

RECORD OF DECISION AND PLAN OF OPERATIONS APPROVAL

DOI-BLM-NV-WO30-2011-0001-EIS

Plan of Operations Number: NVN-064641

Hycroft Mine Expansion Project

August 2012

Prepared by:

U.S. Bureau of Land Management
Winnemucca District
Black Rock Field Office
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BLM

Black Rock Field Office/Nevada



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AND
PLAN OF OPERATIONS APPROVAL**

**HYCROFT MINE EXPANSION PROJECT
FINAL ENVIRONMENTAL IMPACT STATEMENT**

**Plan of Operation Number: NVN-064641
DOI-BLM-NV-W030-2011-0001-EIS**

**Bureau of Land Management
Winnemucca District
Black Rock Field Office
Winnemucca, Nevada**

**Cooperating Agencies:
U.S. Environmental Protection Agency
Nevada Department of Wildlife**



**Gene Seidlitz
District Manager**



Date Signed

Introduction

The Black Rock Field Office (BRFO) of the United States Department of the Interior, Bureau of Land Management (BLM) received an Amended Plan of Operations (the Hycroft Mine Expansion Project [Project]) from Hycroft Resources and Development, Inc. (HRDI) in April 2010 (NVN-064641) (Plan). The Project includes the expansion of HRDI's existing precious metal mining operation and Project boundary (Proposed Action). The Project is located on public land administered by the BLM and private land controlled by HRDI in Humboldt and Pershing Counties, Nevada, approximately 55 miles west of Winnemucca, Nevada.

Under the Proposed Action, HRDI proposes expanded mining and mineral exploration activities on public lands at the existing Hycroft Mine, which will expand the Project boundary and create additional surface disturbance. The expansion will include 2,172 acres of new surface disturbance on private and public land, for a total Project surface disturbance of 5,235 acres. The expansion will expand the existing Project boundary, which encompasses approximately 8,858 acres, by an additional 5,895 acres to bring the total Project area to 14,753 acres of public and private land. When the project was proposed, Hycroft Mine employed approximately 200 workers. The Proposed Action will increase the mine life by an additional 12 years and increase employment to 537 mine personnel.

RECORD OF DECISION

Based on the Hycroft Mine Expansion Environmental Impact Statement (EIS), DOI-BLM-NV-W030-2011-0001-EIS, and the following rationale, it is my decision to select the Proposed Action alternative, including the applicant's committed environmental measures at EIS section 2.1.15, and all of the BLM recommended mitigation in the EIS for the Proposed Action. The Amended Plan of Operations Approval (APO) is subject to these mitigation measures which are attached herein as the *Hycroft Mine Expansion Amended Plan of Operations Authorization Stipulations and Applicant Committed Environmental Protection Measures*. The Bureau's authority applies only to activities on public land. However, federal law and policy require that mitigation measures associated with this project apply to private lands of the project as well as to the public lands.

Rationale

Rationale for this decision is based on factors including, but not limited to:

- 1) The Proposed Action conforms to the BLM's Sonoma Gerlach Management Framework Plan (MFP) dated July 1982. Specifically, in Section .42 Minerals, Objective M-1 states: "Make all public lands and other federally owned minerals available for the exploration and development of mineral and material commodities."
- 2) The Proposed Action conforms to the BLM's Paradise Denio MFP dated July 1982. Specifically, in Section .42 Minerals, Objective M 1.0 states: "Provide the public the opportunity to acquire minerals from the public lands to meet market demands."

