

2014 SEP -4 PM 2: 11

SYLVIA QUAST  
Regional Counsel

MARGARET ALKON  
Assistant Regional Counsel

US EPA - REGION IX  
HEARING CLERK

U.S. Environmental Protection Agency  
Region IX  
75 Hawthorne Street  
San Francisco, CA 94105  
(415) 972-3890

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 HAWTHORNE STREET  
SAN FRANCISCO, CA 94105

In the Matter of: )  
 ) Docket No. EPCRA-09-2013-0007  
 VERIS GOLD USA, INC. )  
 ) **CONSENT AGREEMENT AND FINAL**  
 Respondent. ) **ORDER**  
 )

**I. CONSENT AGREEMENT**

The United States Environmental Protection Agency, Region IX (“EPA”), and Veris Gold USA, Inc. (“**Respondent**”) agree to settle this case initiated under the Emergency Planning and Community Right-to-Know Act (“EPCRA” or the “Act”), 42 U.S.C. §§ 11001 et seq., and consent to the entry of this Consent Agreement and Final Order (“CAFO”).

**AUTHORITY AND PARTIES**

1. EPA initiated this civil administrative penalty action for the assessment of a civil administrative penalty pursuant to Section 325(c) of Title III of the Superfund Amendments and Reauthorization Act, 42 U.S.C. §§ 11045(c), also known as EPCRA, the regulation promulgated thereunder at 40 C.F.R. Part 372, and the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of

Permits, 40 C.F.R. Part 22, by issuing a Complaint and Notice of Opportunity for Hearing (the “Complaint”) against Respondent on September 30, 2013.

2. The Complaint alleges that Respondent violated Section 313, 42 U.S.C. §11023, of the Act.

3. EPA and Respondent have agreed to resolve and fully settle this civil administrative proceeding arising under the Act by executing this CAFO.

#### **GENERAL TERMS OF SETTLEMENT**

4. The Respondent has sought the protection of the Canadian Courts by filing a Petition (the “**Canadian Proceeding**”) under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 (the “**CCAA**”). An Order was granted under the CCAA (the “**CCAA Initial Order**”) on June 9, 2014 which granted the Respondent, and others, protection from claims of their creditors. A Verified Petition under Chapter 15 of the United States Bankruptcy Code (the “**Chapter 15 case**”) was filed on June 9, 2014 in the United States Bankruptcy Court for the District of Nevada to obtain recognition of the Canadian Proceeding.

5. Complainant asserts that the automatic stay of 11 U.S.C. § 362 does not apply to this matter because of the police and regulatory exception to the automatic stay that is contained at 11 U.S.C. § 362(b)(4). Respondent neither admits nor denies that the police and regulatory exception applies and both Complainant and Respondent agree to preserve all rights with respect to the application of that exception regarding other matters. Respondent asserts that it is presently contemplated that a claims process will be administered in the Canadian Proceeding. In any such claims process, Respondent agrees to exercise commercially reasonable efforts to obtain any necessary approval of this CAFO in the Canadian Proceeding and the Chapter 15 case. The Respondent will provide Ernst & Young Inc., the Monitor of the Canadian

proceedings, with the amount set forth in paragraph 7 as the Respondent's determination of the EPA's claim and the EPA shall not be required to file a Proof of Claim for this amount.

#### **RESPONDENT'S ADMISSIONS**

6. In accordance with 40 C.F.R. § 22.18(b)(2) and for the purpose of this proceeding, Respondent (i) admits that EPA has jurisdiction over the subject matter of this CAFO and over Respondent; (ii) neither admits nor denies the specific factual allegations contained in the Complaint; (iii) consents to any and all conditions specified in this CAFO and to the assessment of the civil administrative penalty assessed in this order subject to the terms and conditions of any order issued or plan confirmed in the Canadian Proceeding or the Chapter 15 case; (iv) waives any right to contest the allegations contained in the Complaint; and (v) waives the right to appeal the proposed final order contained in this CAFO.

