

HOLLISTER UNDERGROUND MINE PROJECT
RECORD OF DECISION,
PLAN OF OPERATIONS AMENDMENT APPROVAL,
AND
APPROVAL OF ISSUANCE OF RIGHT-OF-WAY GRANTS

Hollister Underground Mine Project
Final Environmental Impact Statement

3809 Plan of Operations, NVN-076802
2800 Right-of-Way (Waterton), NVN-091723
2800 Right-of-Way (NV Energy), NVN-091724
BLM/NV/EK/EIS/12-4+1793
BLM/NV/EK/EIS/13-9+1793

U.S. Department of the Interior
Bureau of Land Management
Elko District
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RECORD OF DECISION, PLAN OF OPERATIONS AMENDMENT APPROVAL, and
APPROVAL OF ISSUANCE OF RIGHT-OF-WAY GRANTS are approved:

/S/

Richard E. Adams
Tuscarora Field Manager

March 31, 2014

Date Signed

RECORD OF DECISION

Waterton Global Mining Company
Hollister Underground Mine Project
Final Environmental Impact Statement
BLM/NV/EK/EIS/13-9+1793
BLM/NV/EK/EIS/12-4+1793

PREPARED BY:

Bureau of Land Management
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COOPERATING AGENCIES:

Elko County Commissioners
Nevada Department of Wildlife

INTRODUCTION

The Elko District, Tuscarora Field Office, of the Bureau of Land Management (BLM) prepared an Environmental Impact Statement (EIS) for the Hollister Underground Mine Project. The Hollister Underground Mine Project consists of the plan of operations amendment for expansion from underground exploration to full scale underground mining, Waterton Global Mining Company's (Waterton) right-of-way proposal for an overhead electric power transmission (distribution) line, and NV Energy's right-of-way proposal for an overhead electric power transmission line. These two right-of-way actions are connected actions and therefore, were also analyzed in this EIS. The Final EIS was issued on July 5, 2013. As provided by Section 102(c) of the National Environmental Policy Act of 1969 (NEPA), the BLM prepared an EIS with respect to the proposed Hollister Underground Mine Project. A Draft EIS was released to the public on June 1, 2012. The Hollister Underground Mine Project Plan of Operations Amendment was submitted to the BLM Tuscarora Field Office pursuant to the Surface Management Regulations, Title 43 Code of Federal Regulations (CFR) Part 3809. Waterton Global Mining Company (Waterton) also submitted a right-of-way application for a 24.9kV overhead electric power transmission (distribution) line. Nevada Energy submitted a right-of-way application for a 120 kV overhead electric power transmission line. These right-of-way applications were submitted to the BLM pursuant to the Right-of-Way Regulations, Title 43 CFR Part 2800 and Title V of the Federal Land Policy and Management Act (FLPMA). The proposed Project is located in the northern end of the Carlin Trend within Elko County, Nevada, approximately 47 miles northwest of Elko, 38 miles northeast of Battle Mountain, and 64 miles northeast of Winnemucca, Nevada.

The proposed Hollister Underground Mine Project will contain the following major components: continued and expanded surface and underground exploration activities; transition from

underground exploration and bulk sampling activities to full-scale production of gold and silver underground mining operation; installation of the Hatter Production Shaft, raise or ramp as the geology of the area dictates; water discharge to Little Antelope Creek per a National Pollutant Discharge Elimination System (NPDES) permit; construction of ancillary support facilities; construction of 11.6 miles of overhead electric power transmission lines and a new substation; and continued off-site processing of all ore. Proposed life of the Project is 20 years followed by an estimated 3 years of site closure and reclamation activities. The Proposed Action will result in a total of approximately 117 acres of surface disturbance. As a result, the total surface disturbance for the Project will be approximately 222 acres, of which 202 acres will occur on public land administered by the BLM Tuscarora Field Office and 20 acres will occur on private land. These surface disturbance acreages include the construction of the overhead electric power transmission lines and substation. The Project would employ approximately 220 people, consisting of employees and contractors.

The BLM determined an EIS was required to analyze the proposal. As a result of the analysis, the BLM determined the preferred alternative is the Proposed Action and the Backfill Alternative. Public scoping was initiated with a Notice of Intent published in the *Federal Register* to Prepare an Environmental Impact Statement for the Hollister Underground Mine Project located in Elko County, Nevada (Vol. 75, No. 74/April 19, 2010/Page 20379). A Notice of Availability for the Draft EIS (BLM/NV/EK/EIS/12-4+1793) was published in the *Federal Register* on June 1, 2012 (Vol. 77, No. 106/June 1, 2012/Pages 32635-32636). A Notice of Availability for the Final EIS (BLM/NV/EK/EIS/13-9+1793) was published in the *Federal Register* on July 5, 2013 (Vol. 78, No. 129/July 5, 2013/Page 40496). The Final EIS is an abbreviated EIS and, therefore, must be used in conjunction with the Draft EIS. The Final EIS includes comments on the Draft EIS, response to comments on the Draft EIS, and revisions or errata to the Draft EIS.

Public scoping meetings were held in Winnemucca (May 10, 2010), Battle Mountain (May 11, 2010), Elko (May 12, 2010), Mountain City (May 13, 2010) and Owyhee (May 20, 2010), Nevada. Public meetings on the Draft EIS were held in Battle Mountain (June 26, 2012), Elko (June 27, 2012), and Owyhee (July 11, 2012), Nevada.

Record of Decision

Based on the analysis in the Hollister Underground Mine Project EIS, the Proposed Action and Backfill Alternative, as it is described in Chapter 2 of the Draft and Final EIS, to the extent that the proposal involves or impacts public land as provided for by the 43 CFR 3809 and 3715 Regulations is approved. The Proposed Action, as it is described in Chapter 2 of the Draft and Final EIS regarding the construction and implementation of the proposed overhead electric power transmission lines, to the extent that the proposal involves or impacts public land as provided for by Title V of FLPMA and the 43 CFR 2800 Regulations for Rights-of-Ways are also approved. This approval provides for use of the public land necessary for the major aspects of the Hollister Underground Mine Project Plan of Operations Amendment proposal, including the following:

- Authorizes disturbance of a total of 222 acres, which consists of 202 acres of public land and 20 acres of private land. This acreage includes approximately 188 acres of surface disturbance associated with underground mining and surface exploration operations. This acreage also includes approximately 34 acres of surface disturbance for the construction of the proposed overhead electric power transmission lines and substation that will be permitted under right-of-way grants.
- Continued and expanded surface and underground exploration activities;
- Transition from underground exploration and bulk sampling activities to full-scale production of gold and silver (underground mining operation);
- Installation of the Hatter production shaft, raise or ramp (collectively referred to as the HPS), as the geology of the area dictates;
- Continued maintenance of the existing Ivanhoe Access road and Little Antelope Creek road;
- Construction of road(s) within the existing mining disturbance areas and to the Hatter production shaft;
- Construction of a new 11.6 mile-long electric power transmission and distribution line (collectively referred to as “transmission line”) and substation, including access routes;
- Mine water management including installation of a National Pollutant Discharge Elimination System (NPDES) permitted outfall for discharge to Little Antelope Creek and surface monitoring and underground wells, as needed;
- Continued waste rock disposal in the existing permitted and lined waste rock storage facility (WRSF), in underground mined-out areas as backfill, and in a new WRSF located on previously disturbed and unreclaimed land in an existing open pit;
- Construction of ancillary support facilities; and
- Continued and increased transport of ore by truck to off-site existing third-party owned mineral processing facilities located on private land at the Esmeralda Mill in Mineral County, Nevada, and/or the Midas Mill in Elko County, Nevada.
- As a result of the Preferred Alternative, all shafts will be completely backfilled to protect the Waters of the State and to provide for safety.
- The stipulations for each of the overhead electric power transmission lines will be stated in each of the right-of-way grants.
- Monitoring and Mitigation Plan begins on page 9.

Applicant Committed Environmental Protection Measures and Reclamation Plan: These measures have been included in the Plan of Operations Amendment proposal by Waterton.

- Geotechnical monitoring, including geologic structure, mapping, and groundwater monitoring, will be performed.
- Placement of waste rock in engineered, lined WRSF with limestone, dolomite, or other acid neutralizing rock, and routine monitoring of the waste rock disposal facilities during operations will be implemented to reduce the potential for acid rock drainage, per 43 CFR §3809.420 regulation.

- To abide by 43 CFR §3809.420 regulations and to limit erosion and reduce sediment transport from project disturbance areas, erosion control measures, as outlined in the project's Stormwater Pollution Prevention Plan (SWPPP) and Reclamation Plan, will be installed as needed and maintained. To further reduce erosion potential, stormwater diversions will be installed up gradient and around project facilities, as needed, to divert stormwater runoff around disturbance areas. Facilities will be graded appropriately and monitored following spring snowmelt and intense rain events to ensure that drainage and sediment control measures are effective and operating properly. Implementation of concurrent reclamation, if possible, will further reduce erosion potential.
- Groundwater monitoring will be conducted to ensure compliance with permit criteria and to provide for early identification of unanticipated potential impacts.
- All mineral exploration and development drill holes and monitoring and observation wells will be properly plugged and abandoned in accordance with NAC 534 Regulation requirements to prevent contamination of groundwater resources.
- Limestone or dolomite will be used as needed on the mine site should acid rock drainage arise.
- To minimize impacts to soils and provide for re-establishment of vegetation, suitable growth media will be salvaged and stockpiled during project construction for subsequent use in reclamation, where possible, per 43 CFR §3809.420 regulations. The growth media also will be transported to, and redistributed on, mine and mineral exploration surface disturbance areas undergoing concurrent reclamation.

In addition, the Newmont reclaimed WRSF may contain extra growth media. Tests will be conducted on this material to determine suitability. If it is found to be suitable growth media, it will be extracted and used as a supplement to currently existing growth media stockpiles. The Newmont reclaimed WRSF will be regraded and re-seeded so that it also will support revegetation efforts.

Growth media can be imported to the mine site if existing stockpiles on-site are not sufficient to complete reclamation. Growth media stockpiles will be seeded with a BLM-approved interim seed mix. During reclamation, if growth media is imported from off-site public lands, it will be BLM-approved. Growth media stockpiles will be seeded with a BLM-approved interim seed mix.

- Best Management Practices (BMPs), as described in the SWPPP, and conditions specified in the stormwater permit will be implemented to limit erosion from project facilities and disturbance areas during and following construction, operations, and initial stages of reclamation, per 43 CFR §3809.420 regulations. These practices may include, but are not limited to, installation of stormwater diversions to route water around disturbance areas and project facilities using accepted engineering practices, and the placement of erosion control devices (e.g. silt fences, staked weed-free straw bales, riprap, sediment traps, etc.). To ensure long-term erosion control, all sediment and

erosion control measures will be inspected quarterly and after large precipitation events, and repairs will be performed as needed.

