



June 28, 2013

Office of Environmental Information (OEI) Docket (Mail Code: 2822T)
Docket # EPA-HQ-ORD-2012-0276
U.S. Environmental Protection Agency
1200 Pennsylvania Ave., N.W.
Washington, DC 20460

RE: AN ASSESSMENT OF POTENTIAL MINING IMPACTS ON SALMON ECOSYSTEMS OF BRISTOL BAY, ALASKA

Millrock Resources Inc. and its subsidiary Millrock Exploration Corporation (“Millrock or “the Company”) publicly-traded mineral exploration company listed on the TSX Venture exchange in Canada and a major operational base in Anchorage, Alaska. We raise venture capital to explore for valuable metallic mineral deposits in Alaska. Millrock owns mining claims throughout Alaska, including the Bristol Bay region. This letter is written by Millrock in response to the call for public comment on the United States Environmental Protection Agency (EPA) External Review Draft of the document entitled *An Assessment of Potential Mining Impacts on Salmon Ecosystems of Bristol Bay, Alaska* (the “Assessment”) – revised Bristol Bay Assessment.

Millrock will not make specific comments on this report. By doing so, we would validate and lend credibility to a procedure that we view as fundamentally flawed and inappropriate. However, because our company and the great State of Alaska in which we live has a great deal at stake, we feel compelled to respond to the threat posed by the Assessment.

The EPA has shown extreme bias and lack of scientific integrity in the preparation of this report. The agency should be ashamed of the work it has done. The EPA would never accept such report quality from a resource developer in a permit application. EPA management should insist that the agency hold itself to the same scientific and engineering standards to which it holds mining companies.

Objection to purpose and need, over-reach of authority: The EPA indicates that it will use the results of this assessment to inform the consideration of options consistent with its role under the Clean Water Act (CWA), which would include the option to exercise its veto on any dredge and fill permits. EPA appears to be on a path to use this option in a preemptive fashion. Exercise of this option would have

sweeping, drastic social and economic effects on the future of all Alaskans. A superficial watershed assessment is entirely inadequate for the stated purpose and contrary to the basic policy of National Environmental Policy Act (NEPA) which "is to assure that all branches of government give proper consideration to the environment prior to undertaking any major federal action that could significantly affect the environment". The only method of "proper consideration" for a federal action of such magnitude is an Environmental Impact Statement (EIS), and the necessary baseline research needed to construct this document. Furthermore, no other branches of the government have proposed any actions or issued any permits, nor has any project developer proposed any action or applied for development permits. Pre-emptive use of the veto right is an abuse of power. The USEPA should not be using the Assessment as a decision making tool to interpret its power into something more than was intended. Millrock objects to the Assessment and its entire purpose.

Economic Consideration and Undermining Due Process: Millrock and other resource developers and the State of Alaska have worked hard to make Alaska an attractive place for investment. It has been viewed as a place that has stringent but fair regulation with established permitting procedures. By undermining its own NEPA and EIS processes, EPA has suddenly made Alaska a questionable or unfavorable jurisdiction for mineral investment. The threat that the established, prescribed public process will be circumvented is having significant impact on the ability of Millrock and other entrepreneurial firms to generate venture capital investment for Alaska. The EPA is on a course of action which could potentially stop all future natural resource development in Alaska. Millrock calls on the EPA to use the proper procedure for its decisions and joins the State of Alaska in its call to immediately end the Assessment.

Highest Scientific Standards: The EPA appropriately holds mine developers to very high standards scientific and engineering before issuing permits or approving permits granted by other federal and state agencies. Extensive baseline studies are required even for modest mine developments. The Assessment prepared by EPA, even after "peer review" is a shoddy, superficial, speculative piece of work that lacks scientific and engineering integrity. EPA would never allow a developer to proceed with such an inadequate assessment and should hold itself to its own standards.

