

**DECISION RECORD
and
FINDING OF NO SIGNIFICANT IMPACT**

I. Decision:

It is my decision to authorize XS Platinum, Inc's disposal of 200,000 cubic yards of processed tailing material as mineral materials from the following mining claims in the vicinity of Platinum, Alaska:

Claim/BLM File No:	Location Date
AA-032117	1937
AA-032118	1938
AA-032194	1935
AA-032120	1927
AA-032227	1935
AA-032119	1935
AA-032260	1930
AA-032259	1935
AA-032256	1937
AA-032266	1933
AA-032264	1927
AA-032267	1927
AA-032263	1933
AA-032262	1927

It is my intention that my authorization of this disposal shall expire in two years from the date of this decision.

II. Rationale for the Decision:

The Materials Act of 1947 authorizes the Secretary of Interior's sale of mineral material from public lands, 30 U.S.C. §601. It is the Bureau of Land Management's policy that sand and gravel found on unpatented, mining claims located before 1955, where the claimant has not asserted an interest in the sand and gravel as a locatable mineral and has not marketed it from the time of initial location as such, is the property of the United States and subject to the provisions of the Materials Act of 1947.

Although the claims identified in the above table fall within the geographic scope of Public Land Order 5184 and are withdrawn from all forms of appropriation, the public land order provides that the land "...shall remain subject to administration by the Secretary of the Interior under applicable laws and regulations and his authority to make contracts and to grant leases, permits, rights-of-way, or easements."

III. Finding of No Significant Impact (FONSI):

The proposed action is consistent with existing national environmental policies and objectives as set forth in Section 101 (a) of the National Environmental Policy Act of 1969 (NEPA). Further and based on the analysis of potential environmental impacts contained in the attached environmental assessment, it is my determination that the proposed action does not constitute a major Federal action significantly affecting the quality of the human environment and that an environmental impact statement is not required.

Although Steller sea lions, Steller's eider and spectacled eiders are all known to habituate the waters within the vicinity of the South Spit of Goodnews Bay, the two bird species are in migration through the area and the Steller Sea lion is known to habituate the area for foraging only. There are no known rookeries in the area and the closest major haul out for the sea lion is 28 miles south of the project area. For the above reasons it has been determined that the sale and transport of tailing/mineral material from XS Platinum, Inc's mining claims along the nine miles of Red Mountain Road to the South Spit of Goodnews bay is not likely to adversely affect these species.

Two issues of environmental concern are the noise levels and dust generated by the transport of the tailing/mineral material from XS Platinum, Inc's mining claims along the nine miles of Red Mountain Road to the South Spit of Goodnews bay. Through mitigation, i.e. Use of water trucks and prohibition of the use of engine breaking as the material is transported through the village of Platinum, the intensity of these disturbances have been substantially reduced. Further, the anticipated duration of these disturbances is projected to be no more than 30 days.

An issue of social and economic concern related to competition with Calista Corporation's joint venture mineral material sales operations is alleviated by escrow of the proceeds of mineral material sales by the Federal Government for the benefit of Calista Corporation.

IV. ANILCA Section 810 Compliance:

The proposed action will not significantly restrict Federal subsistence uses, decrease the abundance of federal subsistence resources, alter the distribution of federal subsistence resources, or limit qualified Federal subsistence user access.

V. Adverse Energy Impact Compliance:

This action has been analyzed as required by Washington Office Instruction Memorandum 2002-053 to determine if it will cause an adverse impact on energy development. The action will not have an adverse direct or indirect impact on energy development, production or distribution. The preparation of a Statement of Adverse Energy Impact is not required.

VI. Mitigation:

To reduce the amount of particulate matter affecting air quality and to reduce noise:

1. All tailing/mineral material loaded for disposal shall be saturated by water prior to loading.
2. All dry truck loads of tailing/mineral material shall be covered by a tarp during transport along Red Mountain Road.
3. Minimally, water trucks shall precede all XS Platinum, Inc. haul trucks as they proceed through the village of Platinum and discharge a sufficient amount of water on Red Mountain Road to abate all dust associated with transport of the tailing/mineral material through the Village of Platinum.
4. Water of the entire route between the mining claims and the Village of Platinum is encouraged.
5. All XS Platinum, Inc. haul trucks shall proceed through the village of Platinum at no greater a speed than ten miles an hour.
6. To the extent practicable, the use of engine breaking shall be avoided throughout the transportation route.
7. Engine breaking is prohibited within the Village of Platinum.
8. Hours of operation within the Village of Platinum will cease no later than 10:00 PM.

To avoid the introduction of invasive non-native species the tractors and dump trailers shall be power washed prior to use on the mining claims and preferably prior to loading for transport from the continental United States.

To protect Steller Sea Lions a survey for Steller Sea Lion haulouts should be conducted immediately prior to initiation of activities. If Steller Sea Lions haulouts are in the project area, maintain an appropriate distance to avoid disturbance of the animal.

For projects within the breeding range of spectacled eiders:

1. Assess whether spectacled eiders are likely to use the project area for nesting or brood-rearing. Contact the U.S. Fish & Wildlife Service for assistance. For projects conducted during the breeding season, a Service-approved survey for spectacled eiders should be conducted in the year of construction, prior to initiation of activities.
2. If spectacled eider nests are in the project area, the following activities require special permits from the U.S. Fish and Wildlife Service where activity occurs within 200 meters (656 feet) of nest sites:
 - *Vehicle and foot traffic from May 20 through August 1, except on existing roads.*
 - *Construction of permanent facilities, placement of fill, or alteration of habitat.*
 - *Introduction of high noise levels from May 20 through August 1, including but not limited to noise from airports, blasting, and compressor stations.*

Eiders are present on breeding grounds from mid-May through mid-September, but activities any time of year may affect them through habitat modification.

For projects within the breeding range of Steller's eiders:

1. Assess whether Steller's eiders are likely to use the project area for nesting or brood-rearing. Contact the U.S. Fish & Wildlife Service for assistance. For projects conducted during the breeding season, a Service-approved survey for Steller's eiders should be conducted in the year of construction, prior to initiation of activities.

2. If Steller's eider nests are in the project area, the following activities require special permits from the U.S. Fish and Wildlife Service where activity occurs within 200 meters (656 feet) of nest sites:

- *Vehicle and foot traffic from May 20 through August 1, except on existing roads.*
- *Construction of permanent facilities, placement of fill, or alteration of habitat.*
- *Introduction of high noise levels from May 20 through August 1, including but not limited to noise from airports, blasting, and compressor stations.*

Eiders are present on breeding grounds from mid-May through mid-September, but activities any time of year may affect them through habitat modification.

All wastes shall be managed in accordance with State of Alaska and Federal laws and regulations.

Where appropriate, the royalties paid to the United States by XS Platinum, Inc. will be escrowed and held in trust for the benefit of Calsita Corporation.

/s/

James M. Fincher
Anchorage Field Manager

5/1/2009

Date