

December 26, 2018

Kathleen Petter
Sagebrush Ecosystem Program
201 S. Roop Street, Suite 101
Carson City, Nevada 89701

Submitted via email to kpetter@sagebrushco.nv.gov

Re: Comments regarding proposed mitigation requirements

Dear Ms. Petter,

This letter is submitted on behalf of Lithium Nevada Corporation (“LNC”), the owner and operator of the Thacker Pass Lithium Project located in Humboldt County, Nevada. These comments respond to the Notice of Workshop to Solicit Public Comment on Proposed Mitigation Regulations and the Sagebrush Ecosystem Program’s (SEP’s) request for comment on general topics that were circulated to the public and presented at the regulatory workshop.

The Thacker Pass Project is a proposed lithium mining operation on lands managed by the Bureau of Land Management (“BLM”) at the south end of the McDermitt caldera near Thacker Pass on Nevada State Highway 293. Extensive exploration has been conducted, and remains ongoing, under a plan of operations approved by the BLM. LNC is preparing a lithium mining plan of operations that will be submitted to the BLM in 2019, together with required permit applications that will be submitted to the State of Nevada. The Thacker Pass Project includes development of a globally significant lithium resource. Lithium has been identified as a “critical” mineral for purposes of Executive Order 13817.

LNC has committed to avoid, minimize and mitigate, as necessary, potential impacts to Greater Sage-grouse habitat near the project. We have been collecting baseline data in the project area for years and have consulted with BLM and the SEP regarding potential impacts to Greater Sage-grouse and appropriate mitigation strategies. We are working with the SEP to accurately map habitat in the project area.

Even after steps are taken to avoid and minimize potential impacts, we anticipate that compensatory mitigation may be required under the regulations the SEP is considering. LNC is familiar with the Conservation Credit System (“CCS”) and is monitoring the development and availability of credits in the project vicinity. Our hope and expectation is that mitigation for the project will be concluded using the CCS. However, it remains uncertain whether adequate, appropriate credits will be available in the time frame that is necessary to move forward with the Thacker Pass Project. Accordingly, we request that the SEP regulations include alternative mitigation mechanisms where it can be demonstrated, to the satisfaction of the SEP, that the alternative provides the same net conservation gain. The proposed

regulations should include a process for reviewing and approving alternative mitigation processes and the criteria that would be applied to proposals for alternative mechanisms.

It is critically important that the SEP regulations leave project proponents some flexibility in meeting mitigation objectives. Alternative mitigation mechanisms allow projects to proceed in areas and times when the conservation credit market may not be adequate. We look forward to the opportunity to comment on proposed regulations.

In addition, we have recently used the SEP's Habitat Quantification Tool. We request the SEP's Habitat Quantification Tool Calculator be more transparent. Our review indicates that some components of the model are inaccessible and opaque. It is unclear how the model calculates some components of the total debits. Clearer standards for using the HQT calculator are requested.

Thank you for the opportunity to provide comment. Please retain Lithium Nevada Corp. on the public mailing list. We would like to continue to receive information about the SEP's program, updates to the HQT, and notification about public meetings.

Sincerely,

Lithium Nevada Corp.

A handwritten signature in black ink, appearing to read "Catherine Clark". The signature is fluid and cursive, with the first name "Catherine" and last name "Clark" clearly distinguishable.

Catherine Clark
Environmental Director