



NOTICE OF DECISION - Bureau of Mining Regulation and Reclamation

Date of Posting: 02/21/2025

Deadline for Appeal: 03/03/2025

Klondex Midas Operations Inc.
6100 Plumas Street, Suite A
Reno, NV, 89519

The Administrator of the Nevada Division of Environmental Protection (the Division) has decided to issue renewed Water Pollution Control Permit NEV96107 to Klondex Midas Operations, Inc. This Permit authorizes the construction, operation, and closure of approved mining facilities in Elko County, Nevada. The Division has been provided with sufficient information, in accordance with Nevada Administrative Code (NAC) 445A.350 through 445A.447, to assure that the waters of the State will not be degraded by this operation, and that public safety and health will be protected.

The Permit will become effective 08 March 2025. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and NAC 445A.407. All requests for appeals must be filed by 5:00 PM, 03 March 2025, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Person at (775) 687-9405 or visit the Division public notice website at <https://ndep.nv.gov/posts/category/land>.

Written comments were received during the public comment period from John Hadder, Great Basin Resource Watch, Reno, Nevada. The text of all comments, in some cases excerpted, and the Division responses (in *italics*) are included below as part of this Notice of Decision.

John Hadder, Written Comment:

Comment #1:

The permit application from Klondex notes in Figure 2 - "Project Facilities and Land Status" the locations of monitoring of production wells and the surface topography on site. However, wells are not labeled on this or other figures in the permit application, nor is an indication of hydraulic gradient available. While these may be in supplementary reports, the lack of this information in publicly accessible documents makes public engagement and comment on this project unduly difficult. We request that NDEP make this referential information available in permit documents to facilitate public understanding in the future.

Division Response #1:

All documents received by the Division are public record and available to the public for review. Comment noted.

Comment #2:

Since the 2010 Finding of Alleged Violation (FOAV) concerning local nitrogen contamination, Klondex has taken corrective action through construction and design changes to mitigate any water contamination issues. The factsheet does not detail the cause of the contamination. It appears as though the source of the groundwater degradation is the Phase IV tailings impoundment. It is also not clear what was/is the specific failure in the tailings facility. Our understanding is that the Phase IV tailings facility was lined using a 80-mil HDPE liner. Please add to the factsheet the specific failure of the tailings facility.

Division Response #2:

The Division has updated the Fact Sheet to include information on the FOAV.

Comment #3:

However, since 2017, Nitrate + Nitrite/total nitrogen concentrations have continued to rise annually and have consistently been measured above Profile I reference values at both MW-19 (when wet) and MW-20 pumpback wells. MW-20 has also had concentrations of selenium and sulfate above Profile I values through 2023. Is there an investigation as to why the contamination is increasing? If so, what are the conclusions? Given that the Nitrate + Nitrite/total nitrogen is increasing what action is NDEP required to arrest this contamination.

Division Response #3:

The Division has continued to monitor the situation with the quarterly monitoring and an annual report of the nitrate plume pumpback system. The Permittee has continued to make changes and improvements to the area to eliminate the risk of mobilizing additional nitrate by: lining the area of the embankment where ponding occurred, moving the evaporators to limit the potential to carry aerosol/small water particles outside of the supernatant pond area, and shut off the evaporators prior to/during storm events or high winds. The evaporator system is no longer in use due to the decrease in the supernatant pond size.

The changes implemented have helped remove this potential pathway into groundwater as demonstrated by a decrease in nitrate+nitrite concentrations from Q2 2020 through Q3 2023. However, consistent nitrate+nitrite concentrations below the 10 mg/L Reference Value at MW-20 will take time. In 2022, MW-20 nitrate+nitrite concentrations intermittently dropped below 10 mg/L, while also exceeding the Reference Value during other monthly sampling events . This high variability is suggestive of a less concentrated source zone, which will be observed through on-going monitoring at MW-20.

Comment #4:

Additionally, MW-9, at the south end of the existing waste rock dump, has shown elevated nitrogen and TDS levels in recent monitoring reports (2023, Q2). Has there been investigation into these elevated constituent levels, and if so, have they been found to be related to the plume at MW-19 and MW-20 near the Phase IV tailings impoundment or are they of a separate provenance?

Division Response #4:

MW-9 is typically dry. The only exception based on quarterly monitoring records since before Q1 2013 was the water sample that was collected during the Q2 2023 sampling event. MW-9 has been dry during the seven subsequent sampling events. The presence of water at MW-9 during the Q2 2023 sampling event is in large part attributed to high annual precipitation. Sampling will continue to be conducted at MW-9 as required by the Midas Mine WPCP conditions; however, dry conditions are anticipated based on the long-term monitoring record.

Comment #5:

Other monitoring wells (i.e. MW-2, MW-4, MW-24 in 2022 Annual Monitoring Report) have total nitrogen concentrations within acceptable NDEP Profile I values; however, they are significantly higher than production well reports (PW-1 and PW-1A both have consistent nitrogen levels below the detectable limit in comparison). Do these production wells represent background or pre-mining water quality in the area (if not, what is the nature of pre-mining water quality)? While these represent no degradation or violation, does this trend represent an elevation above background levels from mining activity broadly? GBRW is concerned that the groundwater contamination is not limited to the area near the pumpback wells, but could be across much of the mine site.

Division Response #5:

The Division issues permits to not degrade waters of the State to the extent that the concentration of a constituent exceeds the greater of a state or federal regulation prescribing standards for drinking water or the natural background concentrations of the regulated drinking water constituent. NAC 445A.1.b.

Comment #6:

Clondex's 2023 monitoring reports for NEV0096107 mention MW-20's pump having a failure during the second quarter of the year. Although the company notes that this has since been repaired and a net flow meter installed, what was the nature of this failure? Is there a reasonable chance the pump could fail again, and if so what are the potential repercussions of pump failure, particularly in regards to nitrogen contamination of groundwater?

Division Response #6:

The pumpback system is designed to maintain a consistent groundwater level at MW-20. In the past, the facility experienced sporadic power surges, which caused the pump fuses to blow and fuse replacement required taking the pump off-line. This caused the groundwater level at MW-20 to increase. During the repair the fuse size was increased, which has protected the pump from power surges and limited groundwater level fluctuations. MW-19 has remained dry since Q2 2019, which indicates that the pumpback system is effectively containing the groundwater with elevated nitrogen concentrations even during short pump maintenance periods. In addition, the Permittee has a spare submersible pump dedicated for use at MW-20 should the pump fail and is storing additional fuses at the site to minimize down time of the pumpback system.