- 3) Based on the consultation, coordination and public involvement that has occurred, it is determined that this is a well informed decision.
- 4) This decision will provide opportunities on public lands for HRDI to conduct mining exploration and development.
- 5) Based on the environmental impact analysis contained in the EIS, it is determined that this decision will not result in any undue or unnecessary environmental degradation of the public lands.
- 6) This decision is consistent with other federal, state and local plans to the maximum extent consistent with Federal law and Federal Land Policy and Management Act provisions.
- 7) The National Historic Preservation Act Section 106 process was completed prior to this decision being made. The *Memorandum of Agreement between the DOI, Bureau of Land Management, Winnemucca District and the Nevada State Historic Preservation Officer regarding the Data Recovery at the Hycroft Mine Expansion Project in Humboldt and Pershing Counties, Nevada* was signed on August 6, 2012.
- 8) The selected alternative will not adversely impact any threatened or endangered species or significant scientific, cultural or historical resources.
- 9) The selected action, subject to implementation of all mitigation recommended in the EIS meets the purpose and need for the federal action.
- 10) Implementation of the attached *Hycroft Mine Expansion Project ROD and Plan Approval Stipulations and Applicant Committed Environmental Protection Measures* will serve to monitor for impacts and reduce or prevent impacts.
- 11) Based on the above stated points and the discussion that follows, the Proposed Action is the environmentally preferred course of action.
- 12) Based on the President's National Energy Policy and Executive Order 13212, the Proposed Action will not generate any adverse energy impacts or limit energy production and distribution. Therefore, no "Statement of Adverse: Energy Impact" is required per WO IM No 2002-053 and NV IM 2002-049.

Native American Consultation

Certified letters requesting a consultation meeting on the proposed Project were mailed on December 23, 2010, to the following tribes: Fort McDermitt Paiute and Shoshone Tribe, the Lovelock Paiute Colony, the Pyramid Lake Paiute Tribe, the Shoshone-Paiute Tribes of Duck Valley, the Summit Lake Paiute Tribe, and the Winnemucca Indian Colony. Consultation meetings were held with the Fort McDermitt Paiute and Shoshone Tribe on June 10 and July 18, 2011, Pyramid Lake Paiute Tribe on February 15 and May 31, 2011, and the Summit Lake Paiute Tribe on February 19, 2011. Consultation meetings between the BLM and the Fort McDermitt Paiute and Shoshone Tribe occurred in the proposed Project Area on February 17, 2012 and March 29, 2012. Additional consultation meetings between the BLM and the tribe occurred on March 19, April 16, and June 19, 2012.

From consultation in February 2012 and March 2012, the Fort McDermitt Paiute and Shoshone Tribe asserted that the area around Pulpit Rock, including the cliff face to the east and northeast, is a sacred site. The Proposed Action would not impact Pulpit Rock or the cliff face based on a 250-foot buffer from the cliff face to the proposed waste rock facility; therefore, no direct or

indirect impacts are anticipated from the Proposed Action. In the May 31, 2011 meeting, Pyramid Lake Paiute Tribe reiterated the sacredness of Pulpit Rock.

Fort McDermitt Paiute and Shoshone Tribe also expressed concerns related to the springs in the area. Some springs are considered sacred by the Northern Paiutes and Shoshone, and some are believed to be the home of supernatural creatures dubbed “Water Babies” (Hultkrantz 1986). The springs in the proposed Project Area will not be impacted by the Proposed Action; therefore, no direct or indirect impacts are anticipated from the Proposed Action.

From the site visits, the Fort McDermitt Paiute and Shoshone Tribe expressed concerns that 35 isolated stone features may have cultural or spiritual significance. These isolated stone features may have been trail markers for the trail between Rosebud Canyon and Pulpit Rock or they may have other cultural sensitivity to tribal members. These features are within the proposed Project Area and may be adversely impacted by the Proposed Action. Evaluation and potential mitigation of these isolated stone features will be addressed in the *Memorandum of Agreement between the DOI, Bureau of Land Management, Winnemucca District and the Nevada State Historic Preservation Officer regarding the Data Recovery at the Hycroft Mine Expansion Project in Humboldt and Pershing Counties, Nevada (Treatment Plan)*.

The BLM has consulted with the following tribes:

- Fort McDermitt Paiute and Shoshone Tribe
- Lovelock Paiute Colony
- Pyramid Lake Paiute Tribe
- Shoshone-Paiute Tribes of Duck Valley
- Summit Lake Paiute Tribe
- Winnemucca Indian Colony

Cooperating Agencies

The cooperating agency relationships established during this project facilitated the exchange of views and expertise between BLM personnel and other government officials and staff. This form of consultation, unique to planning and NEPA processes, was crucial to the shaping of this EIS. The BLM formalized cooperating agency relationships with two governmental parties: U.S Environmental Protection Agency and the Nevada Department of Wildlife.

