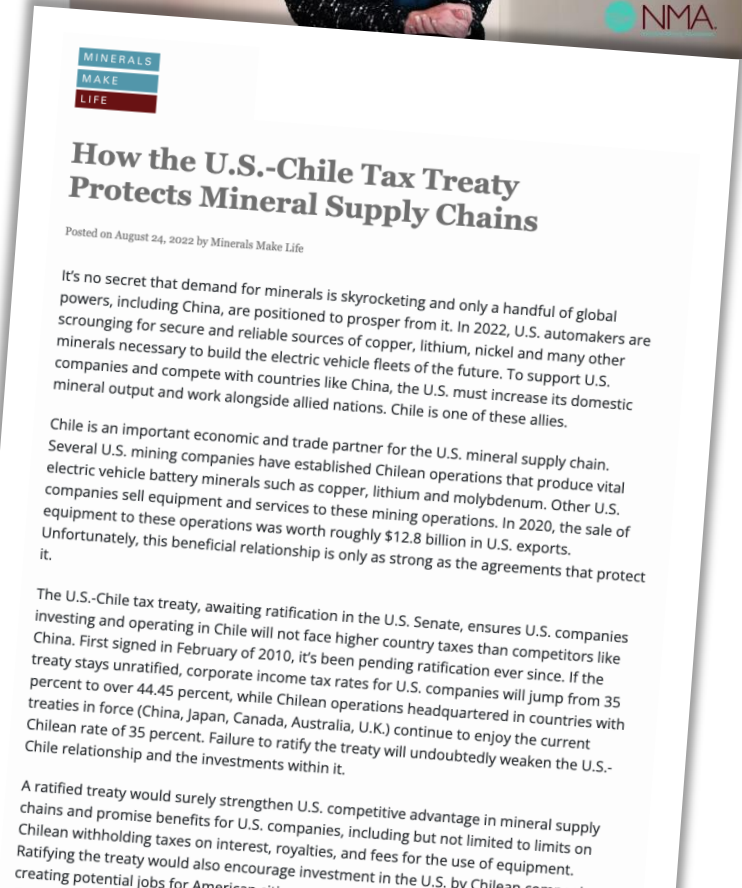
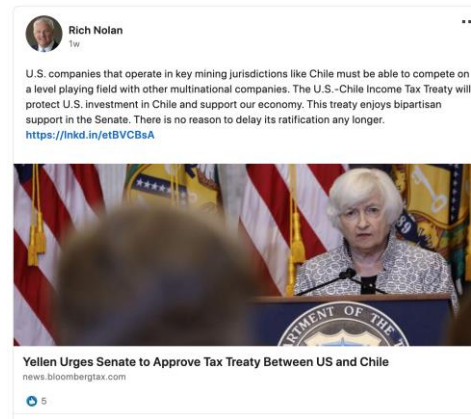
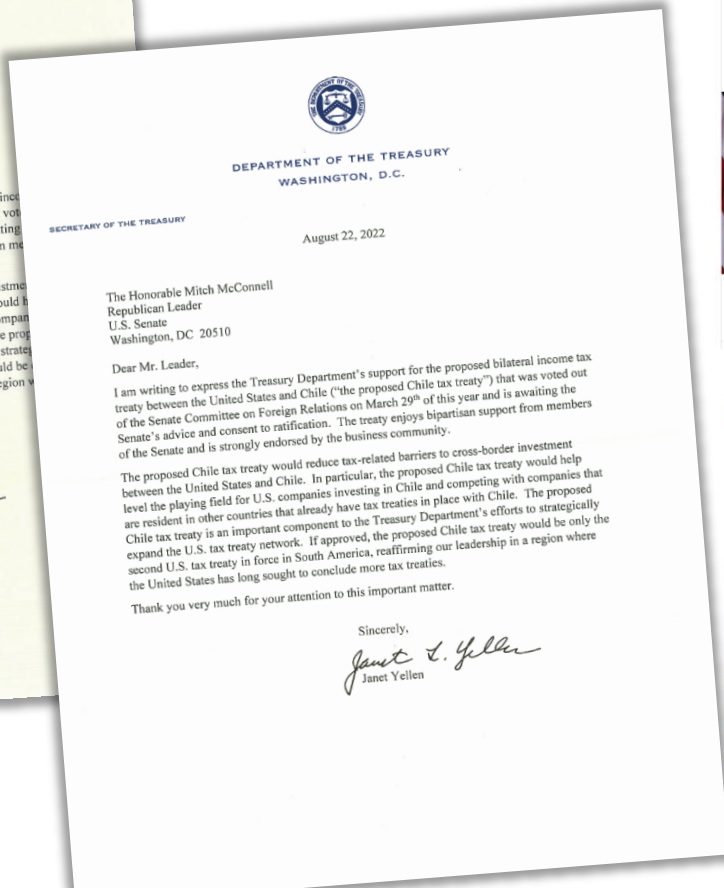