- Waste rock facilities will be contoured to provide for the most stable reclamation landform to simulate surrounding topography.
- Per 43 CFR §3809.420 regulations, revegetation of disturbance areas will be conducted as soon as practicable (usually the first fall after disturbance, in order to maximize natural moisture content in the soil) to reduce the potential for wind and water erosion, minimize impacts to soils and vegetation, help prevent the spread of noxious weeds and non-native invasive plant species in disturbance areas, and facilitate post-mining land uses. Concurrent reclamation will be conducted to the extent practicable to accelerate revegetation of disturbance areas.
- To minimize the introduction and spread of noxious weeds and non-native invasive plant species in project-related disturbance areas, revegetation efforts described in the Reclamation Plan of the plan of operations (POO) and Noxious and Invasive Weed Plan will be implemented. These plans outline procedures for the prevention, monitoring, and treatment of noxious weed infestations. The results of the monitoring program will provide the basis for updating the Reclamation Plan, if needed. Noxious weeds and non-native invasive plant species will be controlled on site for at least 3 years after reclamation is complete.
- Certified weed-free seed mixes will be used for reclamation.
- In the event that construction for the Proposed Action shall occur during the raptor nesting season (March 1 through July 31), a raptor survey will be conducted, and appropriate mitigation measures, such as buffer zones around any identified occupied nests, will be developed and implemented in concert with the BLM and Nevada Department of Wildlife (NDOW), as needed.
- During the greater sage-grouse breeding season (March 15 to June 15), no exploration activities will be allowed within 3 miles or line-of-sight of an active greater sage-grouse lek from 1 hour before sunrise to 10:00 a.m.
- To protect nesting birds, surface disturbance on currently undisturbed lands in the project area will be avoided between March 1 and July 31. Should surface disturbing activities be necessary during this time period, Waterton will coordinate with the BLM and NDOW to conduct breeding bird surveys and implement appropriate mitigation, such as appropriate buffer zones around occupied nests.
- To minimize wildlife/vehicle-related collision impacts during project operations, Waterton will continue its mandatory employee and long-term contractor education program. Speed limits will be posted on access roads. Vehicle collisions on roads in the project area with wildlife and any observed wildlife mortalities will be reported to NDOW, as required under the Industrial Artificial Pond Permit (IAPP).

- The existing wildlife fences around the stormwater pond will continue to be maintained to restrict entry by wildlife and livestock to maintain compliance with the IAPP.
- The existing BLM-approved four-strand barbed wire fence around the mine site (mine disturbance perimeter fence) will continue to be maintained to prevent livestock entry but allow wildlife access.
- Fences damaged by construction activities will be promptly repaired. Employees and contractors will close gates when traveling through the project area to ensure livestock are excluded within the above-described fenceline.
- Waterton will implement policies designed to discourage employees and contractors from illegal hunting and harassment of wildlife.
- Trash will be managed to avoid being an attraction to wildlife.
- The new transmission line will be designed and constructed to follow Avian Power Line Interaction Committee (APLIC) guidelines to minimize raptor electrocution potential. Anti-perching features will be incorporated on the new transmission line to minimize raptor predation on greater sage-grouse.
- Implementation of the proposed Reclamation Plan will minimize habitat impacts for wildlife species. Implementation of the plan also will minimize impacts to range resources through the re-establishment of forage.
- Waterton will abide by all stipulations described in the Programmatic Agreement (PA), per 43 CFR §3809.420 regulations. The applicant will be a signatory to the PA and has responsibilities under the agreement to protect historic properties.
- All applicable state and federal air quality standards will be met through compliance with the Nevada Division of Environmental Protection (NDEP)-Bureau of Air Pollution Control-approved air quality operating permit.
- To control combustion emissions, all installed pollution control equipment will be operated and maintained in good working order.
- Fugitive dust controls currently in place include: 1) water application on haul roads and other disturbed areas; 2) chemical dust suppressant application (e.g. magnesium chloride); and 3) the use of scrubber/sprays. Dust controls will continue to be implemented.
- Air quality will be protected in accordance with applicable state and national ambient air quality standards, per 43 CFR §3809.420 regulations.

- Temporary disturbance areas (e.g. growth media stockpiles, cut and fill embankments, etc.) will be seeded with an interim seed mix, and concurrent reclamation will be implemented on completed portions of the waste rock facilities, thereby reducing fugitive dust emissions.
- Waste rock facilities will be contoured where feasible to provide a natural looking post-reclamation land form.
- Concurrent reclamation will be implemented to the extent feasible.
- Following the completion of mining, structures and buildings will be dismantled and removed from the site.
- Structures at the Hollister Mine will be painted in colors that match the natural surroundings.
- Prior to the initiation of the Proposed Action, the existing Spill Prevention, Control, and Countermeasures Plan will be amended, as necessary, to include the Proposed Action. Implementation of the prevention, containment, and cleanup procedures in this plan will minimize the potential for impacts to soils, vegetation, wildlife, and water resources, per 43 CFR §3809.420 regulations.
- Prior to the initiation of the project, the existing Solid and Hazardous Waste Management Plan will be amended, as necessary, to include the Proposed Action. Implementation of the management procedures for the handling of solid and hazardous waste generated at the site, reagent storage, transportation, and handling requirements will minimize the potential for impacts to soils, vegetation, wildlife, and water resources.
- To the extent practicable, all survey monuments, witness corners, reference monuments, bearing trees, and line trees will be protected against destruction or damage per 43 CFR §3809.420 regulations. Public land survey system monuments will be protected and preserved in accordance with Nevada BLM IM No. NV-2007-003. If destroyed, Waterton will immediately report the matter to the BLM authorized officer (AO).
- The reclamation program will restore the site to a beneficial post-mining land use, prevent undue or unnecessary degradation of the environment, and reclaim disturbed areas such that they will be compatible with the surrounding topography.
- Reclamation plan includes closing and sealing mine portals, escape raises, and the Hatter production shaft; removing surface facilities and infrastructure; and establishing a vegetative community on the surface areas disturbed by the Proposed Action and existing Hollister operations.
- The final grading plan for the project is designed, in part, to minimize the visual impacts of unnatural lines and landforms. Slopes will be regraded to blend with surrounding topography, and to facilitate revegetation.

- Where possible, growth media will be removed from areas to be affected by any new Hollister project surface facilities. The material will be stockpiled for final reclamation and protected from wind and water by seeding and establishment of a vegetative cover to minimize any erosion. During the first full planting season following development of the growth media stockpile, the stockpile will be seeded with a seed mixture developed from the reclamation plant list.
- The reclamation plant list is shown in Table 2-3 of the Draft EIS (pages 2-18 to 2-20).

Monitoring and Mitigation Plan

INTRODUCTION

This Monitoring and Mitigation Plan (Plan) further elaborates on the monitoring, mitigation and conservation measures referenced in the resource sections of the Environmental Impact Statement (EIS) prepared for the Hollister Underground Mine Project (Project). The monitoring and mitigation measures discussed in this Plan cover the range of impacts of the proposed project. The Plan may not address monitoring or mitigation for impacts already addressed by the applicant committed protection measures described in the EIS. In response to comments received on the DEIS, and further evaluation, this Plan revises and provides detail for certain monitoring and mitigation measures that were described in the DEIS, and proposes certain additional monitoring and mitigation measures not originally included in the DEIS. Some contingent mitigation measures may require future permitting or NEPA analysis at the time of design and prior to implementation.

The following previously-approved Bureau of Land Management (BLM) or state plans are incorporated herein by reference: Noxious Weed Prevention Control Plan, Reclamation Plan, Programmatic Agreement, and Fugitive Dust Control Plan.

The CEQ Regulations (40 CFR §§ 1500-1508) for Implementing the Procedural Provisions of NEPA define mitigation (40 CFR §§ 1508.20) as follows:

- (a) Avoiding the impact altogether by not taking a certain action or parts of an action.
- (b) Minimizing impacts by limiting the degree of magnitude of the action and its implementation.
- (c) Rectifying the impact by repairing, rehabilitating, or restoring the affected environment.
- (d) Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action.
- (e) Compensating for the impact by replacing or providing substitute resources or environments.

LAND USE AND ACCESS

Potential Impact: Little Antelope Creek Road crosses Little Antelope Creek at least three times within the project boundary. The Silver Cloud Road and the Little Antelope Creek Road cross Antelope Creek downstream from the confluence of Little Antelope Creek and Antelope Creek. It is possible, although not expected, that increased water discharge into Little Antelope Creek via the National Pollutant Discharge Elimination System (NPDES) discharge may cause the existing low water crossings to no longer be passable, thus periodically limiting access along Little Antelope Creek Road or at the Antelope Creek and Little Antelope Creek Road crossing or Antelope Creek and the Silver Cloud Road crossing.

Monitoring and Mitigation Measure LU-1:

Monitoring: Upon commencement of NPDES-permitted clean water discharges into Little Antelope Creek, Waterton will visually monitor: 1) the low water crossings along Little Antelope Creek Road potentially affected by increased water flow due to the NPDES discharge, 2) the intersection of the Little Antelope Creek Road and Antelope Creek, and 3) the intersection of the Silver Cloud Road with Antelope Creek. Figure 1 of this Plan shows the approximate location of the low water crossings which will be monitored.

Such monitoring will be performed on a weekly basis during active discharge periods to determine whether such crossings have become impassable. If weekly monitoring indicates that a crossing has become impassable, then Waterton will monitor that crossing for five consecutive days following the discovery and notify the BLM within 1 week with the monitoring results. If, after three months of NPDES-permitted clean water discharges, the weekly monitoring shows no impacts to access at a particular low water crossing location, Waterton may reduce the frequency of monitoring at that location to monthly monitoring during discharge periods.

Waterton will document monitoring results and will provide the BLM a summary report of monitoring results 6 months after NPDES-permitted clean water discharge begins. Thereafter, Waterton will provide summary reports on an annual basis.

Mitigation: The low water crossings along Little Antelope Creek, the intersection of the Little Antelope Creek Road and Antelope Creek, and the intersection of the Silver Cloud Road and Antelope Creek, are typically impassable for portions of the spring runoff period. If, outside of spring runoff periods, any of the low water crossings become impassable for more than 5 consecutive days, then Waterton will coordinate with the BLM to design and install BLM-approved rock/concrete aprons or other low-water crossings or culverts. Any such installations would be appropriately-sized and placed to allow passage by aquatic life at each low-water crossing that is no longer passable by vehicle. In the event that rock/concrete aprons or crossings or culverts are deemed not appropriate given the location or level of impact, Waterton and the BLM will meet to discuss other appropriate measures that will be designed and implemented to ensure access in the area.

Depending upon the design and surface impacts of the culvert, rock/concrete aprons or crossings or other mitigation measures, implementation of mitigation may require further federal or state permitting and associated reviews.

Effectiveness: In the event that NPDES-permitted clean water discharge into Little Antelope Creek renders low-water crossings impassible, placing culverts or rock/concrete aprons or low-water crossings (that allow for passage by aquatic life) at the affected road crossings will maintain accessibility with a vehicle and allow for aquatic species to move up and down the stream channels. This mitigation measure will be fully effective at maintaining access to affected road crossings.