Intergovernmental Partners

Under the Federal Land Policy and Management Act (FLPMA) of 1976, the BLM’s coordination responsibilities include maximizing consistencies with the plans and policies of other government entities.

Coordination was conducted with the Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (NDEP/BMRR) as specified within Memorandum of

Understanding (MOU) 3000-NV920-0901, MOU for Mining and Mineral Related Activities within the State of Nevada.

Public Involvement

Public Scoping

To initiate the public scoping process, the BLM published the Notice of Intent to Prepare an Environmental Impact Statement for the Proposed Hycroft Mine Expansion Project, Humboldt and Pershing Counties, Nevada in the Federal Register (Vol. 76, No. 63, page 18243) on Friday, April 1, 2011. A news release was also issued by the BLM on Tuesday, April 5, 2011, that stated the comment period to accept public comments was open for 90 days until June 29, 2011.

Three public open house meetings were held as follows: May 10, 2011 in Lovelock, Nevada; (a total of six members of the public attended this meeting and three written comments were provided); May 11, 2011 in Gerlach, Nevada; (a total of six members of the public attended this meeting, but no written comments were provided); and May 12, 2011 in Winnemucca, Nevada (a total of ten members of the public attended this meeting and two written comments were provided).

Issues of Concern Identified in Project Scoping

Issue	EIS Reference
What are the expected point source and fugitive emissions from the proposed action including particulate matter with aerodynamic diameter less than ten microns (PM10), and 2.5 microns (PM2.5), and greenhouse gases?	Section 3.2 Air and Atmospheric Resources
What are the mercury emissions from the proposed Project?	Section 3.2 Air and Atmospheric Resources
What are the effects to cultural resource sites?	Section 3.3 Cultural Resources
What is the effect of the Project on adjacent mineral resources?	Section 3.10 Geology, Minerals, and Energy
What are the noise effects to the NCA, the nearby private residence, the wilderness area, and the historic trail?	Section 3.11 Noise
What are the effects on the population of Crosby's buckwheat?	Section 3.16 Special Status Species
What are the effects on the availability of Golden eagle nesting habitat?	Section 3.6 Migratory Birds

Issue	EIS Reference
How would special status bat species be impacted by the Proposed Action?	Section 3.16 Special Status Species
How would increased traffic on Jungo Road affect public safety (i.e., collision with cows or reduced visibility from increased dust?)	Section 3.17 Transportation, Access, and Public Safety
What effect does the Project have on the viewshed?	Section 3.19 Visual Resources
What effect does the Project have on the night skies?	Section 3.19 Visual Resources
What would be the cumulative impacts from the Project?	Chapter 4 Cumulative Impacts

Draft EIS

To solicit public comments and feedback on the Draft EIS, the BLM published the Notice of Availability of the Draft Environmental Impact Statement for the Hycroft Mine Expansion, Humboldt and Pershing Counties, Nevada in the Federal Register (Vol. 77, No. 18, page 4360) on Friday, January 27, 2012. There was a 45-day public review period following the publication in the Federal Register.

The BLM held three public open house meetings as follows: February 14, 2012 in Winnemucca, Nevada; February 15, 2012 in Lovelock, Nevada; and February 16, 2012 in Gerlach, Nevada.

A total of 79 comment letters were received on the Draft EIS and categorized as follows: 73 letters were in general support of the Project with no substantive comments to address. One letter was in general opposition of the Project with no specific issues identified. Five comment letters contained substantive comments and were appropriately addressed in respective sections of the FEIS. Refer to Section 8.3 Public Comments on the Draft EIS and Responses for an in depth analysis of public comments.

One Federal agency commented (Region IX of the Environmental Protection Agency); one state agency commented (Nevada State Clearinghouse); and one Native American Tribe commented (Fort McDermitt Paiute and Shoshone Tribe).

Final EIS (FEIS)

The Notice of Availability for the FEIS was published in the Federal Register (vol. 77, No. 130, page 40047) on July 6, 2012, and the 30 day availability period ended on August 6, 2012. The BLM received a total of 41 comments during this 30-day period. Thirty-nine of these comments were in support of the project (37 emails, and two letters from the City of Winnemucca and Humboldt County). One email was in general opposition of the project, and a comment letter was received from the EPA, which was evaluated and considered before approving this ROD for the project.