#### **CIVIL ADMINISTRATIVE PENALTY**

7. Based upon the nature of the alleged violations, and other relevant factors, the parties have agreed that a civil penalty in the amount of **ONE HUNDRED EIGHTY TWO THOUSAND DOLLARS (\$182,000)** is appropriate to settle this enforcement action. Respondent hereby consents to the assessment and allowance of this civil penalty as full, final, and complete settlement of the civil claims against Respondent alleged in the Complaint.

8. Respondent shall classify the penalty described in Paragraph 7 (the "**EPA Debt**") as an allowed general unsecured claim in any plan of reorganization submitted in the Canadian Proceeding or otherwise submitted for approval in the Canadian Proceeding or Respondent's Chapter 15 case. The EPA Debt shall be treated in the same manner as other general unsecured claims. Further, the Respondent shall advise the Monitor in the Canadian Proceeding that the Respondent does not object to the treatment of the EPA Debt as an allowed unsecured claim in

the Canadian Proceeding. Respondent will oppose any party who brings an application in the Canadian Proceeding, or the Chapter 15 case, to reduce or eliminate the EPA Debt.

9. Payment or other distribution, if any, with respect to this penalty will be in accordance with the Plan of Arrangement to be filed and approved in the Canadian Proceeding, or as otherwise ordered in the Canadian Proceeding or the Chapter 15 case. If a cash distribution is made, any such payment shall be made by remitting a certified or cashier's check, including the name and docket number of this case, for the amount, payable to "Treasurer, United States of America," (or be paid by one of the other methods listed below) and sent as follows:

Regular Mail:

U.S. Environmental Protection Agency  
Fines and Penalties  
Cincinnati Finance Center  
PO Box 979077  
St. Louis, MO 63197-9000

Wire Transfers:

Wire transfers must be sent directly to the Federal Reserve Bank in New York City with the following information:  
Federal Reserve Bank of New York  
ABA = 021030004  
Account = 68010727  
SWIFT address = FRNYUS33  
33 Liberty Street  
New York, NY 10045  
Field Tag 4200 of the Fedwire message should read "D 68010727  
Environmental Protection Agency"

Overnight Mail:

U.S. Bank  
1005 Convention Plaza  
Mail Station SL-MO-C2GL  
ATTN Box 979077  
St. Louis, MO 63101

ACH (also known as REX or remittance express):

Automated Clearinghouse (ACH) for receiving U.S. currency  
PNC Bank  
808 17<sup>th</sup> Street, NW  
Washington, DC 20074

ABA = 051036706  
Transaction Code 22 – checking  
Environmental Protection Agency  
Account 31006  
CTX Format

On Line Payment:

This payment option can be accessed from the information below:  
www.pay.gov  
Enter “sfo1.1” in the search field  
Open form and complete required fields

If clarification regarding a particular method of payment remittance is needed, contact the EPA’s Cincinnati Finance Center at (513) 487-2091.

A copy of each check, or notification that the payment has been made by one of the other methods listed above, including proof of the date payment was made, shall be sent with a transmittal letter, indicating Respondent’s name, the case title, and docket number, to the following addresses:

Regional Hearing Clerk  
Office of Regional Counsel (ORC-1)  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

Margaret Alkon  
Office of Regional Counsel (ORC-2)  
U.S. Environmental Protection Agency, Region IX  
75 Hawthorne Street  
San Francisco, CA 94105

10. Payment of the above civil administrative penalty shall not be used by Respondent or any other person as a tax deduction from Respondent’s federal, state, or local taxes.

**RESPONDENT’S CERTIFICATION OF COMPLIANCE**

11. In executing this CAFO, Respondent certifies that (1) it has now fully completed and submitted to EPA all of the required toxic chemical release inventory reporting forms in compliance with Section 313 of EPCRA and the regulations promulgated thereunder; and (2) it has complied with all other EPCRA requirements at all facilities under its control.