GROUNDWATER AND SURFACE WATER RESOURCES

Ground Water Resources

Potential Impact: Due to possible long-term effects of technical groundwater removal (to keep the underground mine workings dry for operations), a reduction in flow rates could occur at up to 15 seeps, springs and spring complexes associated with the Vinini Formation and the Pennsylvanian/Permian Strathearn Formation that fall within the maximum extent of the 10-foot groundwater drawdown contour and that lie less than 50 feet above the groundwater elevation. The characteristics of each of the 15 “high potential” seeps and springs are summarized in Table 3.6-7 in the DEIS. The location of the seeps and the springs are illustrated on Figure 2 of this Plan.

The groundwater model also shows that drawdown associated with proposed mine groundwater removal has the potential to reduce spring-derived flows at two perennial stream reaches: 1) Alkali Creek to its confluence with Antelope Creek and 2) Squaw Creek to its confluence with Antelope Creek. These two perennial stream reaches are downstream of potentially impacted Spring Complex Numbers 1 and 3. The location of the two perennial stream reaches are illustrated on Figure 3.6-2 in the DEIS. These perennial stream reaches are water features with established beneficial uses, including surface water for livestock and wildlife. If such surface waters are impacted, grazing and wildlife use could then relocate and concentrate in the remaining available water and riparian habitat, with consequent potential increased impacts to those areas.

Finally, reduced flow at the seeps, springs and spring complexes from groundwater drawdown may impact up to 11.8 acres of associated riparian and wetland habitat along Antelope Creek. Groundwater drawdown may also impact 0.20 acres of riparian and wetland habitat unassociated with seeps or springs. In addition, 5.34 acres of riparian and wetland habitat have been identified as “high potential” for impacts and 6.64 acres have been identified as “low potential” for impacts. The characteristics of each of the “high potential” wetland and riparian areas are summarized in Table 3.9-2 in the DEIS. The location of the 12 acres of potentially impacted riparian and wetland habitat are illustrated on Figure 2 of this Plan.

Monitoring and Mitigation for Groundwater Removal Impacts-*Revised Mitigation Measure GW-1*

Monitoring: The monitoring required by Revised Mitigation Measure GW-1 includes monitoring of groundwater levels as well as measurements of surface flow.

During the life of the mine and through reclamation, Waterton will conduct groundwater monitoring as described below. A monitoring report shall be provided to the BLM by April 30 of each year. The report will be provided on a CD, or other digital storage format compatible with the BLM's information technology. The report will include applicable information, such as but not limited to, the methodology used to collect data, field data information, chemical analyses, depth to water, and discussion or conclusion of observations. The monitoring report will provide hydrographs from all piezometers and monitoring wells which will reflect baseline levels and the quarterly depth to groundwater measurements. The report will illustrate all piezometers, monitoring well and sampling site locations. Comprehensive electronic water level files will be provided to the BLM with the monitoring report, and at any time requested by the BLM. Waterton will conduct the following groundwater level monitoring, according to the protocols indicated below:

- Groundwater Monitoring within the Project Area: Waterton will monitor groundwater by conducting quarterly depth to groundwater measurements at existing monitoring wells (H6-227WW, H7-252WW, H7-253WW, H7-254WW and DGW-2C) in the Vinini formation within the project boundary. The location of these monitoring wells is shown on Figure 3 in this Plan. See Attachment A, Water Resource Monitoring Summary, of this monitoring and mitigation plan.
 - The southern and northern most wells (DGW-2C and H7-254WW) along with the two new piezometers or monitoring wells, located north to northeast of the mine, will be sampled for field parameters. Figure 3 illustrates the general proposed location for the two new wells. The field parameters (i.e., depth to water, pH, temperature, specific conductivity, and total dissolved solids) will be monitored quarterly. Chemical analyses of each monitoring well will be done quarterly utilizing NDEP Profile 1.
 - If the field parameter monitoring shows major changes in characteristics during the groundwater measurements, the monitoring could be changed from quarterly monitoring to monthly monitoring for affected wells. If the Profile 1 chemical analysis shows no change, monitoring could be changed to annual monitoring.
 - Monitoring data will be collected and recorded using a standardized protocol and format. The protocols for monitoring groundwater levels at these locations are discussed in Protocol A attached hereto.
- Barrick Wells: There are currently three wells (identified as BX-4s, BX-2Rs and NA-46), east of the Hollister Project boundary, which are owned and monitored by Barrick. Barrick collects depth to groundwater level data at these wells, which is within the

predicted Hollister Mine 10-foot drawdown contour and within the Vinini Formation. The location of these wells is reflected on Figure 3 in this Plan. The BLM will provide Waterton with the raw depth to groundwater data (public information) received from Barrick for these wells. Barrick data will be utilized by Waterton to incorporate into, further refine, and calibrate the groundwater model, as appropriate.

- New North/Northeast Area Groundwater Monitoring Wells or Piezometers: Because of the relatively small rate of groundwater removal within the mine workings, groundwater impacts outside of the immediate underground mine areas are not immediately anticipated. To verify the groundwater model and provide additional drawdown data, Waterton will establish two new groundwater monitoring locations: one to the north of the underground workings within the Project area, and one to the northeast of the underground workings within the Project area. These wells will be used to collect data from the Vinini Formation. The approximate locations of these two new wells are shown on Figure 3 of this Plan. The north monitoring location shall be established within 1 year of the Project approval. The northeast monitoring location shall be established within 2 years of the Project approval.
- Contingent Groundwater Monitoring Wells or Piezometers for Impacts to Springs: Two of the Barrick monitoring wells (BX-2Rs and BX-4s) are located between the Project area and the spring complexes potentially affected by Hollister Mine water removal. Because of the relatively small rate of groundwater removal within the mine workings, groundwater impacts outside of the immediate underground mine areas are not immediately anticipated. If BX-2Rs or BX-4s show consistent decline in groundwater elevations of more than 10 feet below the groundwater baseline elevation for these wells then Waterton shall establish a new monitoring well or piezometer at an appropriate location (determined in coordination with the BLM) between the impacted Barrick well and the spring complex(es). For BX-2Rs the current groundwater elevation is approximately 5,500 feet with a trigger elevation of 5,490 feet above mean level (aml). Well BX-4s has a current groundwater elevation of approximately 5,600 feet with a trigger elevation of 5,588 feet aml.
- As groundwater monitoring wells are mined out, become nonfunctional, reach trigger elevations or dry up, replacement wells will be installed in a location determined by Waterton in consultation with the BLM. As groundwater data is acquired from the monitoring wells additional step-out wells or new wells may be installed as needed to monitor groundwater movement.

At least every 5 years and up to every 2 years, if warranted, Waterton will recalibrate the groundwater model and provide the results to the BLM. The monitoring plan will be adjusted as necessary to identify potential impacts to perennial surface water resources and groundwater resources within the area potentially affected by mine-related drawdown, as depicted in Figure 3.5-2 and 3.5-15 of the DEIS (10-foot drawdown contour). Revisions to the monitoring plan will be reviewed and approved by the BLM.

Surface Water Resources

Monitoring: Waterton will conduct surface water monitoring. The monitoring, testing and reporting requirements for the seeps and springs are identified in Attachment A. Monitoring data will be recorded using Protocol B. Waterton will provide reports to the BLM for the life of the mine. Waterton will provide the BLM with an annual report regarding the surface water flow at the springs listed below and shown in Attachment A. The report will be due by April 30 each year following the data collection the prior Fall. The surface water report may be combined into one report with the groundwater report.

Mitigation: Impacts to surface waters (i.e., seeps, springs and wetlands) are not certain, and all are located on private land. In lieu of monitoring for impacts to the seeps, springs and wetlands potentially affected by mine water removal and then establishing mitigation to address such impacts, Waterton will mitigate for any such impacts through a Riparian Mitigation Fund to be established within 120 days of the Project approval. The Riparian Mitigation Fund shall be a separate, interest-bearing account established and controlled by the BLM and funded by Waterton. Total amount to be funded is \$120,000, based on a replacement ratio of 1:1. Funds in the Riparian Mitigation Fund will be available to the BLM to fund on-the-ground improvements such as site assessments, studies, and other enhancement measures for riparian habitats on public or private lands within the Twenty-five Allotment.

Effectiveness: The following information describes the anticipated effectiveness of the Revised Mitigation Measure GW-1, identified above.

While the EIS groundwater modeling identifies the potential for impacts to 15 seeps, or springs within four spring complexes, and two stream reaches, the GW-1 monitoring is intended to identify actual impacts of the project on groundwater levels. This information will ensure that appropriate mitigation is implemented at an early stage to effectively address actual identified impacts. Water quantity measurements will include pumpage rates from groundwater pumping, water levels in monitoring wells and piezometers, and flow rates for surface water monitoring locations as identified in Attachment A of this plan.

The monitoring measures are designed to ensure early detection and remediation of potential Project-related impacts to groundwater and surface water quantity within the 10-foot drawdown contour. Groundwater data also will be used to refine the groundwater model.

Establishment of the Riparian Mitigation Fund will provide funds to be utilized by the BLM for improvements to wetland and riparian habitats in the area, whether or not there are actual impacts to such wetland and riparian habitats from the Project. Such funds will allow the BLM to improve or offset Project impacts (if any) to wetland and riparian areas. BLM also will be able to use such funds to mitigate for non-Project related impacts or for wetland and riparian improvements in the Twenty-five Allotment. The funds, therefore, will be effective in mitigating or offsetting any Project impacts.

Environmental Impacts Associated with Implementation of Mitigation Measures. Any surface disturbance from the above-identified mitigation measures will be managed and reclaimed in

accordance with BLM and State of Nevada requirements. Surface disturbance impacts associated with implementation of site-specific mitigation are expected to be reclaimed within 3 years after disturbance. For future projects funded through the Riparian Mitigation Fund, all policies and procedures applicable to activities on public lands including completion of NEPA and conducting Section 106 compliance will be followed.

Monitoring and Mitigation for Water Quality Impacts

Potential Impacts: Potential impacts to water quality from the Project not specifically addressed by Waterton's applicant committed environmental protection measures include poor water quality within the underground workings as the workings refill with water approximately 130 years after cessation of mining. Migration of that water may result in elevated pH, Al, Sb, Be, Cr, Se, SO₄, Th, and TDS, toward the southwest corner of the Project boundary (in-situ mine water). While unlikely, there is also concern that storage of waste rock in the West Pit could affect water quality in Little Antelope Creek from increased flows in the MA-1 seep.

Monitoring and Mitigation Measure GW-2

Monitoring: Water quality monitoring of groundwater and surface water resources will consist of:

Monitoring Wells and Piezometers: Waterton will test water quality at the monitoring wells and piezometers as identified in Protocol A. The location of the wells and piezometers from which water quality will be monitored is illustrated on Figure 3. Waterton will provide reports of such monitoring to the BLM for the life of the mine.