Alternatives Including the Proposed Action

The Proposed Action, which is the preferred alternative, includes:

- Expansion of the plan boundary and use of the entire project area for exploration;
- Incorporates five rights-of-way; expands four existing open pits;
- Backfills all or portions of three open pits;
- Builds a dispatch center and expands maintenance facilities;
- Expands haul road and secondary roads, waste rock facilities, and heap leach facilities;
- Expands existing and constructs two ready line and heavy equipment fueling facilities;
- Operates a portable crusher with conveyors at the south heap leach facility;
- Constructs, operates, and then closes the south heap leach facility, Merrill-Crowe process plant, and solution ponds; constructs storm water diversions, installs culverts, and other storm water controls;
- Closes the existing Class III landfill and constructs a new Class III landfill;
- Drills one potable water well and one process well;
- Relocates the existing Brimstone substation, upgrades the existing Crofoot substation, and extends power lines to new process areas;
- Constructs growth media stockpiles and reclaims the project constituent with the proposed reclamation plan.

The Proposed Action is a 20-year Project, including a 12-year extension of the mine life, and increases employment to 537 mine personnel.

The Proposed Action and No Action alternatives were analyzed in detail. The FEIS considered and eliminated from detailed analysis the following alternatives: Daylight Only Hours of Operation; Modified Exploration Activities; Different Waste Rock Facility and Heap Leach Pad Configurations; and Project Design to Meet Federal Air Quality Standards. Consult the FEIS for a complete discussion of alternatives and for the rationale for eliminating specific alternatives from detailed analysis.

Environmentally Preferred Alternative

The BLM's environmentally preferred alternative is also the BLM's preferred alternative. The BLM's preferred alternative includes all of the environmental protection measures of the Amended Plan of Operations (APO) and all mitigation measures identified in the FEIS.

The APO, approved below, provides for the continuation and expansion of mining and ore processing in an area where mining has been identified as an appropriate land use as stated in the Winnemucca District MFP's. Approval of the APO will allow HRDI to utilize and expand its current workforce, equipment and infrastructure to expand the Hycroft Mine. The mitigation measures specified in the ROD, will minimize potential adverse environmental impacts identified in the FEIS. The monitoring requirements specified in this ROD will assist the BLM

and others to identify, avoid, and/or mitigate, if necessary, any unforeseen adverse environmental impacts that may occur. The environmental measures committed to by HRDI and the stipulations (including monitoring) in this combined ROD/Plan Approval will provide environmental protection during and after implementation of the Agency Preferred Alternative and provide BLM periodic opportunities to re-evaluate its analysis of potential impacts during and after implementation.

PLAN OF OPERATIONS APPROVAL DECISION UNDER SURFACE MANAGEMENT REGULATIONS (43 CFR§3809)

The Winnemucca District, Black Rock Field Office (WD/BRFO), has reviewed the Hycroft Mine Expansion amended Plan of Operations (case file NVN-064641) that was submitted in April 2010, and was last amended in July 2012. An Environmental Impact Statement (EIS), DOI-BLM-NV-W030-2011-0001-EIS was prepared and is detailed in the above Record of Decision (ROD).

It is my decision to approve the amendment to Plan NVN-064641, including the environmental protection measures specified in the plan of operations. This approval is subject to the attached stipulations, referenced in the above ROD (pages 1-6). HRDI may only perform those actions that have been described in the Plan. Implementation of the aforementioned conditions will prevent unnecessary or undue degradation.

The surface occupancy proposed in the Plan meets the conditions specified in the applicable regulations (43 CFR§3715). The BLM is in concurrence with the occupancy of the subject lands. HRDI must comply with sections 3715.2, 3715.2-1, and 3715.5 of the regulations.

This approval does not constitute: certification of ownership to any person or company named in your plan of operations; recognition of the validity of any mining claims named in your plan of operations; or recognition of the economic feasibility of the proposed operations.

No work is authorized under the amended plan of operations until HRDI has complied with all 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.

