

**MEMORANDUM OF AGREEMENT
BETWEEN THE BUREAU OF LAND MANAGEMENT AND
NEVADA HISTORIC PRESERVATION OFFICER,
REGARDING THE MIDAS PLAN OF OPERATIONS AREA
ELKO COUNTY**

WHEREAS, the Bureau of Land Management, Tuscarora Field Office (BLM) plans to permit Klondex Midas Operations Inc. (Klondex) to conduct mineral exploration within the Midas Exploration Plan of Operations Area in Elko County, Nevada (the undertaking) and this exploration is an undertaking subject to review under Title 54 U.S.C. § 300101, et. seq., commonly known as the National Historic Preservation Act of 1966, as amended (NHPA), and Title 54 U.S.C. § 306108, commonly known as Section 106 of the NHPA (Section 106) and its implementing regulations at 36 CFR 800; and

WHEREAS, the BLM has defined the undertaking's area of potential effect (APE) to be 298.3 acres to account for all effects of the undertaking; and

WHEREAS, the BLM has defined the undertaking's activities to consist of 298.3 acres of ground disturbance within the Midas Plan of Operations Area (Appendix A) which could include: drill roads, drill sites, and trenches; and

WHEREAS, the BLM has complied with its obligations to inventory and identify historic properties within the APE, to consult with Nevada State Historic Preservation Office (SHPO) and other appropriate parties where necessary and appropriate, and with other applicable obligations under the NHPA and its implementing regulations and other applicable policies and agreements; and

WHEREAS, the BLM, in consultation with the SHPO, has determined that the undertaking will have adverse effects on the following historic properties eligible for the National Register of Historic Places (NRHP) under the Secretary of Interior's Significance Criterion D: 26EK10179, 26EK12873, 26EK12874, 26EK12876, 26EK12877, 26EK12883, and 26EK12885 (Appendix B); and

WHEREAS, the BLM, in consultation with the SHPO, has determined that the undertaking will have an adverse effect on the following historic property eligible for the National Register of Historic Places (NRHP) under the Secretary of Interior's Significance Criteria A and D: 26EK6473-82; and

WHEREAS, the BLM, in consultation with the SHPO, has determined that the undertaking will have an adverse effect on the following historic property eligible for the National Register of Historic Places (NRHP) under the Secretary of Interior's Significance Criteria A, B, and D: 26EK6473-46B and C; and

WHEREAS, the BLM, in consultation with the SHPO, has determined that the undertaking may have an adverse effect on the following historic properties eligible for the National Register of Historic Places (NRHP) under the Secretary of Interior's Significance Criterion

D: 26EK6473-40, 26EK6559, 26EK6465, 26EK6577, 26EK9974, 26EK10175, 26EK11929, 26EK12036, 26EK12890, 26EK12891, 26EK12892, 26EK16560, 26EK16563, 26EK16565, 26EK16570, 26EK16571, 26EK16572, 26EK16576, 26EK16577, 26EK16579, 26EK16580, 26EK16584, 26EK16585, 26EK16586, 26EK16587, 26EK16588, and 26EK16589; and

WHEREAS, the BLM, in consultation with the SHPO, has determined that the undertaking may have an adverse effect on the following historic property eligible for the National Register of Historic Places (NRHP) under the Secretary of Interior's Significance Criteria A and D: 26EK6473-29 and 26EK6473-31; and

WHEREAS, the BLM, in consultation with the SHPO, has determined that the undertaking may have an adverse effect on the following historic property eligible for the National Register of Historic Places (NRHP) under the Secretary of Interior's Significance Criteria A, B, and D: 26EK6473-90; and

WHEREAS, the Advisory Council on Historic Preservation (ACHP) has not been invited to participate in this undertaking because the BLM has determined that it does not meet the regulatory requirements for ACHP participation as stipulated in Component 5 of the 2012 *Programmatic Agreement Among the Bureau of Land Management, the Advisory Council on Historic Preservation, and the National Conference of State Historic Preservation Officers Regarding the Manner in Which BLM Will Meet Its Responsibilities Under the National Historic Preservation Act*; and