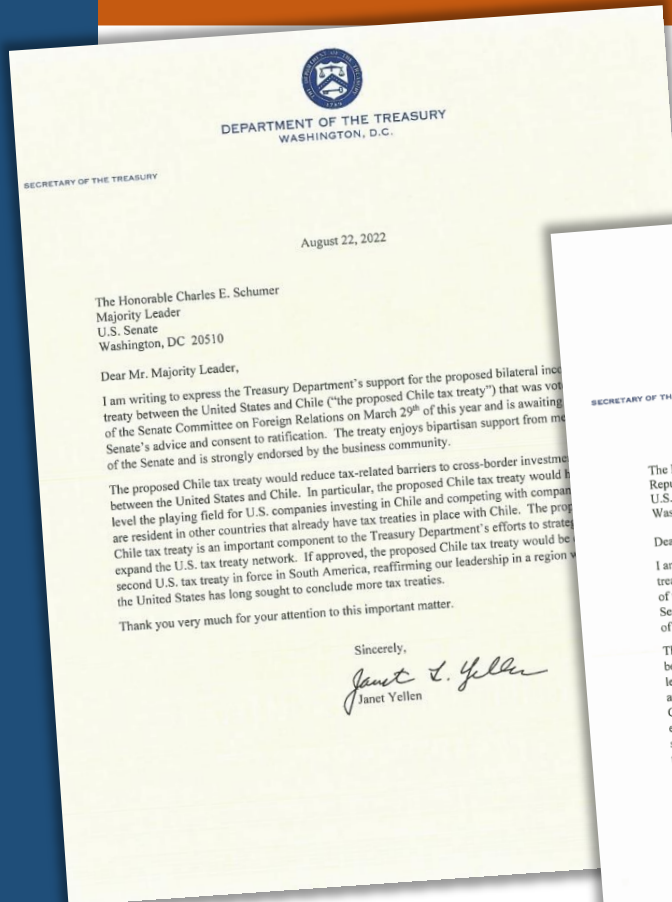
Bureau of Land Management mine applications and approvals