Activities approved in this decision shall not begin until the BLM Nevada State Office issues a decision accepting the reclamation financial guarantee. An updated Reclamation Cost Estimate (RCE) for your amended project was received by the BLM on July 16, 2012. We have reviewed your RCE and agree that an increased financial guarantee amount of \$42,180,212 would satisfy the requirements to have your proposed project reclaimed. You must also seek concurrence from the Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (NDEP/BMRR). The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact the BLM Nevada State Office at (775) 861-6400 for further information on the financial guarantee process.

If you are adversely affected by this decision, you may request that the BLM Nevada State Director review this decision. If you request State Director Review, the request must be received in the BLM Nevada State Office at: **BLM Nevada State Office, State Director, 1340 Financial Blvd., Reno, Nevada 89502**, no later than 30 calendar days after you receive or have been notified of this decision.

The request for State Director Review must be filed in accordance with the provisions in 43 CFR 3809.805. This decision will remain in effect while the State Director Review is pending, unless you request and obtain a stay (suspension) from the State Director. If you request a stay, you

have the burden of proof to demonstrate that a stay should be granted using the standards and procedures for obtaining a stay (43 CFR 4.21) from the Interior Board of Land Appeals (IBLA).

If the State Director does not make a decision on 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 IBLA. You may contact the BLM Nevada State Office to determine when the BLM received the request for State Director Review. You have 30 days from the end of the 21-day period in which to file your Notice of Appeal with this office at 5100 E. Winnemucca Blvd., Winnemucca, Nevada, 89445, which we will forward to IBLA.

Under 43 CFR 3809.801(a)(1), if you wish to bypass a State Director Review, this decision may be appealed directly to the IBLA in accordance with the regulations at 43 CFR part 4. Your Notice of Appeal must be filed in this office at 5100 E. Winnemucca Blvd., Winnemucca, Nevada, 89445, within 30 days from receipt of this decision. As the appellant you have the burden of showing that the decision appealed from is in error. Enclosed is BLM Form 1842-1 which contains information on taking appeals to the IBLA. This decision will remain in effect while the IBLA's decision is pending, unless you request and obtain a stay under 43 CFR 4.21. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted under the criteria in 43 CFR 4.21.

Request for Stay

If you wish to file a petition (request) 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 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 this notice of appeal and petition for a stay must also be submitted to each party named in the decision and, to the 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 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 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.
4. Whether the public interest favors granting the stay.

Approval of the Plan by the BLM does not constitute a determination regarding the viability or ownership of any unpatented mining claims involved in the mining operation. Approval of the Plan in no way implies the economic viability of the operations. Any modification to the Plan must be coordinated with and approved by the authorized officer. Surface occupancy related to the Plan is reasonably associated with the mining operation. The Bureau's authority applies only

to activities on public land. However, federal law and policy require that mitigation measures associated with this project apply to private lands of the project as well as to the public lands.

This Decision is issued pursuant to 43 CFR 3809.803. It is effective immediately. In the case of an appeal before the Office of Hearings and Appeals (OHA), this Decision will remain in effect unless OHA grants a stay under §4.21(b) of this title.

**HYCROFT MINE EXPANSION PROJECT ROD AND PLAN APPROVAL
STIPULATIONS AND APPLICANT COMMITTED ENVIRONMENTAL
PROTECTION MEASURES**