Little Antelope Creek: Waterton is currently monitoring surface water quality along Little Antelope Creek and will continue to do so. Waterton also will monitor water quality in Little Antelope Creek pursuant to Waterton's NPDES discharge permit. See Protocol B. Waterton will provide the BLM with a copy of all reports submitted to NDEP. See Figure 4 for current surface water monitoring locations along or near Little Antelope Creek. Additional monitoring locations may be required pursuant to the NPDES discharge permit.

MA-1 Seep: Waterton will monitor water quality at the MA-1 seep via quarterly sampling events at the MA-1 seep, GBG-02, and GBG-03, in accordance with Protocol B. The monitoring locations are illustrated on Figure 4. Waterton will provide reports to BLM for the life of the mine.

TCP Springs: While no impacts are anticipated, because these springs are not connected to any aquifer that could be impacted by the Project and therefore no mitigation is proposed, surface water quality and flow at the Ivanhoe, Buttercup and Antelope springs will continue to be monitored because of their cultural significance to the Western Shoshone people of the area. Waterton will continue to monitor water quality (and quantity) at these springs to provide information to the BLM for their management. Monitoring will occur annually beginning in the fall following the Project approval and will continue during the life of the mine.

In-Situ Mine Water: No monitoring is proposed for the first 100 years, because there will be no in-situ mine water during active mining operations and prior to recovery of the groundwater table. Monitoring of groundwater quality will be required beginning at 100 years after cessation of mining when the in-situ mine water is predicted to begin migrating toward the southwest Project boundary.

Mitigation:

MA-1 Seep: The MA-1 seep currently has little flow, and does not normally reach Little Antelope Creek. If monitoring of the MA-1 seep and/or Little Antelope Creek, however, indicates impaired water flow of 1 gallon per minute or more from the MA-1 seep having the potential to reach Little Antelope Creek for a sustained six months or more of non-seasonal influenced events such as spring run-off or storms (precipitation events), then Waterton will construct an artificial wetland in accordance with then-recommended parameters. Should the artificial wetland prove ineffective, or if flow is not sufficient to sustain a wetland, Waterton will install a collection device to remove any impaired water flowing from the MA-1 seep and transport such water off-site to a permitted disposal or treatment facility.

In-situ Mine Water: Currently, there are no surface or underground receptors for such water. However, potential receptors cannot be predicted 100 to 400 years into the future. Within two years of Project approval, the BLM will establish and Waterton will fund a Long-Term Trust Fund (LTTF) for a monitoring well in an appropriate location toward the southwest corner of the Project boundary. This LTTF will be established to ensure that the BLM or other managing authority is able to monitor the attenuation of the groundwater or implement other measures that become applicable treatment options due to advances or improvements in technology over time. It is impractical to establish a monitor well at this point in time because migration of this groundwater is not anticipated to begin until after equilibrium is reached within the underground workings in approximately 130 years. The LTTF, therefore, shall be sufficient to ensure adequate funds are available when the BLM deems it appropriate to fund such a well at approximately 100 years post mining. In approximately 400 years, based on modeling, the in-situ mine water will have reached steady state and potentially migrated to the southwest. Within 1.5 miles, natural attenuation is predicted to be met for all state water quality standards except for antimony. Antimony concentrations are naturally elevated, and the modeled concentration level will not be significantly elevated above current background levels.

EPA recommends that monitored attenuation, potentially coupled with institutional controls, is appropriate mitigation to contaminated in-situ groundwater. *See, EPA, 2001. A Citizen's Guide to Monitored Natural Attenuation, United States Environmental Protection Agency, April and EPA, 2007; Metal Attenuation Processes at Mining Sites, United States Environmental Protection Agency, September.*

Effectiveness: Constructing an artificial wetland to treat any identified Waterton water quality impacts through the MA-1 seep shall be effective given current conditions at the site. Should conditions change that will make an artificial wetland less effective, or should a constructed wetland prove less effective than anticipated, collecting any impaired water at the MA-1 seep

and disposing or treating such water off-site will be effective in preventing impacts to Little Antelope Creek.

Establishing a LTTF to enable the BLM to perform monitored attenuation of the in-situ mine water movement, and to establish institutional controls if needed. This measure will be effective in preventing impacts to human or surface receptors for such water, if any such receptors should be established in the future.

SURFACE DISTURBANCE IMPACTS

Potential Impact: Surface disturbance and other activity at the Project site and at outlying road improvements and maintenance, such as the use of chemical treatments (e.g., magnesium chloride, dust suppressants), could result in vegetation and soil removal, and may create runoff. Impacts from such activities could include erosion, sedimentation, and reduced runoff water quality, which could drain to nearby streams or springs. Increased runoff or concentrated flows could reduce channel and bank stability, particularly on steep slopes near stream crossings.

Mitigation for Impacts Caused by Surface Disturbance

Mitigation Measure SW-1

Monitoring: Annually, in early spring and after heavy precipitation events, Waterton will survey low water crossings, travel routes, and direct disturbance areas around the mine and unreclaimed exploration sites for erosion and sedimentation. Monitoring will continue until the reclamation bond is released.

Mitigation: If erosion or sedimentation is found to occur, Waterton will immediately install weed-free hay bales, silt fences, or other erosion controls to stabilize the area. Waterton will monitor any stabilized site to determine if such measures are effective and replace hay bales and silt fences as needed. If Project-related changes to stream channels are identified, additional mitigation and stabilization practices, such as installation of gabions or concrete diversion panels or placement of rock material, will be implemented and maintained by Waterton in coordination with the BLM. Other protective measures are also provided by the storm water pollution prevention plan and applicant committed environmental protection measures. Disturbed areas no longer in use for mining or exploration activities will be reclaimed in accordance with the reclamation plan.

Effectiveness: The monitoring measures of SW-1 are designed to ensure early detection and remediation of potential Project-related erosion or sedimentation. Hay bales, silt fences, and other physical controls are considered highly effective in controlling sedimentation, erosion and preventing changes in stream channels. Dust suppressants, such as magnesium chloride, are an effective means of preventing air quality issues and sedimentation concerns for stream channels adjacent to roads. This mitigation measure will improve the stability of land surfaces and surface water quality in the Project area.

SOILS AND RECLAMATION

Potential Impact: Recent tests have demonstrated that the existing growth media stockpile in the south Rapid Infiltration Basin (RIB) stockpile has elevated salts and sodium. Elevated levels can prohibit plant growth and reduce the effectiveness of reclamation.

Mitigation Measure SL-1

Mitigation: Waterton will use a BLM-approved salt and sodium tolerant seed mixture for areas where the south RIB stockpile is used for reclamation. Adding other amendments such as organic matter or elemental sulfur will be used as necessary to establish vegetation.

Effectiveness: While excess salts and sodium can prohibit plant growth, certain vegetation types are adapted to these types of conditions. Use of a seed mixture with species that can tolerate the salt and sodium content of the growth media in the south rapid infiltration basin stockpile will be effective in addressing the potential for diminished plant growth during reclamation.

VEGETATION

Potential Impact: Impacts to vegetation resulting from the existing and proposed surface disturbance would be addressed as set forth in Waterton's Reclamation Plan and in accordance with the BLM and NDEP policy guidance, and no additional mitigation is proposed.

Monitoring and Mitigation Measure VR-1

Monitoring: Waterton will monitor basal and foliar cover of reclaimed vegetation and provide annual monitoring reports to the BLM and NDEP for review and assessment of reclamation success.

Mitigation: If BLM inspection results in a determination that reclamation has not succeeded, Waterton will consult with the BLM to develop a second seeding to be based on the types of outcomes desired and which addresses the specific lack of success of the initial revegetation attempt.

Effectiveness: Waterton's reseeding plan contained in the Reclamation Plan will be effective as it requires use of a BLM-approved seed mixture of grasses, forbs and shrubs native to the Project area. Reclamation at exploration sites in the Project area using a similar protocol as contained in the Reclamation Plan has proven effective at re-establishing native vegetation. It is expected that re-vegetation for the Project will be similarly successful. Also as noted, if monitoring identifies less than desirable reclamation in certain areas, a second seeding designed to address the specific issue will be developed and implemented which will be effective in addressing such issues.

RIPARIAN AND WETLANDS

In addition to the mitigation and monitoring described in GW-1, GW-2, and AR-1, the following measures describe mitigation to wetland vegetation and riparian vegetation potentially affected by groundwater drawdown.

Potential Impact: As discussed above, potential impacts from groundwater removal from the underground workings, reduced flow at the seeps, springs and spring complexes from groundwater drawdown may impact up to 12 acres of riparian and wetland habitat along Antelope Creek. Because all or most of the riparian and wetland areas are privately owned, and not under management by the BLM, the landowners could prevent access for the monitoring and mitigation measures described in the DEIS. The inability to implement mitigation measures described in this mitigation plan to prevent impacts or restore riparian areas or wetlands could lead to a cumulative loss of wetlands within the 10-foot groundwater drawdown contour.

Mitigation Measure RW-1

Mitigation: See GW-1 (Riparian Mitigation Fund) and AR-1 (Springsnail Mitigation Fund). The mitigation measures that will be implemented for potential impacts from groundwater drawdown and potential impacts to aquatic resources also mitigate potential impacts to wetland and riparian areas.

Effectiveness: See the effectiveness discussions of GW-1 and AR-1.

Potential Impact: As a result of the discharge of pumped groundwater into Little Antelope Creek, additional riparian and/or wetlands may be created. This new habitat could be impacted by livestock attracted to the new habitat.

Monitoring and Mitigation Measure RW-2

Monitoring and Mitigation Measure: To preserve this new habitat, Waterton will repair and maintain the two adjacent exclosures to each other along Little Antelope Creek for the life of the Project to prevent access by livestock. Evaluation of the two exclosures may warrant adjustments to the fencing, creating one exclosure instead of two, as well as changes to the fence line to incorporate the springs into the exclosure.

Waterton will install one cattleguard on the lower end of the existing exclosure on Little Antelope Creek. Waterton will maintain the four cattleguards along the Little Antelope Creek Road. Maintenance of the cattleguards includes, but is not limited to, lifting the rails and cleaning the soil material out of the area below the rails; ensuring the rails and wings are intact; ensuring that the fence wiring is attached to the fence post and cattleguard wing; and ensuring that soil material in the roadbed is level with the base, thus preventing a drop off or erosion around the cattleguard. Waterton will enter into a cooperative agreement for materials, labor, and maintenance with the BLM Elko District to implement this measure.

Effectiveness: This measure will enhance and protect riparian vegetation by excluding cattle grazing from this segment (exclosure area) of Little Antelope Creek. This measure will help offset any loss of riparian and wetland areas caused by the groundwater drawdown and enhance water quality by preventing grazing caused erosion and sedimentation.

NOXIOUS WEEDS AND NON-NATIVE INVASIVE PLANT SPECIES

Potential Impact: Surface disturbance from mining activities could allow for the establishment of noxious weeds.