WHEREAS, the BLM has consulted with Klondex regarding the effects of the undertaking on historic properties and has invited them to sign this MOA as an Invited Signatory; and

WHEREAS, jointly the BLM, the SHPO, and Klondex will be called the signatories and individually as signatory or by their name; and

WHEREAS, the BLM has notified the following Native American Tribes in the area that may attach religious or cultural importance to the affected historic properties in the undertaking: Battle Mountain Band of the Te-Moak Tribe, Shoshone-Paiute Tribes of the Duck Valley Reservation, Duckwater Shoshone, Elko Band of the Te-Moak Tribe, Ely Shoshone, Paiute- Shoshone Tribes of the Fort McDermitt Reservation, Te-Moak Tribe of Western Shoshone, Wells Band of the Te-Moak Tribe and the Yomba Shoshone (collectively known as Tribes or individually by name) and the BLM has formally offered government-to-government consultation regarding this undertaking to all of the listed Tribes; and

WHEREAS, the BLM, through consultation with the Tribes has agreed that the participation of Tribal Cultural Specialist Monitors will be provided for (Appendix C); and

WHEREAS, the definitions in the *State Protocol Agreement between The Bureau of Land Management, Nevada, and the Nevada State Historic Preservation Officer for Implementing the National Historic Preservation Act (2014)* (Protocol Agreement) regarding the identification, evaluation, and treatment of historic properties on lands managed by the Nevada BLM are applicable throughout this MOA; and

NOW THEREFORE, the BLM and the SHPO agree that the undertaking shall be implemented in accordance with following stipulations to take into account the effect of the undertaking on historic properties.

STIPULATIONS

BLM shall ensure that the following stipulations are implemented:

I. AVOIDANCE AND ANNUAL MONITORING

- A. Klondex, through their Cultural Resource Management (CRM) contractor, will maintain up-to-date avoidance area mapping during the undertaking that establishes a 30-meter buffer for all historic properties that remain unmitigated to aid in avoidance of direct adverse effects.
- B. Klondex, through their CRM contractor, will monitor all unmitigated historic properties annually and will report their findings to the BLM within thirty (30) calendar days of completion of monitoring activities.
- C. Klondex will not be required to monitor an historic property that has been mitigated or maintain an avoidance area for that mitigated historic property once the BLM issues a Notice to Proceed (NTP) for undertaking activities within the historic property boundary in accordance with Stipulation II.K below.
- D. If the BLM determines that an unmitigated historic property has been adversely affected by Klondex's activities, then Klondex's CRM contractor will prepare an appropriate Historic Properties Treatment Plan (HPTP) within ninety (90) calendar days of the BLM's determination:
 - 1. The HPTP will be consistent with the BLM Guidelines and will conform to the stipulations outlined in the Protocol Agreement, BLM manual 8140.26, the ACHP's guidance at https://www.achp.gov/protecting-historic-properties/Section_106_Archaeology_Guidance, and the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation (48 FR 44716).

2. In addition, the HPTP will be accompanied by the original NRHP evaluation.
- E. Upon the BLM's approval of the final HPTP, in consultation with the SHPO following with the review process in Stipulation II.C-G below, Klondex will have one (1) year to carry out the fieldwork portion of the mitigation prescribed by the approved HPTP. Klondex's CRM contractor will procure all appropriate BLM permits prior to initiation of any mitigation.
- E. The signatories' review of all products resulting from the implementation of the HPTP shall follow the review process in Stipulation II.K-S below.
- F. Klondex will fund annual monitoring and any treatment if necessary.