STIPULATIONS

1. The identified golden eagle nest removal shall be coordinated with the United States Fish and Wildlife Service (USFWS). The nest removal shall occur outside of golden eagle nesting season. Prior to the removal of the nest, a biologist shall survey the nest to ensure that it is not active.
2. During burrowing owl nesting season (March to late August), a burrowing owl inventory survey following the Winnemucca BLM's survey protocol shall be conducted prior to surface disturbance in the areas identified as potential burrowing owl habitat within the Project Area.
3. Bat exclusion activities shall be conducted in the east and west Silver Camel workings prior to disturbance of this area. Exclusion activities shall include the following: spreading exclusion materials (one-inch chicken wire or one-inch polyethylene avian netting) across the open workings, allowing bats to exit the site while discouraging their return; exclusions shall be conducted at each opening with potential connection to the east and west Silver Camel workings prior to closure for a minimum of three to five nights; exclusion materials shall be monitored nightly throughout the period of exclusion to reduce the potential for exclusion material collision stress, injury, and death; external surveys using night vision or thermal imaging equipment shall be conducted to verify site vacancy; fire smoke bombs shall be used on the final night of exclusion prior to closure; and physical closures shall be conducted immediately following confirmation of vacancy. In addition to bat exclusion from the Silver Camel workings, warm and cold season surveys shall be conducted in the vicinity of the Project for potential mitigation sites should additional mitigation be deemed necessary by the BLM.
4. Salvage and transplanting efforts for Crosby's buckwheat in the Project Area shall be conducted to preserve the genetics of the populations. Salvage activities shall occur prior to any ground disturbing activities in the areas identified as Crosby's buckwheat habitat, as additional plants may have established since the last survey effort in the Project Area. The salvaged plants shall be transplanted in three locations: one in the nearest suitable habitat outside of the Project Area; and at two different locations within the National Conservation Area or Wilderness Area where an established population already exists. Details of the transplanting effort and post-transplant monitoring shall be further coordinated with local botanical experts, including the BLM, to maximize the potential for success of the transplanting effort. As an additional measure, HRDI shall provide funding towards the research and preservation of rare plants in Nevada.
5. HRDI shall develop, and submit to the BLM for approval, a treatment plan to address the potential impacts to the 21 eligible sites within the Project APE area of direct impacts (i.e., proposed disturbance and facilities footprint) and the five sites most likely to be subject to indirect impacts. The treatment plan and associated Memorandum of Agreement shall be signed prior to the ROD. HRDI shall implement the treatment plan prior to any surface disturbance of eligible sites within the area of direct impacts and the

five sites most likely to be subject to indirect impacts. A mitigation plan is a standard and effective approach to reduce adverse effects to cultural resources. Indirect impacts to eligible cultural resources other than the five sites mentioned above within the Project APE are not considered to be significant, at this time. The treatment plan shall include the following measures:

- a. HRDI shall develop and submit to the BLM for approval, a mine workers education program on the consequences of unauthorized collection of artifacts within 90 days of ROD effective date.
 - b. HRDI shall install perimeter fencing delineating the proposed Project Area boundary within 180 days of ROD effective date to deter the public from visiting historic properties and potentially collecting artifacts.
 - c. HRDI shall maintain existing eligible roads (CrNV-22-6274, 9717, and 9894 [Jungo Road]) during all phases of the Project within the limits of the existing eligible roads cross section as feasible considering all appropriate health and safety regulations (e.g., MSHA and OSHA, with the exception of CrNV-02-11443 [Seven Troughs Road], which would be relocated. Mitigation for adverse effects to this historic road shall be described in the treatment plan. HRDI shall contract a qualified archaeological consulting firm, approved by the BLM, to provide quarterly monitoring for Year 1 and yearly monitoring for each subsequent year of eligible roads (CrNV-22-6274, 9717, and 9894 [Jungo Road] and CrNV-02-11443 [Seven Troughs Road]) to reduce the direct and cumulative effects of above described maintenance. Should damage be detected during monitoring, BLM may choose to consult with SHPO to determine if additional protective measures or further action to mitigate the impact are required.
 - d. In addition, HRDI (through a qualified archeological consulting firm) shall conduct quarterly monitoring during the first year, and twice a year monitoring of a sample of other eligible sites within the indirect effects area. The sample would consist of ten sites (both historic and prehistoric) concentrating on those containing artifacts likely to be of interest to illegal collectors. After each monitoring visit, a letter report shall be sent to the BLM within two weeks of the fieldwork.
6. An as-built map will be submitted to the BLM WD/BRFO by April 15 of each year, showing topography, township, range and sections, locations of all mine operations and activities, including new areas of disturbance, and areas that have been reclaimed with month and year the area was regraded or reseeded.
 7. The financial guarantee, or portions thereof, shall be released upon the BLM WD/BRFO and NDEP/BMRR concurrence that adequate reclamation has been successfully completed. Bond release criteria shall be those set forth in regulations at 43 CFR 3809, and the *Nevada Guidelines for Successful Revegetation for the Nevada Division of Environmental Protection, the Bureau of Land Management and the U.S.D.A. Forest*

Service (Instruction Memorandum #NV99-013). Bond release will be conducted according to the Surface Management Regulations at 43 CFR 3809.590 through 3809.594.