Monitoring and Mitigation Measure NW-1

Monitoring and Mitigation Measure: During construction, operation, and reclamation, Waterton will identify and monitor the Project area for the establishment of noxious weeds and non-native invasive plant species. Waterton will treat weed infestations according to its Noxious Weed Prevention and Control Plan, and the BLM and Nevada Division of Environmental Protection regulations. Waterton's weed prevention measures consist of the following:

- Hand pulling or digging of weeds;
- Spraying of the BLM-approved herbicides;
- Washing of earthmoving equipment before mobilizing on to site;
- Inspection of areas and roads transversed by equipment (trucks, etc.);
- Use of certified weed-free plant materials (i.e., straw) for soil protection; and
- Use of certified weed-free seed mixtures to revegetate disturbed areas.

Waterton will provide the weed treatment information included in Attachment B of this plan to the BLM when treating noxious weeds or non-native invasive plants species on public lands.

Effectiveness: Based upon experience with implementing these measures on other projects, the BLM and Waterton believe these measures will be effective to control the spread of noxious weeds and non-native plant species.

Potential Impact: If groundwater drawdown results in the reduction of riparian and wetland communities within the maximum extent of the 10-foot groundwater drawdown contour, noxious weeds could become established in such areas.

Monitoring and Mitigation Measure NW-2¹

Monitoring and Mitigation Measure: Waterton will take commercially reasonable efforts to come to an agreement with the private landowners of the wetlands to allow Waterton to monitor for and control any noxious weed infestations in such riparian/wetland areas consistent with its Noxious Weed Prevention and Control Plan. Waterton will not be required to provide any

¹ This mitigation measure was identified in the DEIS as RW-3. As this mitigation measure addresses noxious weeds, it has been moved to this section and re-numbered as NW-2.

consideration to the landowner in exchange for access, other than performing or paying for such weed control.

Effectiveness: Implementation of such noxious weed control measures will minimize the potential spread of noxious weeds and non-native invasive plant species.

RANGE RESOURCES

See GW-1 for monitoring for, and mitigation of, any long-term loss of surface water sources for livestock. Previous RR-1 from the Draft EIS is now incorporated into GW-1.

WILDLIFE

See GW-1 for monitoring for, and mitigation of, any long-term loss of surface water sources for wildlife.

AQUATIC RESOURCES

Potential Impact: There are nine springs associated with springsnails that fall within the 10-foot drawdown contour for the Hollister Project. Eight of the springs are within Spring Complex Number 4 and one spring is in Spring Complex Number 3 ([Figure 2](#)). Springsnail populations ([Figure 5](#)) may be at risk from groundwater pumping which could potentially reduce flow in these spring complexes.

Monitoring and Mitigation Measure AR-1

Monitoring: Monitoring the wells BX-2Rs and BX-4s will identify drawdown impacts in the direction of the spring complexes well before the springs will be impacted. The contingency monitoring location (in Monitoring Measure GW-1) to be established if impacts are identified in either BX-2Rs or BX-4s will further identify the potential for impacts to the springsnail spring complexes well before such impacts will occur.

Mitigation: Springs which supports springsnails and which occur on private lands in Spring Complex Numbers 3 and 4 (described above) will be fenced with a steel or other fencing material within two years of the Project approval. Fence location(s) will be determined in the field in consultation with the private landowner or representative, the Nevada Department of Wildlife (NDOW), and the BLM. Note that not all springs containing springsnails may be fenced depending on desires of the landowner. The total dollar amount for this commitment, including labor and materials is currently estimated at \$62,000, based on projections for constructing up to four enclosures with three rail pipe fence. Costs associated with cultural inventories and survey and design are not included and are the responsibility of Waterton. In addition, Waterton will work directly with the private landowner or representative to complete the actual building phase of the Project, including purchase of materials and contracting construction.

Impacts to springs containing springsnails are not certain. In lieu of additional monitoring for impacts to springsnail populations potentially affected by Hollister Mine water removal and then

establishing mitigation to address such impacts, Waterton will mitigate for any such impacts through a Springsnail Mitigation Fund to be established within one year of Project approval. The Springsnail Mitigation Fund shall be a separate, interest-bearing account established and controlled by the BLM and funded by Waterton. Total amount to be funded is \$42,000 based on a replacement ratio of 1:1. Funds in the Springsnail Mitigation Fund will be available to the BLM to fund on-the-ground improvements, monitoring, studies, general springsnail research, and/or other enhancement measures for springsnails or their habitats.

Effectiveness: The following information describes the anticipated effectiveness of Mitigation Measure AR-1, identified above.

Spring Fencing: Fencing and protection of springs along the Upper Antelope Creek drainage will limit livestock impacts and improve habitat condition and resiliency. Currently, these areas are impacted by livestock in the form of trampling and compaction, and in some locations, overuse of riparian plant species. Protective fencing will allow spring habitats to function properly, resulting in reduced erosion rates, improved infiltration and water storage capacity, energy dissipation, expansion of wetland and riparian plant communities and greater biodiversity.

Springsnail Mitigation Fund: Establishment of the Springsnail Mitigation Fund will provide the BLM with funds to benefit springsnails in the form of research, monitoring, habitat improvement, or other measures whether or not there are actual impacts to this species from the Project. Such funds will allow the BLM to improve or offset Project impacts (if any) to springsnails. Applicable mitigation measures for springsnails are unknown at this time. For example, past attempts to mitigate by relocating springsnails failed; therefore, mitigation measures may be ineffective for springsnails. Due to the lack of information and knowledge regarding springsnails and known applicable mitigation measures, utilizing this fund to monitor, provide research opportunities, and habitat enhancement measures may be the only means to effectively try to mitigate for springsnails.

Environmental Impacts Associated with Implementation of Mitigation Measure

Spring Fencing: Improved ecological function of springs is expected to directly and indirectly benefit many species of wildlife including those considered special status. Species such as springsnails, sage-grouse, migratory birds and many species of mammals are dependent on functioning riparian habitats during all or some parts of their life cycles. Fencing of springs along Antelope Creek also would add a positive cumulative impact to on-going efforts to improve riparian habitats in other parts of the Twenty-five Allotment.

Potential adverse direct and indirect impacts from fencing of springs along Upper Antelope Creek include ground disturbance, creation of perching areas for predatory bird species and a possible collision hazard for some species of wildlife. These impacts would be reduced or mitigated by the following resource protection stipulations: fences would be constructed to the BLM specifications to provide for wildlife passage; disturbed areas would be reseeded or reclaimed; and standard protocols for limiting expansion of weed infestations would be followed.

The proposed mitigation would be consistent with sage-grouse conservation measures outlined in the BLM instruction memorandums 2012-043 (BLM 2011a) and 2012-044 (BLM 2011b) and the Western Association of Fish and Wildlife Agencies (WAFWA) guidelines (Connelly et al. 2000).

Springsnail Mitigation Fund: For future projects funded through the Springsnail Mitigation Fund, all policies and procedures applicable to activities on public lands including completion of NEPA and conducting Section 106 compliance will be followed.

SPECIAL STATUS SPECIES

To prevent disruption of greater sage-grouse breeding activities, Waterton adopted in its applicant committed environmental protection measures section of the plan of operations, appropriate BMPs described in *A Report on National Greater Sage-grouse Conservation Measures*, (Sage-grouse National Technical Team (NTT) 2011), as described in Section 2.4.9. During the greater sage-grouse breeding season (March 15- June 15), no exploration activities will be allowed within 3 miles or line-of-sight of an active lek from 1 hour before sunrise to 10:00 am and speed limits will be posted on access roads.

Issue: Northeastern Nevada has more greater sage-grouse leks than personnel to survey them annually. As such, many leks have inconsistent survey data. Due to the remoteness of the East Velvet, East Clementine, and Big Butte leks (Figure 6), NDOW has only sporadic data on sage-grouse attendance at these leks.

Monitoring Measure SSS-1

Monitoring: Waterton will hire an appropriate contractor or train its personnel to conduct lek surveys according to NDOW protocols for the East Velvet, East Clementine, and Big Butte leks each year during the breeding season (March 15 to June 15) for the life of the mine and report the results to the BLM and NDOW.

Effectiveness: By implementing SSS-1, accurate annual lek counts will be obtained for the East Velvet, East Clementine, and Big Butte leks. Based on trend data for these three leks, the BLM and NDOW will be able to monitor the status of the leks and determine if any Project impacts are occurring to these leks and sage-grouse. The collection of this data will provide valuable information to the BLM and NDOW to assist them with broader sage-grouse management and planning efforts.

PALEONTOLOGICAL RESOURCES

Potential Impact: Construction of the transmission line could have potential impacts to invertebrate, vertebrate, or plant fossils that may not have been fully identified in pre-project surveys.

Monitoring and Mitigation Measure PR-1

Monitoring: During construction, installation, and reclamation of the proposed transmission line, Waterton will hire a qualified paleontological specialist to monitor areas with high potential for the occurrence of paleontological resources.

Mitigation: If vertebrate fossils or unique or site-specific invertebrate or plant fossils are found, the regulations at §3809.420(b)(8)) will be implemented. Work on the transmission line by NV Energy will stop immediately and the BLM will be notified. The BLM will assess the situation and determine any necessary mitigation. A qualified specialist will evaluate the site, report on the findings, and recommend preservation of the fossils or data recovery.

Effectiveness: This measure will allow for the evaluation of any vertebrate, invertebrate, or plant fossils that may be discovered and will provide adequate time for their preservation or data recovery.

CULTURAL RESOURCES

Potential Impact: The Project is located within an area known to contain a diverse and dense population of Historic Properties. Construction of overhead electric transmission and distribution lines may impact Historic Properties. Mining and exploration may encounter Historic Properties. The heightened public awareness of the area due to the EIS may create negative impacts to Historic Properties.

Monitoring and Mitigation Measure CR-1

Monitoring: The Programmatic Agreement (PA) attached to the Final EIS (Appendix A) describes the procedures whereby the BLM, Waterton and the Tribes would monitor for potential direct and indirect adverse effects to Historic and Traditional Cultural Properties (TCP).

Mitigation: Subsequent to the Draft EIS, and due to concerns of area Tribes with data recovery, the BLM determined that Historic Properties potentially impacted by Project activities could be avoided through pre-planning efforts and implementation of the avoidance protocols in the PA. Therefore, the BLM determined that the previously considered Historic Properties Treatment Plan would not be required.

Effectiveness: These measures will allow for the protection of both inadvertent discoveries and known Historic Properties from mining operations, exploration activities, and related indirect impacts. The avoidance protocols described in the PA will be effective in avoiding adverse effects to National Register of Historic Places (NRHP)-eligible resources.

NATIVE AMERICAN TRADITIONAL VALUES

Potential Impact: The Project is near the Tosawihi Quarries Traditional Cultural Properties and the Tosawihi Quarries Archaeological District. The heightened public awareness of the area due to the EIS may create negative impacts to TCPs.

Mitigation Measure NATV-1

Monitoring: The PA (Appendix A) defines the BLM, Waterton, and Tribal processes and procedures for monitoring proposed exploration and associated activities, mining and associated operations, site testing, data recovery, and Traditional Cultural Properties throughout the life of the Project.