Ignores data and prior land and resource management plans: The Assessment is a fundamentally flawed document that reflects more on the state of politics and advocacy surrounding Pebble than anything else. Clearly, EPA has relied substantially upon advocacy materials prepared by environmental groups to inform itself and has therefore drawn erroneous, unfounded conclusions. At the same time, EPA has completely ignored data and conclusions formulated by its sister agency, the Bureau of Land Management (BLM) in its *Bay Resource Management Plan*, which went into effect through a Record of Decision on November 14, 2008 following extensive research and a public EIS process. The Assessment also ignores the *Bristol Bay Area Plan* adopted by the Alaska Department of Natural Resources April 19th, 2005. The EPA has also rejected the extensive data set generated by the Pebble Partnership, which is indisputably the best data available on the region. The rushed, exclusive, unilateral approach being made by the EPA demonstrates biased leadership on a high-stakes matter. The authors of the Assessment have demonstrated a lack of concern for quality science based on representative data, thorough analysis and careful conclusions. EPA's work has not come close to approaching the level of

rigor and completeness required for a scientific assessment from which it will base sweeping decisions that will have dramatic impacts on Alaska and the people that live in the state.

Rushed timeframe: The USEPA states it will not address use of its regulatory authority until the Assessment becomes final although the agency is certainly pushing for finalization. EPA appears to be rushing forward with this Assessment so that it can exercise its options as quickly as it possibly can. The Assessment covers a 20,000-acre area and was conducted in less than one year, and is being rushed through a 60-day public comment period that was not extended despite requests from those with direct interests in the region.

Failure to consider Modern Best Practice and Minimizing Limitations: The Assessment ignores modern-day mining practices and takes extreme liberties in minimizing the study's identified limitations. Rather than addressing the limitations, the Assessment proceeds to perform unrealistic analyses on sensationalized scenarios for hypothetical mining projects. Secondary prevention, mitigation and reclamation measures are not even considered in the Assessment. The Assessment does not utilize sensible mining practices. For example, the Assessment, which depicts a hypothetical TSF for Millrock's Humble prospect directly over Napotoli Creek - something a mining company or regulatory agency would not seriously consider. The Assessment identifies and evaluates early-stage exploration projects, such as Humble, as potential mines under Cumulative Effects and excludes them from the Summary of Uncertainties. The material depth of the Summary of Uncertainties stands alone as proof that the Assessment makes unrealistic suppositions.

Notes relating to the "Revisions" made to the original draft"

- 1) A summary of the changes made would have been useful.
- 2) They hypothetical mines are so far from the reality of what is likely to be built that the predicted effects are meaningless.
- 3) The report ignores the best available science (data collected by Pebble consultants), yet includes reports unscientific reports and data supplied by avowed anti-mining and anti-Pebble advocacy groups.
- 4) The report hand picks data to support conclusions and ignores better quality, more modern, more relevant data.
- 5) The revised report ignores the public comments that pointed out many obvious errors in the original draft report.
- 6) The revised report seems to have almost completely ignored the comments of peer reviewers.

Conclusion:

This revised report continues to be a shoddy piece of work. The EPA through this report has demonstrated a decided lack of scientific integrity and bias.

The EPA, assuming that the Assessment once finalized, would be a tool to interpret it's authority under the Clean Water Act is an extreme over-step of the authorities and rights of Bristol Bay watershed stakeholders. Under no circumstance should EPA consider using this Assessment as a tool to place what will essentially be a moratorium on all existing and future mineral exploration and mining projects in Bristol Bay. The State of Alaska has the right to effectively govern use of its lands and is mandated by its Constitution to provide maximum benefit for all Alaskans through responsible resource development – the crux of Alaska's economy. Governor Sean Parnell has requested the EPA abandon the Assessment. This request should not be ignored. The Assessment fails to comprehensively consider the rights of the watershed's stakeholders and is a dangerous step in the wrong direction for all involved. Millrock requests that the EPA abandon the Assessment and revert to a public process that is appropriate for the importance of the decisions that are to be made from the Assessment.

Yours truly,



Gregory A. Beischer

President & CEO