II. MITIGATION

- A. The BLM, in consultation with the signatories, shall ensure that avoidance and annual monitoring of historic properties will be the primary management procedure to avoid adverse effects to historic properties. However, should adverse effects not be avoidable, Klondex, through their CRM contractor, shall implement treatment measures specified in the HPTPs developed through the process set forth below.
- B. Klondex, through their CRM contractor, will draft HPTPs for historic properties that will be adversely affected and for those that have the potential to be adversely affected by the undertaking consistent with the standards found in Stipulation I.D.1 above within six (6) months following the execution of this MOA.
- C. The BLM will ensure that Klondex utilizes a qualified (as determined by the BLM through the cultural resource use permitting process) management firm in the preparation and implementation of any HPTP, including but not limited to, mitigation of archaeological sites, artifact processing, writing a summary report of findings, writing the final report of findings as set forth in a HPTP, and the curation of all excavated and/or collected artifacts as set forth in the ARPA Permit issued by the BLM Nevada State Office. All deliverables will be written or reviewed by a qualified BLM-permitted professional Principal Investigator appropriate for the resource type and location according to the cultural contractor's BLM cultural resource use permit. All monitoring will be conducted by individuals qualified for the resource type and location according to the cultural contractor's BLM cultural resource use permit.

- D. The BLM will review and comment on draft HPTPs and provide comments to Klondex. Klondex, through its CRM contractor, will revise draft HPTPs to address the BLM comments within ten (10) calendar days of receipt of those comments.
- E. Upon BLM approval of any HPTPs, the BLM will submit the draft HPTPs in hard copy to the SHPO for review and comment.
- F. The SHPO will review and provide comments on any draft HPTP to the BLM within thirty (30) calendar days of receipt. If SHPO does not respond to the BLM within the comment period, the BLM may finalize the HPTP.
- G. Klondex, through their CRM contractor, will consider all SHPO comments and supply draft final HPTPs to the BLM within ten (10) calendar days.
- H. The BLM will then submit final HPTPs in hard copy to the SHPO. A cover letter for the HPTPs will include a description from the BLM regarding all SHPO comments and how they have been considered.
- I. Upon approval of final HPTPs by the BLM, the BLM will authorize Klondex to initiate the fieldwork portion of any HPTPs. Klondex's CRM contractor will procure all appropriate BLM permits prior to initiation of any fieldwork.
- J. Klondex, through their CRM contractor, shall submit a fieldwork summary to the BLM within thirty (30) calendar days of completion of fieldwork at a historic property.
- K. BLM may issue an NTP to Klondex for work inside the avoidance boundary of a historic property using the following process:
 - 1. Klondex shall ensure that their CRM contractor provides the BLM with a fieldwork summary for mitigation activities of the HPTP fieldwork (e.g., excavation, testing, photo-documentation, mapping) carried out for each historic property.
 - a. Klondex may submit individual fieldwork summaries to the BLM for each historic property or fieldwork summaries for work carried out concurrently at multiple historic properties (e.g., per fieldwork rotation) may be submitted as a package to streamline the review process.
 - 2. The BLM will complete their review of fieldwork summaries to determine if the fieldwork satisfies the requirements of the HPTP