Mitigation: For both the Mining Area of Potential Effect (APE) and the Exploration APE, the PA describes the type and priority of mitigation tools (i.e., avoidance, denial of access, treatment, data recovery) and the processes and protocols under which those tools will be implemented. The mitigation types as defined cover known, inadvertent discovery, or other impacts to Historic and Traditional Cultural Properties.

Effectiveness: The BLM acknowledges that certain impacts cannot be fully mitigated to the satisfaction of the Tribes. While possible mitigation measures may lessen certain impacts, adverse effects to religious, spiritual, or sacred values cannot be monitored or mitigated. The monitoring and mitigation processes, procedures, and protocols as defined within the PA and in coordination with Tribes are designed to address issues raised by the Tribes during consultation and may continue to be adjusted by the BLM based on continuing consultation. Therefore, mitigation for Native American traditional values and beliefs will probably be considered as ineffective by Tribes.

New Mitigation Measure NATV-2

Mitigation: As an additional measure, Waterton will not propose mining or exploration activity within 250 feet of any currently identified TCP area.

Where applicable in the mining operations and exploration activities, Waterton will utilize night lighting reduction techniques and equipment, as needed.

Effectiveness: By providing a buffer area around identified TCP areas, this measure is an effective means to further reduce impacts from temporary exploration activities and mining operations. However, the Tribes may regard this mitigation as an ineffective means of mitigating Native American traditional values and beliefs.

Use of night lighting reduction techniques and equipment would reduce the visual impacts of lighting at the mine site in the night sky allowing for a more natural environmental experience. This mitigation measure can be effective in reducing artificial lighting during the darkness of the night.

[Note: Appendix A and the Figures for the monitoring and mitigation plan have been included at the end of this document]

PROTOCOL A

Groundwater Monitoring Schedule, Testing Criteria and Reporting Procedure:

Monitoring Start Dates and Duration of Monitoring:

| Well Number or Name | Start Date | Duration |
|---|---|---|
| H6-227WW H7-252WW H7-253WW H7-254WW W-E-1 DGW-1R DGW-2A DGW-2B DGW-2C RIB DN-1 RIB DN-2 RIB UP-1 | The quarter following the issuance of the Project approval and quarterly thereafter | Life of Mine (including reclamation and closure) |
| WW-5 | The year following the issuance of the Project approval and annually thereafter | Life of Mine (including reclamation and closure) |
| MW-B MW-E MW-F | The beginning month following the issuance of the Project approval and monthly thereafter | Life of Mine (including reclamation and closure) |
| New Well No. 1 (North) | The quarter following completion of the well and quarterly thereafter | Completion of the well through reclamation and closure/Life of mine |
| New Well No. 2 (Northeast) | The quarter following completion of the well and quarterly thereafter | Completion of the well through reclamation and closure/life of mine |

Frequency of Monitoring: WW-5 will be monitored annually. MW-B, MW-E and MW-F will be monitored monthly. All other monitoring wells will be monitored quarterly.

Data Submission and Monitoring Report:

Report Due Date: Provided to the BLM annually by April 30 each year following the data collection the prior year.

Water Quantity Testing Protocol and Data:

- Hydrographs showing the base groundwater level, monthly/quarterly/annual recorded levels and the groundwater trigger level.
- Comprehensive electronic water level files

Water Quality Testing:

- NDEP Profile 1 Standards
- Data will be presented in spreadsheet format and will include: well identification, date and time of sampling and the testing results for each constituent.

Monitoring and Static Water Level Sampling Procedures for Groundwater:

Collection of Water Samples/Depth To Water (DTW) Data:

- Wear personal protective equipment, as needed. At a minimum, a clean pair of gloves should be worn for each sample. Gloves should be changed if contamination has occurred during the sampling event.
- Take care to avoid contamination of the containers and lids during sampling. A separate container or bag can be used to avoid placing bottles or exposed lids directly on the ground. Avoid touching the inside of the containers or lids with your fingers or any sampling equipment.
- Rinse the water level indicator tape probe and first ten feet of tape with distilled water. Lower the indicator tape inside the small PVC pipe (sounding tube) located inside the well casing until the alarm sounds, indicating you have hit water. Measure the depth to water (DTW) from the top of the well casing. Record the static water level on the sampling log to the one-hundredths of a foot. Carefully remove tape from the well.
- Set up sampling apparatus by connecting PVC pipe to connection inside the well casing. Set a cleaned (rinsed) bucket underneath the PVC pipe to collect and measure water.
- Prepare to pump water by:
 - Completing a pre-inspection checklist for the generator.

- Plug in female end of extension cord into male plug mounted at each well. Do not plug into the generator at this time.
- Turn on fuel supply for generator.
- Choke generator (if cold)
- Start generator using pull cord and allow it to warm up for 1-3 minutes.
- Plug in extension cord to begin pumping.
- Allow water to pump based on historic volume purges (for some wells this may be 10 gallons, for others it may be 100 gallons). Pumped water should be distributed to the surrounding area, away from the sampling location. Prior to sampling, fill a clean, non-preserved bottle, beaker or graduated cylinder with water and measure the pH, EC and Temperature using the multi-parameter meter. Record these values on the sampling log.
- Record the date/time of the sample and fill the pre-labeled sample containers. For bottles that contain preservatives, these will be contained in a separate vial except for the bottles containing sodium hydroxide (NaOH). NaOH will be present directly in the bottles in the form of pellets. If applicable, remove the vial, fill the sample container with water and then empty the contents of the preservative vial into the sample container. Take care not to overfill any of the sample containers, especially the bottles containing NaOH. **FOR DISSOLVED METALS:** fill the field filtering bottle with unpreserved sample water and attach hand pump to the filter bottle, apply a vacuum using the hand pump and allow sample to filter through the 0.45 μm filter. Pour the filtered sample into the sample container and add the preservative.
 - If you do not have field filtering bottles, **DO NOT** preserve the metals aliquot. The lab can filter and preserve for metals **ONLY**.
- Place filled sample containers in the cooler, ensuring all the lids are secure.
- Turn off the generator and disconnect extension cord, store in the vehicle. Remove sampling apparatus and store in the vehicle. Replace well cap.
- Repeat for each well. Follow Sample Transport & Shipment Guidelines.

Sample Transport & Shipment Guidelines:

After a sampling even takes place, the samples will need to be transported to a Nevada certified laboratory within EPA recommended holding times (allow for a minimum 24 hour buffer, if possible, for the laboratory to process the samples).

Prior to the transport of the samples by any of the approved methods, the following steps should be taken to ensure the samples are received in a complete and organized fashion by the laboratory:

- Ensure that all sample containers are present and are labeled completely and properly.
 - Sample bottles from each location should be placed inside a Ziploc bag, in an upright position.
- Ensure that the Sampling Log has been filled out completely and properly.
- Ensure that the Chain of Custody has been filled out completely and properly. Place the Chain of Custody inside a Ziploc bag and place it inside the cooler with the samples.
 - If the courier will be delivering the samples or you will be shipping them, tear off the pink copy of the Chain of Custody and keep in the Environmental Department's records. If a company employee is delivering the samples, they will receive the pink copy at the time of delivery.
- All samples should be placed securely inside a cooler in an upright position. NEVER LAY SAMPLE CONTAINERS ON THEIR SIDE.
- Using frozen ice packs, or ice placed inside Ziploc bags, pack the samples to ensure they will be maintained at 4°C until they are received at the laboratory. NEVER PUT LOOSE ICE IN THE COOLER. IT CAN POTENTIALLY CONTAMINATE THE SAMPLES AND ALL SHIPPING VENDORS WILL RETURN THE COOLER OR HOLD IT FOR INSPECTION IF THEY DETECT LEAKS.

Data Validation:

Immediately upon receipt of the laboratory results, all field and lab data will be evaluated and independent assessments of data accuracy will be completed. Independent checks of data accuracy are performed by the Environmental Department and the laboratory staff is notified if values are identified that are outside the existing data trends for any parameter, or if there is a potential for an exceedance of any permit condition. Upon positive confirmation of an outlier or anomaly, the laboratory will be instructed to re-analyze the sample. If the sample data comes back the same as the original analysis, then the monitoring location will be re-sampled. If the resample analysis confirms the original sample, Waterton will report to necessary agencies. It's important to look at the data immediately when received from the lab in case we have to rerun a sample within an accepted holding period.

PROTOCOL B

Monitoring Schedule, Testing Criteria and Reporting Procedure: Surface Water, TCP Springs, and MA-1 Seep

Monitoring Start Dates and Duration of Monitoring: The third quarter or first fall after the issuance of the Project approval through closing and reclamation.

Frequency of Monitoring: Quarterly at existing surface water monitoring locations. All other locations will be monitored annually in the fall.

Data Submission and Monitoring Report:

Report due date: Annually, due by April 30 each year following the data collection the prior fall.

Water Quantity Testing:

- Permanent monitoring stations using a t-post with GPS coordinates
- Field measured items: flow rate, specific conductance, pH, dissolved oxygen, temperature and depth to water.

Water Quality Testing:

- NDEP Profile 1 Standards

Monitoring Procedures for Surface Water Quality:

Water Sampling:

- Wear personal protective equipment, as needed. At a minimum, a clean pair of gloves should be worn for each sample. Gloves should be changed if contamination has occurred during the sampling event.
- Take care to avoid contamination of the containers and lids during sampling. A separate container or bag can be used to avoid placing bottles or exposed lids directly on the ground. Avoid touching the inside of the containers or lids with your fingers or any sampling equipment.
- Record the date/time of the sample and fill the pre-labeled sample containers. For bottles that contain preservatives, these will be contained in a separate vial except for the bottles containing sodium hydroxide (NaOH). NaOH will be present directly in the bottles in the form of pellets. If applicable, remove the vial, fill the sample container with water and then empty the contents of the preservative vial into the sample

container. Containers should be filled by placing the bottle at a 45 degree angle, with the opening facing upwards, and allow the water to flow into the bottle. Pull the bottle straight up and out of the water. If you are filling a container that has NaOH, DO NOT place this bottle directly in the water source. The non-preserved bottle should be used to fill the bottle containing NaOH, using care not to touch the bottles necks together. If the water is too shallow to completely submerge the container, an additional clean, non-preserved bottle can be used to fill the sample containers until full. Take care not to overfill any of the sample containers, especially the bottles containing NaOH. FOR DISSOLVED METALS: fill the field filtering bottle with unpreserved sample water and attach hand pump to the filter bottle, apply a vacuum using the hand pump and allow sample to filter through the 0.45 µm filter. Pour the filtered sample into the sample container and add the preservative.

- If you do not have field filtering bottles, DO NOT preserve the metals aliquot. The lab can filter and preserve for metals ONLY.
- Place filled sample containers in the cooler, ensuring all the lids are secure.
- Repeat for each sampling location. Follow guidelines in Section 8.0 Sample Transport & Shipment Guidelines for post-sampling instructions.