#### **RETENTION OF RIGHTS**

12. In accordance with 40 C.F.R. § 22.18(c), this CAFO only resolves Respondent's liability for federal civil penalties for the violations and facts specifically alleged in the Complaint. Nothing in this CAFO is intended to or shall be construed to resolve (i) any civil liability for violations of any provision of any federal, state, or local law, statute, regulation, rule, ordinance, or permit not specifically alleged in the Complaint; or (ii) any criminal liability. EPA specifically reserves any and all authorities, rights, and remedies available to it (including, but not limited to, injunctive or other equitable relief or criminal sanctions) to address any violation of this CAFO or any violation not specifically alleged in the Complaint.

13. This CAFO does not exempt, relieve, modify, or affect in any way Respondent's duty to comply with all applicable federal, state, and local laws, regulations, rules, ordinances, and permits.

#### **ATTORNEYS' FEES AND COSTS**

14. Each party shall bear its own attorneys' fees, costs, and disbursements incurred in this proceeding.

#### **EFFECTIVE DATE**

15. In accordance with 40 C.F.R. §§ 22.18(b)(3) and 22.31(b), this CAFO shall be effective on the date that the final order contained in this CAFO, having been approved and issued by either the Regional Judicial Officer or Regional Administrator, is filed.

**BINDING EFFECT**

16. The undersigned representative of Complainant and the undersigned representative of Respondent each certifies that he or she is fully authorized to enter into the terms and conditions of this CAFO and to bind the party he or she represents to this CAFO.

17. The provisions of this CAFO shall apply to and be binding upon Respondent and its officers, directors, employees, agents, trustees, servants, authorized representatives, successors, and assigns.

FOR RESPONDENT, VERIS GOLD USA, INC.:

07/08/2014        
DATE

Name: Shaun Heinrichs

Title: CEO

FOR COMPLAINANT, EPA REGION IX:

8/28/14        
DATE

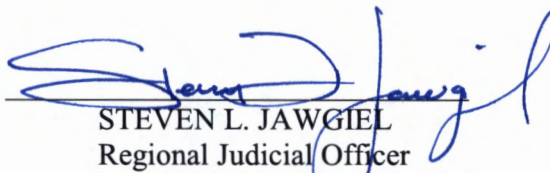
Joel Jones  
Assistant Director  
Air, Waste & Toxics Branch, Enforcement Division  
U.S. ENVIRONMENTAL PROTECTION AGENCY,  
REGION IX

## II. FINAL ORDER

EPA Region IX and Veris Gold USA, Inc. having entered into the foregoing Consent Agreement,

IT IS HEREBY ORDERED that this CAFO (Docket No.EPCRA-09-2013-0007) be entered, and that Respondent shall be liable for a civil administrative penalty in the amount of **ONE HUNDRED EIGHTY TWO THOUSAND DOLLARS (\$182,000)** as provided in the foregoing Consent Agreement, and otherwise comply with the terms and conditions set forth in the Consent Agreement. This CAFO shall become effective upon filing.

09/03/14  
DATE

  
STEVEN L. JAWGIEL  
Regional Judicial Officer  
U.S. Environmental Protection  
Agency, Region IX



**CERTIFICATE OF SERVICE**

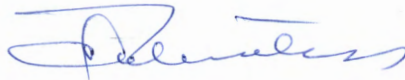
I certify that the original and one copy of the foregoing Consent Agreement and Final Order, Docket Number EPCRA-09-2013-0007, was filed on August 7, 2014, with the Regional Hearing Clerk, U.S. EPA, Region IX, 75 Hawthorne Street, San Francisco, California 94105, and that a true and correct copy of the Consent Agreement and Final Order was placed in the United States Mail, certified mail, return receipt requested, addressed to the following:

Shaun Heinrichs  
CFO  
Veris Gold USA, Inc.  
HC 31, Box 78  
Elko, NV 89801  
Certified Return Receipt Article No: 7013 1090 0000 1618 3462

Daniel J. Healy, Esq.  
Anderson Kill & Olick, P.C.  
1251 Avenue of the Americas  
New York, NY 10020

Dated: \_\_\_\_\_

9/4/14



for : Regional Hearing Clerk  
Office of Regional Counsel  
United States Environmental Protection Agency  
Region IX