- within thirty (30) business days of receipt. Klondex shall ensure that the CRM contractor addresses any comments raised by the BLM within ten (10) business days of receipt.
3. The BLM will forward the fieldwork summary, and BLM's intention to issue an NTP, to the SHPO for review and comment.
 4. The SHPO will complete their review of the fieldwork summary within thirty (30) business days of receipt. If SHPO does not respond within thirty (30) business days of receipt, the BLM may issue the NTP.
 5. The BLM will consider the SHPO's comments on the fieldwork summaries and authorize the contractor to make what changes the BLM deems appropriate.
 6. The BLM will submit a final fieldwork summary to the SHPO within thirty (30) business days of the BLM's receipt of any timely SHPO comments. A cover letter or email with the final fieldwork summary will include a description from the BLM regarding all SHPO comments and how they have been considered. This response may be via email or other electronic means.
 7. Following the BLM's receipt of the final fieldwork summary from the contractor, the BLM may issue the NTP to Klondex.
- L. Klondex, through their CRM contractor, shall submit a draft mitigation report or multiple reports and products to the BLM within twelve (12) months of the completion of fieldwork, unless otherwise negotiated.
 - M. The BLM will review and comment on the draft mitigation report and provide comments to Klondex. Klondex, through its CRM contractor, will revise the draft mitigation report to address the BLM comments within sixty (60) calendar days of receipt of those comments.
 - N. Upon BLM approval of the draft mitigation report or reports, the BLM will submit the draft mitigation report or reports in hard copy to the SHPO for review and comment.
 - O. The SHPO will provide comments to the BLM within thirty (30) calendar days of receipt the draft mitigation report or reports. If SHPO does not respond within the comment period, the BLM may finalize the mitigation report.

- P. Klondex, through their CRM contractor, will consider all the SHPO's comments and supply a final mitigation report or reports to the BLM within ten (10) calendar days.
- Q. The BLM will submit a final hard copy of approved mitigation report or reports to the SHPO. The BLM cover letter for the mitigation report(s) will include a description from the BLM regarding all SHPO comments and how they have been considered.

III. POST-REVIEW DISCOVERIES

Stipulations of this MOA are intended to identify and mitigate adverse effects to historic properties. If properties are discovered that may be historically significant, or unanticipated effects on historic properties found, the BLM will ensure that procedures found in 36CFR § 800.13(b) are carried out.

IV. DATA AND INFORMATION SHARING

Information on the location and nature of all cultural resources and information considered proprietary by the Tribes and the BLM will be held confidential to the extent provided by Federal and State law, or as determined by the BLM Authorized Officer. Klondex will ensure the security and confidentiality of cultural resource avoidance areas and other sensitive information.

V. DISPUTE RESOLUTION

Should any signatory to this MOA object at any time to any actions proposed or the way the terms of this MOA are implemented, the BLM will consult with such party to resolve the objection. If the BLM determines that such objection cannot be resolved, the BLM will:

- A. Forward all documentation relevant to the dispute, including the BLM's proposed resolution, to the ACHP. The ACHP will provide the BLM with its advice on the resolution of the objection within thirty (30) calendar days of receiving adequate documentation. Prior to reaching final decision on the dispute, the BLM will prepare a written response that considers any timely advice or comments regarding the dispute from the ACHP and the signatories and provide them with a copy of this written response. The BLM will then proceed according to its final decision.
- B. If the ACHP does not provide its advice regarding the dispute within the thirty (30) daytime period, the BLM may make a final decision on the dispute and proceed accordingly. Prior to reaching such a final decision, the BLM will prepare a written response that considers any timely comments

regarding the dispute from the signatories and provide them and the ACHP with a copy of such written response.

- C. The BLM's responsibility to carry out all other actions subject to the terms of this MOA that are not the subject of the dispute shall remain unchanged.

VI. AMENDMENTS

This MOA may be amended when such an amendment is agreed to in writing by all signatories. The amendment will be effective on the date a copy has been signed by all the signatories and is filed with the ACHP.

VII. TERMINATION

If any signatory to this MOA determines that its terms will not or cannot be carried out, that party will immediately consult with the other parties to develop an amendment per Stipulation VI, above. If within thirty (30) calendar days (or another time period agreed to by all signatories) an amendment cannot be reached, any signatory may terminate the MOA upon written notification to the other signatories.

Once the MOA is terminated, and prior to work continuing on the undertaking the BLM must either (a) execute an MOA pursuant to 36 CFR § 800.6, or (b) request, consider, and respond to the comments of the ACHP under 36 CFR § 800.8. The BLM will notify the signatories as to the course of action it will pursue.