Sample Transport & Shipment Guidelines:

Same procedures set forth for Groundwater, above.

Data Validation:

Same procedures set forth for Groundwater, above.

Monitoring Procedures for Surface Water Quantity:

Water Flow Measurements:

- Measuring the velocity of stream flow at flow stations requires the use of a current or flow meter, a tape measure to measure the width of the stream and a wading rod to measure the depth of the water. Rubber boots or waders may be required depending on the depth and width of the channel.
- Select the section of the channel to be measured. The ideal site is in a stable stream channel that does not significantly alter course, depth or flow with minor environmental changes. The flow within the channel should

run parallel to the stream channel orientation and not be interrupted by backwater flows or structures.

- Develop a cross-section of the stream. Measure the width of the stream, extending the cross-section to a point on the opposite bank that is above flood level, if practical. Stretch a measuring tape across the stream from the near bank to the far, so that one-foot intervals can be read quickly. (When measuring a narrow channel a shorter interval of 6" should be used.) Always record the interval width to insure proper calculation of the total flow rate. Also record the total width of the stream. Note any additional observations on the field sheet.
- Cross the stream at the tape and, at each foot mark beginning on the near bank, take a depth measurement and record this information, together with the distance from the near bank.
- Use the depth and width data to draw a rough profile for the stream on the field sheet. Return to the near bank and calculate 60 percent of each depth measured.
- Cross the stream again, lowering the flow meter to the "60 percent of depth" point determined previously. Always stand downstream of the flow meter and avoid standing so close that you interrupt the natural stream flow. Hold the flow meter in the water for 30 to 45 seconds to stabilize, and then record the measurement.
- Average the flow data to determine the flow rate at the monitoring site.

MANAGEMENT CONSIDERATIONS

The rationale for the Record of Decision is supported by the Surface Management and Use and Occupancy Under the Mining Law regulations (43 CFR 3809 *et seq.* and 3715 *et seq.*), Right-of-Way regulations (43 CFR 2800 *et seq.*), FLPMA, and the Mining Law of 1872, as amended. The Project has been analyzed under the Council on Environmental Quality (CEQ) implementing regulations for NEPA (40 CFR 1500 *et seq.*) and none of the alternatives that were analyzed in detail were found to result in unnecessary or undue degradation of public lands. Selection of the BLM's Preferred Alternative will allow Waterton to undertake a legitimate use of the public lands in an environmentally sound manner without causing unnecessary or undue degradation to the public lands. The Proposed Action and Backfill Alternative are the alternatives that best fulfill the agency's statutory mission and responsibilities, considering environmental, technical, economic and other factors. This Decision allows for mining and employment over 20 years in an economy highly dependent upon mining and will help maintain revenue for the local governments in Elko, Humboldt, and Mineral counties.

The Proposed Action and Alternatives conform to the Elko Resource Management Plan for minerals management, prescription number 1. It also conforms to Elko County's Resource Management Plan. The surface occupancy proposed in association with this Project meets the conditions specified in the applicable 43 CFR 3715 Regulations.

The BLM's selection of the Preferred Alternative was primarily based on the minimization of surface disturbance or the Project's footprint on the landscape, use of existing surface disturbance areas, minimization of impacts to the Tosawihi Quarries Archaeological District and Traditional Cultural Properties, minimization of impacts to resources, and providing for future public safety by ensuring reclamation is complete while still allowing for the recovery of the mineral resource within the Project area. The Proposed Action will allow for the recovery of approximately 2 to 3 million tons of ore (gold and silver) over a 20 year mine life. The Proposed Action would allow for Waterton to employ up to 220 people.

Chapter 2 of the Draft EIS provides the detailed descriptions of the Alternatives Considered in Detail and the Alternatives Considered but Eliminated from Detailed Analysis. Alternatives Considered in Detail are the No Action Alternative, Mud Springs Road Transmission Line Alternative, Mud Springs Waste Rock Storage Facility Alternative, and Backfill Alternative. Alternatives Considered but Eliminated from Detailed Analysis are Irrigation Alternative, Belowground Transmission Line Alternative, Open-pit Mining of Hollister Narrow Vein Ore Deposits, On-site Ore Processing Alternative, Upgrade of Antelope and Little Antelope Creek Roads, Upgrade of Mud Springs Road, Expansion of the Newmont Reclaimed South Waste Rock Storage Facility, and Midas Substation for Transmission Line.

Under the No Action Alternative, the Proposed Action would not be approved. Waterton would continue to explore underground and conduct bulk sampling as currently permitted until such time as bulk sampling could no longer be conducted and underground exploration activities could no longer advance the discovery for gold and silver. Eventually, the No Action Alternative would not allow Waterton to prudently advance or expand the exploration Project

into a mining operation that allows for the recovery of gold and silver production. Potential impacts predicted to occur as a result of the proposed action would not occur.

Mud Springs Road Transmission Line Alternative considered two routes. This alternative included the same Proposed Action for the exploration and mining activities. It provided two alternative routes for the overhead electric power transmission lines. These routes would create more visual impacts and cultural resource impacts to the Tosawihi Quarries Archaeological District and Traditional Cultural Properties as the transmission line would pass through a portion of the Tosawihi Quarries Archaeological District. Implementation of either of these transmission line routes would also create more surface disturbance during construction.

Mud Springs Waste Rock Storage Facility Alternative would be located further from the portal, increasing ore haulage distance, and is located in an area that had not been previously disturbed by mining activity. This site would create more impacts to the Tosawihi Quarries Archaeological District and more visual impacts to the Traditional Cultural Properties. It would require the rerouting of the main access road through the area, increasing surface disturbance for the Project. The Proposed Action would primarily remain unchanged as this would be an additional waste rock storage facility.

The Backfill Alternative, which requires completely backfilling all the shafts with material while protecting the Waters of the State, was chosen as part of the Preferred Alternative. As this Alternative eliminates the future potential of partially unfilled shafts that may present a hazard to the public as well as the future expense of closing old shafts.

The BLM considered eight Alternatives that were subsequently eliminated from detailed analysis. These alternatives were considered relative to their means of addressing the purpose and need for the Project, technical and economic feasibility, addressing the environmental issues and concerns, and reducing impacts of the proposed action. Each of these Alternatives was ultimately rejected from consideration and not further analyzed in the EIS for the following reasons:

- Irrigation Alternative: This Alternative was considered as a means to utilize the water that would be discharged down Little Antelope Creek under the NPDES permit or discharged into the rapid infiltration basins. Since the land downstream of the Project is private land not under the ownership of Waterton, there was no guarantee the land owner would be a willing participant in the Project.
- Belowground Transmission Line Alternative: This alternative was found to be economically unfeasible.
- Open-pit Mining of Hollister Narrow Vein Ore Deposits Alternative: This alternative was found to be economically unfeasible. This Alternative would have potentially significant impacts to resources and create more surface disturbance.
- On-site Ore Processing Alternative: This Alternative would be technically and economically feasible. Would allow for increased employment of people. However, Waterton eliminated this alternative from consideration in order to honor the concerns expressed by the Native Americans about on-site ore processing. This alternative

- would increase the surface disturbance for the Project and have potentially significant impacts to cultural resources and Native American concerns.
- Upgrade of Antelope and Little Antelope Creek Roads: This Alternative would require major reconstruction of these roads, which potentially could have significant impacts to some resources. The high cost of construction to upgrade these roads for a small amount of users was determined to be cost prohibitive.
 - Upgrade of Mud Springs Road: This Alternative would require major reconstruction of this road, which potentially could have significant impacts to some resources. The high cost of construction to upgrade this road for a small amount of users was determined to be cost prohibitive.
 - Expansion of the Newmont Reclaimed South Waste Rock Storage Facility: This Alternative was determined to be unfeasible because of potential instability or engineering issues, potential acid drainage issues, and potential visual resource issues for the Native Americans.
 - Midas Substation for Transmission Line: This overhead electric transmission line route was found to be economically unfeasible and potentially could have significant impacts to resources.

Native American Consultation and Coordination

In 2009, the BLM Tuscarora Field Office initiated government-to-government consultation and information sharing for the Hollister Underground Mine Project by sending letters to the following Tribal groups: Te-Moak Tribe of the Western Shoshone, Battle Mountain Band, Elko Band, South Fork Band, Wells Band, Yomba Shoshone Tribe, Duckwater Shoshone Tribe, Ely Shoshone Tribe, Shoshone-Paiute Tribes of the Duck Valley Indian Reservation, and the Confederated Tribes of the Goshute Reservation. In addition, letters were sent to the Western Shoshone Committee of Duck Valley, Western Shoshone Defense Project, Western Shoshone Descendants of Big Smokey, and the Bureau of Indian Affairs to inform them of the proposed Project. As part of the government-to-government consultation and information sharing processes, the BLM Tuscarora Field Office sent informational letters, provide copies of the baseline studies, organized several fieldtrips of the Project area, attended several Tribal meetings, and made follow-up contacts with the above listed Tribes, bands and groups. The intent of the fieldtrips, meetings, letters and contacts were to discuss the proposed Project and to identify Tribal issues and concerns. The chronology of correspondence and documentation is stated in the Draft and Final EIS. An ethnography study was conducted as a baseline study for the EIS. Scoping meetings for the EIS and meetings for the comment period on the Draft EIS were held in Battle Mountain, Elko, Mountain City, and Owyhee, Nevada to encourage participation in the NEPA process.

**SURFACE MANAGEMENT REGULATIONS (43 CFR 3809)
PLAN OF OPERATIONS AMENDMENT APPROVAL**

In 2008, Rodeo Creek Gold Inc. (RCG) initially submitted the Hollister Underground Mine Project Plan of Operations Amendment (NVN-076802) with the BLM Tuscarora Field Office. This plan of operations amendment has been revised as a result of the NEPA Process to incorporate the Preferred Alternative and monitoring and mitigation plan. The BLM prepared an Environmental Impact Statement to analyze the affected environment, environmental consequences or impacts and to develop mitigation measures associated with the Project impacts. The proposed Project is located in the northern end of the Carlin Trend within Elko County, Nevada, approximately 47 miles northwest of Elko, 38 miles northeast of Battle Mountain, and 64 miles northeast of Winnemucca, Nevada. The Project area encompasses approximately 10,168 acres. The Underground Mining operation and ancillary facilities will be limited to approximately 188 acres of surface disturbance at the old Ivanhoe open-pit operation, where the majority of surface disturbance will occur on existing disturbed facilities from the old open-pit operation. Surface exploration activities may occur anywhere within the 10,168 acres Project area.

In early 2013, Rodeo Creek Gold Inc and its affiliates (Antler Peak Gold Inc, Hollister Venture Corporation, and Touchstone Resources Company), collectively with RCG (the “Sellers”), sought bankruptcy protection in the United States Bankruptcy Court. Pursuant to an asset purchase agreement dated April 26, 2013, by and among Waterton, as purchaser, and the Sellers (the “APA”), Waterton acquired the Sellers’ assets out of bankruptcy (the “Sale”), including the Hollister Underground Mine. The Sale was approved by order of the United States Bankruptcy Court for the District of Nevada dated May 3, 2013 the APA became effective May 20, 2013. Waterton is the current owner and operator of the Hollister Underground Mine.

