

STATE STREET

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White Pine County Public Works Department

March 24th, 2022

Mr. J.J. Goicoechea, Chairman Board of Eureka County Commissioners P.O. Box 694 Eureka County NV 89316

RE: White Pine County Letter of Support for the Public Safety Exemption for the White Pine and Elko County Roads 1000 and 719 with KG Mining (Bald Mountain) Inc.

Dear Mr. Goicoechea:

This letter serves to support the KG-BM request for an exemption to the State of Nevada Conservation Credit System (CCS) associated with the County Road Project (Project) that has been initiated by KG Mining (Bald Mountain) Inc. (KG-BM). During the spring of 2020, KG-BM submitted application 299 to the Bureau of Land Management and soon thereafter submitted a Plan of Development for the Project. The current condition of the two county roads presents hazards to public safety as there were over 30 incidents in a period of three years. Collisions were with free-roaming horses, livestock, rollovers, and other minor occurrences. The Project is to focus on rectifying the currently hazardous situation on the two county roads and White Pine County supports this effort. It has come to our attention there is a potential requirement to obtain sage grouse credits under the CÇS. White Pine County supports the exemption of the Project from using the CCS under the Nevada regulation, NAC 232.460; which allows an exemption when the Project is necessary to protect health and safety. KG-BM has had discussions with White Pine County and with the CCS program administrator (CCA PA) bringing forward the request for exemption. The CCS PA felt there was strong enough merit that the Project will improve public health and safety and thus White Pine County is requesting your consideration and approval for this exemption.

Overview of County Roads Project

White Pine County Road 1000 and Elko County Road 719 are existing roads and have been used by the public for years and continues to be actively used. Through an agreement between the county and KG-BM, the company maintains these roads and as captured in the application 299, has the technical and financial capability to carry out the proposed road improvements. It is important to note that the County Road 719/1000 serves as emergency evacuation route for the communities of Elko and Spring Creek, and affords access for recreational activities on both BLM and Forest Service lands. Furthermore, these roads also serve as access to private ranches and grazing allotments, and the roads are the primary routes to the Bald Mountain mine. KG-BM owns and operates the Bald Mountain Mine located in White Pine County, Nevada.

The need for the upgrade work is to improve safety via driver visibility and to lessen the potential for accidents and collisions with other vehicles and/or wildlife and cattle. These actions will promote a reduction in hazards, especially to the local residents and ranch owners, commuters, and recreationists. A total of 26.4 acres are proposed as new disturbance with the majority of the disturbance on Forest Service

lands, followed by BLM Ely District lands, then BLM Elko District lands. As part of the project, KG-BM would reclaim about 15 acres. There are several segments along the two county roads that are targeted for the upgrade work and shown in Figure 1.

Conclusion

White Pine County supports this Project and participates as part of the five entities involved. We also believe this project is necessary to protect public health and safety and the Project is exempt from the applicability of the CCS.

We are looking forward to your reply and support of the proposed activities on County Roads 1000 and 719, and our request for the exemption under NAC 232.460.

Sincerely,

White Pine County
Bill Calderwood
[Public Works Director]

3.53 W.

White Pine County Richard Howe

[County Commission Chairman]

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