VIII. DURATION

This MOA will expire when the stipulations are completed or in ten (10) years from the date of its execution, whichever comes first. The signatories have determined that Klondex will phase the mitigation of historic properties adversely affected by the undertaking in a manner consistent with the requirements of the undertaking.

Prior to the expiration of the MOA, the BLM may consult with the other signatories to reconsider the terms of the MOA and amend it in accordance with Stipulation VI above.

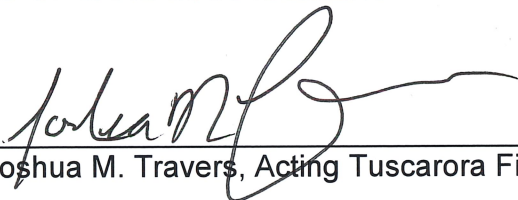
IX. CHANGE OF OWNERSHIP

In the event that the ownership of the undertaking changes during the implementation of this MOA, BLM will provide written notice to the SHPO regarding such a change in ownership. BLM will require the new owner to meet all the terms of this MOA as if it was the owner of the undertaking at the time of the original execution of this MOA. The new owner will be deemed to be an Invited Signatory of the MOA.

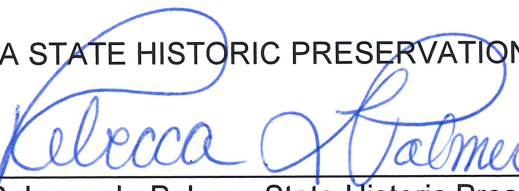
EXECUTION of this MOA by the BLM and the SHPO and implementation of its terms, evidence that the BLM has taken into account the effects of the undertaking on the historic properties identified herein.

SIGNATORIES:

BUREAU OF LAND MANAGEMENT


By:  Date: 3/29/2022
Joshua M. Travers, Acting Tuscarora Field Office Manager

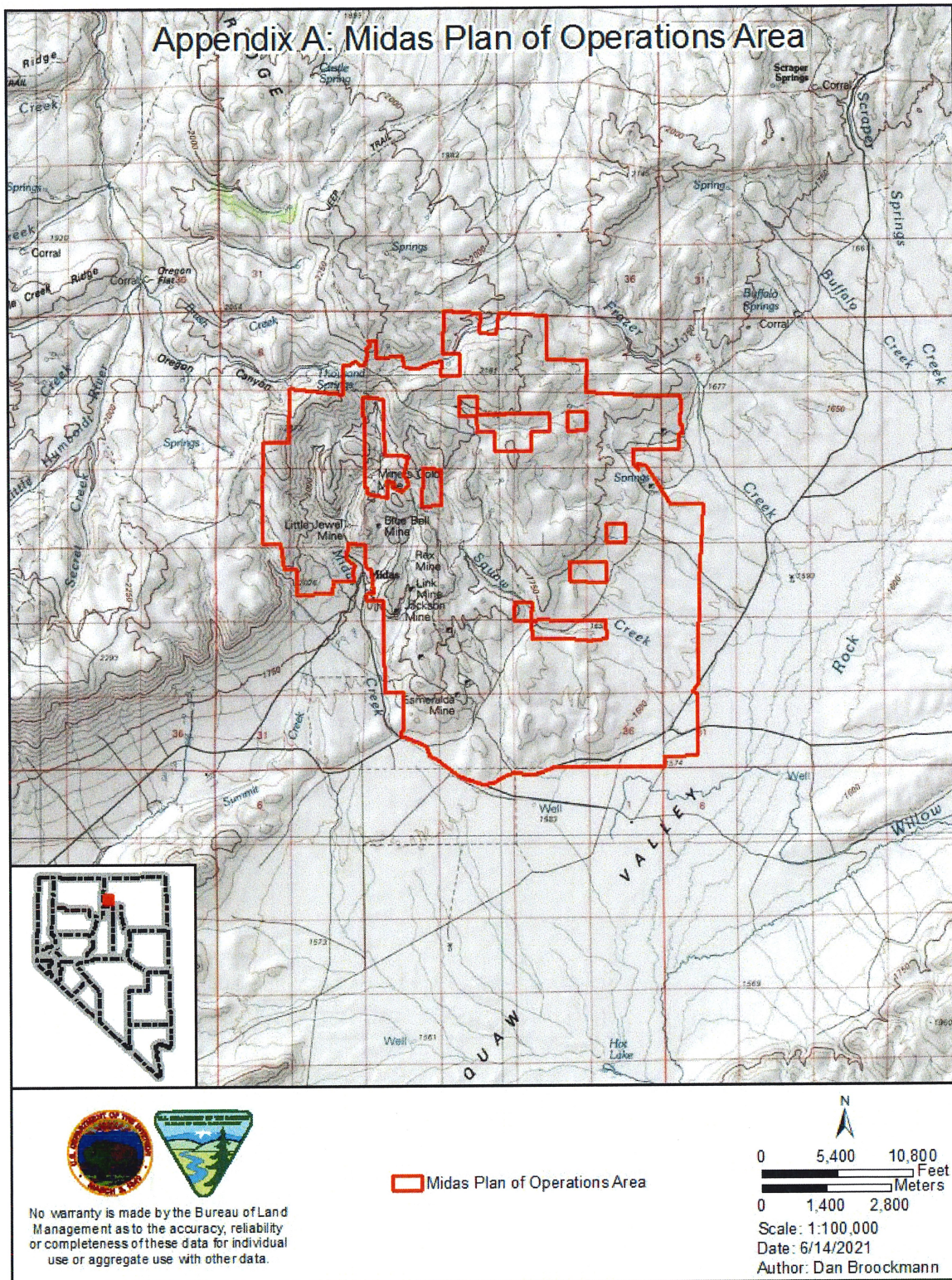
NEVADA STATE HISTORIC PRESERVATION OFFICE

By:  Date: April 19, 2022
Rebecca L. Palmer, State Historic Preservation Officer

INVITED SIGNATORY:

KLONDEX

By:  Date: 03/14/2022
Eric Hill, Vice President and General Manager Klondex Mines Ltd d/b/a Klondex Midas Operations Inc.



Appendix B: Affected and Potentially Affected Historic Properties Within the Midas Plan of Operations Area

Trinomial No. 26EK	Agency No. CrNV-	Description	Component(s)	NRHP Eligibility Criteria	
				Prehistoric Component	Historic Component
6473-29	12-12425	Jackson Mine	Historic	-	A & D
6473-31	12-12425	St. Paul Fraction/Squaw Valley Fraction	Historic	-	A & D
6473-40	12-12425	Lithic Scatter and Historic Refuse	Multicomponent	D	-
6473-46B and C	12-12425	Lithic Scatter and Jackson Mine	Multicomponent	D	A, B, & D
6473-82	12-12425	Hardscrabble No. 1, No. 2, & Fraction	Historic	-	A & D
6473-90	12-12425	Hardscrabble Fraction	Historic	-	A, B, & D
6559	12-9231	Lithic Scatter	Prehistoric	D	-
6565	12-9250	Temporary camp	Prehistoric	D	-
6577	12-9272	Lithic and Groundstone Scatter	Prehistoric	D	-
9974	12-13346	Lithic Scatter	Prehistoric	D	-
10175	12-11656	Lithic Scatter	Prehistoric	D	-
10179	12-11670	Lithic and Groundstone Scatter	Prehistoric	D	-
11929	11-15502	Lithic Scatter	Prehistoric	D	-
12036	11-15635	Lithic Scatter	Prehistoric	D	-
12873	12-13699	Lithic Scatter and Prospecting Locale	Multicomponent	D	-
12874	12-13723	Lithic Scatter	Prehistoric	D	-
12876	12-13727	Lithic Scatter	Prehistoric	D	-
12877	12-13728	Lithic Scatter	Prehistoric	D	-
12883	12-16076	Lithic Scatter	Prehistoric	D	-
12885	12-16078	Lithic Scatter	Prehistoric	D	-
12890	12-16083	Lithic Scatter and Historic Refuse	Multicomponent	D	-
12891	12-16084	Lithic Scatter and Can Dump	Multicomponent	D	-
12892	12-16085	Lithic Scatter	Prehistoric	D	-
16560	12-13693	Lithic Scatter and Cans	Multicomponent	D	-
16563	12-13697	Lithic Scatter	Prehistoric	D	-
16565	12-13700	Lithic Scatter	Prehistoric	D	-
16570	12-13705	Lithic Scatter	Prehistoric	D	-
16571	12-13706	Lithic Scatter	Prehistoric	D	-
16572	12-13707	Lithic Scatter	Prehistoric	D	-
16576	12-13711	Lithic Scatter	Prehistoric	D	-
16577	12-13712	Lithic Scatter	Prehistoric	D	-
16579	12-13714	Lithic Scatter	Prehistoric	D	-
16580	12-13715	Lithic Scatter	Prehistoric	D	-
16584	12-13719	Lithic Scatter	Prehistoric	D	-
16585	12-13720	Lithic Scatter	Prehistoric	D	-
16586	12-13721	Lithic Scatter	Prehistoric	D	-
16587	12-13722	Lithic Scatter	Prehistoric	D	-
16588	12-13725	Lithic Scatter	Prehistoric	D	-
16589	12-13726	Lithic Scatter	Prehistoric	D	-