DECISION

It is my decision to approve the Hollister Underground Mine Project Plan of Operations (NV-076802) Amendment. The monitoring and mitigation plan described in the Final Environmental Impact Statement Appendix C and in the Record of Decision shall become conditions of approval for this plan amendment. Waterton may only perform those actions that have been described in the Hollister Underground Mine Plan of Operations Amendment (2013). Waterton must also comply with all other applicable federal, state, and local regulations, including obtaining all necessary permits from the Nevada Division of Environmental Protection (NDEP) and other federal, state, and local agencies, and fulfilling any other applicable FLPMA requirements before proceeding with this Project.

RECLAMATION COST ESTIMATE – FINANCIAL GUARANTEE REQUIREMENTS

Based on Waterton’s reclamation cost estimate (RCE), the BLM in concurrence with the NDEP, determined that the required financial guarantee amount is hereby set at \$8,751,404 for phase I. The Proposed Action components of the Plan of Operations Amendment will be phased in over

time. Waterton must provide a revised RCE, prior to initiation of any component being phased into operation prior to its implementation for approval by the BLM and NDEP. Waterton provided a financial guarantee in this amount using one or more of the acceptable financial guarantee instruments listed under 43 CFR §3809.555. The financial guarantee in the amount of \$8,751,404 for Phase I was accepted and approved on December 6, 2013, by the BLM, Nevada State Office.

Since Waterton is phase bonding the Hollister Underground Mine Project, the RCE will be reviewed annually for bond adequacy. The RCE will also be updated and reviewed at least every three years unless required more frequent due to plan amendments or modifications, inflation, etc. For future phases, Waterton must not begin surface disturbing activities under this plan of operations amendment until it receives notification from the BLM State Office that the financial guarantee has been adjudicated. Failure to do so may result in enforcement action being taken against Waterton.

Long Term Funding Mechanism

Pursuant to the Guidelines for establishing a Long Term Funding Mechanism (LTFM) and in accordance with 43 CFR §3809.552(c), the BLM has determined that a LTFM will be required for long-term monitoring and mitigation associated with the closure process of the Hollister Underground Mine Project.

As stated in the monitoring and mitigation plan, within two years of Project approval, the BLM will establish and Waterton will fund a Long-Term Trust Fund (LTTF) for a monitoring well in an appropriate location toward the southwest corner of the Project boundary. This LTTF will be established to ensure that the BLM or other managing authority is able to monitor the attenuation of the groundwater (*in-situ mine groundwater*) or implement other measures that become applicable treatment options due to advances or improvements in technology over time. It is impractical to establish a monitor well at this point in time because migration of this groundwater is not anticipated to begin until after equilibrium is reached within the underground workings in approximately 130 years. The LTTF, therefore, shall be sufficient to ensure adequate funds are available when the BLM deems it appropriate to fund such a well at approximately 100 years post mining. In approximately 400 years, based on modeling, the *in-situ mine water* will have reached steady state and potentially migrated to the southwest. Within 1.5 miles, natural attenuation is predicted to be met for all state water quality standards except for antimony. Antimony concentrations are naturally elevated, and the modeled concentration level will not be significantly elevated above current background levels.

The creation and funding of the LTFM does not preclude the BLM from requiring further reclamation, closure, monitoring and mitigation pursuant to the 43 CFR 3809 Regulations should conditions warrant.

Upon acceptance by the BLM, all funding mechanisms must be put in place in accordance with the Agreement(s). Documentation of such funding shall be provided to the Bureau of Land Management, Nevada State Office, Branch of Minerals Adjudication, 1340 Financial Boulevard, Reno, Nevada 89502.

As a condition of approval, Waterton will adhere to the processes and conditions set forth in the Programmatic Agreement for working amongst the cultural resources in the Tosawhihi Quarries Archaeological District and Traditional Cultural Property.

As a condition of approval, Waterton will continue to maintain the perimeter fence around the mine site to meet the BLM standards; continue to maintain the fence segment above the highwall of the east pit; continue to clean out the cattleguard on the Ivanhoe Access road so it is functional where the allotment boundary fence crosses the road, and continue to clean out the cattleguards so they are functional on the Little Antelope Creek road from the mine site through the enclosure down to Antelope Creek.

Approval of the Project by the BLM does not constitute a determination regarding the validity or ownership of any unpatented mining claims involved in the mining operation. Approval of the Project in no way implies the economic viability of the operation.

Any modification to the plan of operations must be coordinated with and approved by the Authorized Officer. Surface occupancy related to the Project is reasonably incidental to the mining and exploration operations.

This Decision is issued pursuant to 43 CFR §3809.803. It is effective immediately and will remain in effect while appeals are pending before the Office of Hearings and Appeals (OHA) unless OHA grants a stay under §4.21(b) of this title. The plan of operations for this Project is hereby approved subject to the conditions of approval required to implement the Project in order to prevent unnecessary or undue degradation. Waterton must conduct operations as described in the plan of operations amendment, meet the performance standards found at 43 CFR §3809.420 and in accordance with all mitigation measures and conditions of approval.

Surface Occupancy (43 CFR 3715 Regulations)

The surface occupancy proposed in association with the Hollister Underground Mine Project meets the conditions specified in the applicable regulations (43 CFR 3715). The BLM is in concurrence with the occupancy of the subject lands. Waterton must continue to comply with the 43 CFR 3715 Regulations.

If you are adversely affected by the surface occupancy approved as part of this decision, you may appeal to the Interior Board of Land Appeals (IBLA) under 43 CFR, Part 4. As the appellant you have the burden of showing that the decision appealed from is in error. This decision will remain in effect while the IBLA reviews the case, unless a stay is granted by IBLA. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted. For further information, see the appeal procedures listed below under 43 CFR 2800 and 43 CFR 3715 Appeal Statement.

43 CFR 3809 APPEAL STATEMENT

If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, 1340 Financial Boulevard, Reno, Nevada 89502, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CFR §3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4 and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in the BLM Tuscarora Field Office, 3900 East Idaho Street, Elko, Nevada 89801 within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay.

APPROVAL OF THE ISSUANCE OF THE RIGHT-OF-WAY GRANTS

Waterton submitted to the BLM a Plan of Development (POD) for a 24.9 kV overhead electric power transmission line (distribution line), which is described as part of the Proposed Action for the Hollister Underground Mine Project. This POD was filed pursuant to the 43 CFR 2800 Regulations. This Project has been assigned BLM right-of-way (ROW) file number NVN-091723. This transmission line (distribution line) will run along the Little Antelope Creek road from the Rodeo Creek Substation to the mine site switch gear station. This transmission line crosses both public and private land.

NV Energy submitted to the BLM a POD for a 120 kV overhead electric power transmission line, which is described as part of the Proposed Action for the Hollister Underground Mine Project. This POD was filed pursuant to the 43 CFR 2800 Regulations. This Project has been assigned BLM ROW file number NVN-091724. This transmission line will connect to NV Energy's existing 120 kV overhead electric power transmission line and supply power to the Rodeo Creek Substation. This transmission line will parallel Antelope Creek and the Antelope Creek road. This transmission line crosses both public and private land.

These overhead electric power transmission lines (distribution line) were evaluated as a connected action in the Hollister Underground Mine Project EIS. The EIS analyzed the affected environment, environmental consequences or impacts and developed mitigation measures associated with the Project. The construction and implementation of these ROW actions will create approximately 34 acres of surface disturbance, including installation of the transmission lines, access routes, Rodeo Creek Substation, and temporary equipment storage areas.

DECISION

It is my decision to approve the Plans of Development (NVN-091723 and NVN-091724) including the specified environmental protection measures that are stated in each grant. The applicable monitoring and mitigation plan actions as described in the Final EIS Appendix C and restated in the ROD shall become conditions of approval for these PODs. Waterton and NV Energy may only perform the actions that have been described in the PODs. Waterton and NV Energy must also comply with all other applicable federal, state, and local regulations, including obtaining all necessary permits from other federal, state, and local agencies, and fulfilling any other applicable FLPMA requirements before proceeding with their ROW Projects.

For each of the PODs, the BLM will issue a ROW grant. The issuance of these grants constitutes a final decision by the Bureau of Land Management in this matter. The grants will be subject to the terms and conditions contained therein.

The BLM has the authority under the 43 CFR 2800 Regulations to require a financial guarantee for the reclamation of the overhead electric power transmission lines (distribution line). In the future, the BLM may require a financial guarantee be established for the reclamation of these overhead electric power transmission lines. At such time, Waterton and NV Energy would be required to provide the Authorized Officer proof that the bonds have been established in the determined amounts. The bonds would be maintained in effect until removal of the

improvements and restoration of the right-of-way authorizations have been accepted by the Authorized Officer. The Authorized Officer would review the bonds as directed by the 43 CFR 2800 Regulations or BLM policy to ensure adequacy of the bond amounts. The bonds would also be reviewed at the time of any assignment, modification, or renewal of the ROW grant. The Authorized Officer may increase or decrease the bond amounts at any time during the term of the right-of-way authorizations, consistent with the regulations.

Waterton and NV Energy will be required to pay their rental fees, which are determined in accordance with the regulations found at 43 CFR §2806.20.

Waterton and NV Energy will be required pay their monitoring fee for their ROW, which are determined in accordance with the regulations found at 43 CFR §2804.20.

43 CFR 2800 and 43 CFR 3715 APPEAL STATEMENT

Within 30 days of receipt of this decision, you have the right of appeal to the Board of Land Appeals, Office of the Secretary, in accordance with the regulations in 43 CFR 4.400. If an appeal is taken, you must follow the procedures outlined in the enclosed Form 1842-1, Information on Taking Appeals to the Board of Land Appeals. Within 30 days after you appeal, you are required to provide a Statement of Reasons to the Board of Land Appeals and a copy to the Regional Solicitor's office listed in Item 3 on the form. The appellant has the burden of showing that the decision appealed from is in error.

If you appeal this decision, please provide this office with a copy of your Statement of Reasons. This decision, under the provisions of 43 CFR 2800 constitutes a final decision and remains in full force and effect during an appeal unless the Secretary rules otherwise. Refer to 43 CFR §2801.10 for the requirements for filing a petition for stay.

If you wish to file a petition pursuant to regulation 43 CFR 4.21 (58 FR 4939, January 19,1993) or 43 CFR §2801.10, for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by IBLA, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay must also be submitted to each party named in this decision and to IBLA and to the appropriate office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof in demonstrating that a stay should be granted.

Standards for obtaining a Stay

Except as otherwise provided for by law or other pertinent regulations, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of immediate and irreparable harm if the stay is not granted, and
4. Whether the public interest favors granting the stay

MONITORING AND MITIGATION PLAN

APPENDIX A

and

FIGURES