Mine plans approved in a given year are not tied to mine applications that year. Data for 2022 is as of June 22.
Source: Bureau of Land Management
Claudine Hellmuth / E&E News

CHILEAN TAX TREATY

Without ratification, Chilean taxes on U.S. companies' operations will increase to 44% in 2027, while competitors from countries with treaties in place will remain at 35%

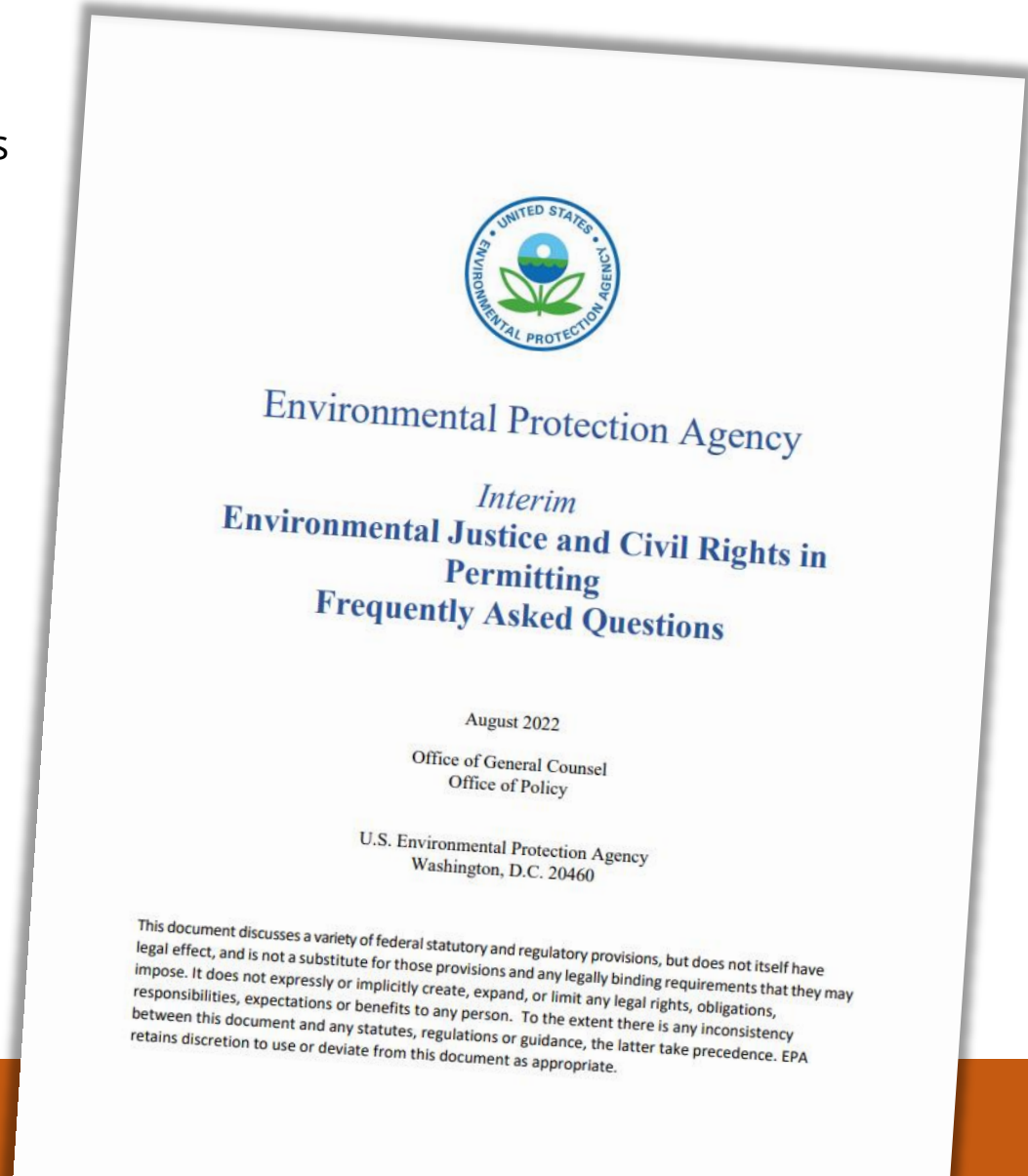


INTEGRATION OF ENVIRONMENTAL JUSTICE IN PERMITTING DECISIONS

- Environmental Protection Agency Interim Environmental Justice (EJ) and Civil Rights in Permitting Frequently Asked Questions (Aug. 2022)
- Not legally enforceable but sends a clear message to states and localities that the Environmental Protection Agency expects them to be more proactive in integrating Environmental Justice and civil rights in permitting programs or risk federal funding
- In some circumstances, “Denial of the permit may be the only way to avoid a [Civil Rights Act] Title VI violation.”

NMA RECOMMENDATIONS:

- Become familiar with Environmental Justice mapping and screening tools (e.g. EPA’s EJScreen).
- Become familiar with your state and local Environmental Justice and civil rights laws, regulations and policies
- Review best practices for community engagement in the Frequently Asked Questions document



COMMUNICATIONS

[INSIDESOURCES] U.S. Energy Security and Climate
Action Rest on Mining

The Intelligencer.
Wheeling News-Register

Congress Must Tackle Infrastructure Permitting Reform



REUTERS®

**Push to shorten U.S. mine
permit review process gains
steam**



**Top industry group raises alarm on
future of green energy: 'Has now
become a crisis'**

The U.S. has a 'broken and cumbersome' permitting process, the the National Mining Association president tells FOX
Business



**Lengthy, costly and inefficient: US
permitting in 'dire need' of reform, says
industry**

Boston Herald

OPINION

Daemen: U.S. energy security, climate action rest on mining

KEY PERFORMANCE INDICATORS

137

OPEDS YTD

13

PRESIDENT OPEDS

3.74M

READERS REACHED

14

BLOGS

4

VIDEOS

823,000+

VIDEO VIEWS

MINERALS CEO MEETING

| SEPTEMBER 15, 2022