Historic properties that would be adversely affected by the undertaking

APPENDIX C: TRIBAL CULTURAL SPECIALIST MONITOR PROTOCOLS

For all Undertakings subject to this Memorandum of Agreement (MOA), Tribal Cultural Specialist Monitor(s), hereafter referred to as TCSM(s), shall be notified of the opportunity to monitor the following activities: (a) archaeological site testing and data recovery efforts of prehistoric "historic properties."; and (b) during annual archaeological monitoring activities. The Tribe shall be responsible for identifying TCSMs available for work and providing contact information for these TCSMs. When Klondex or the BLM notifies a TCSM(s) for any specific Undertakings under this MOA the following provisions shall apply:

1. *Tribal Cultural Specialist Monitor(s)*. For safety purposes, TCSM(s) shall receive an appropriate level of MSHA training prior to project implementation at their own expense or, when available, in consultation with the proponent. The Tribe shall provide the names of TCSM(s) who have completed this necessary training prior to any notice of an opportunity to monitor. No work shall be delayed if the Tribe has not identified TCSM(s) who have completed the necessary safety training prior to the monitoring notice. The TCSM(s) must adhere to all safety standard operating procedures for the Midas Exploration area. To meet the needs of monitoring of all activities, TCSM(s) will adhere to the guidelines and protocols provided by the BLM.
2. *Availability of Tribal Cultural Specialist Monitor(s)*. The BLM has delegated the task of notifying a TCSM(s) of the opportunity to monitor to Klondex. Klondex will notify TCSM(s) at least five (5) calendar days prior to work subject to TCSM monitoring. Notice may be by email. As noted above, TCSM(s) will be invited to participate during any site testing and data recovery efforts (e.g., archaeological excavation) of prehistoric "historic properties," and during annual archaeological monitoring activities. Work may proceed and shall not be delayed based on a lack of response or unavailability of TCSM(s).
3. *No Authority to Halt Approved Proponent Activity*. While TCSM(s) do not have the authority to halt construction activities, if a TCSM notes that an activity may affect a Cultural Resource of importance to the Tribe(s) during construction, the TCSM shall inform Klondex's Authorized Official or representative, the designated BLM representative, and the Cultural Resource Monitor Contractor when present, to stop work so that the BLM can investigate or research the situation and determine the actions to be taken.