8. The Migratory Bird Treaty Act prohibits the destruction of nests (nests with eggs or young) of migratory birds. In order to avoid potential impacts to breeding migratory birds, a nest survey shall be conducted within potential breeding habitat prior to any surface disturbance during the avian breeding season (April 15 to July 15). If nests are located, or if other evidence of nesting (i.e., mated pairs, territorial defense, carrying nest material, transporting food) is observed, a protective buffer (the size depending on the habitat requirements of the species) shall be delineated and the buffer area avoided to prevent destruction or disturbance to nests until they are no longer active. The site characteristics used to determine the size of the buffer are: a) topographic screening; b) distance from disturbance to nest; c) the size and quality of foraging habitat surrounding the nest; d) sensitivity of the species to nest disturbances; and e) the protection status of the species.
9. Bi-annually, starting in 2013, until the final release of revegetation, the operator shall complete a noxious weed survey within the entire plan of operations boundary. The operator shall then have a licensed contractor treat the noxious weeds as appropriate and as approved by the BLM. A report of the findings and treatment method(s) shall be sent to the BLM within 60 days after treatment. A pesticide use proposal would need to be submitted to the BLM for approval prior to noxious weed treatment.
10. The operator shall ensure that all mine and exploration equipment is power-washed before entering the Project Area to prevent the spread of noxious weeds. Washing of this equipment is not authorized on public lands, unless an approved wash-point/facility is established in conjunction with your plan.
11. No hazardous or toxic waste, waste oil or lubricants shall be disposed of on public lands. Trash and other debris shall be contained on the work site and then hauled to an approved landfill. Burial and/or burning of trash and other debris is not authorized without specific permits from BLM and other appropriate agencies.
12. All hazardous material spills regardless of size would be cleaned up. Motorized equipment would be inspected daily by the operator for leaks or fluid loss and would be maintained to prevent leaks or fluid loss. If fluids are lost due to leaks during operations, the operator would shut down the leaking machine and would collect any contaminated soil (if present) in a 55 gallon barrel for transport offsite to a permitted facility for proper treatment and disposal. Used oil, antifreeze, batteries, tires and other recyclable materials resulting from equipment maintenance will be collected in closed containers or on pallets, as appropriate, and will be removed from the site on a regular, frequent basis for recycling. Under no circumstances will large quantities of these or other used materials be allowed to accumulate at the site, nor will any of these materials be disposed on or in the land at the site.

13. All reporting requirements specified by the Nevada Division of Environmental Protection or Nevada Department of Wildlife shall also be reported to the BLM WD/BRFO.
14. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the authorized officer, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the immediate vicinity of the discovery and protect it from your activities for 30 days or until notified to proceed by the authorized officer.
15. As directed in 43 CFR 3809.420(b)(9) *Protection of survey monuments*, it is the responsibility of the HRDI to bear the total cost of any necessary restoration or reestablishment activity of the affected monument(s). Correspondingly, in the course of any surface disturbance activity when PLSS/Cadastral corners or accessories may or have been subject to obliteration, destruction, or damage, it will be the responsibility of HRDI to protect and preserve the PLSS/Cadastral monumentation.
16. The following precautionary measures should be taken to prevent wildland fires. In the event your operations should start a fire, you could be held liable for all suppression costs under Title 43 CFR 9212.4. These are in addition to any requirements imposed by the Mine Safety and Health Administration or other governing agencies for work-area fire protection.
 - a. All vehicles should carry at a minimum a shovel and five gallons of water (preferably in a backpack pump), in addition to a conventional fire extinguisher.
 - b. Adequate fire fighting equipment (a shovel, a pulaski, standard fire extinguisher(s), and an ample water supply) should be kept readily available at each active drill site.
 - c. Vehicle catalytic converters should be inspected often and cleaned of all flammable debris.
 - d. All cutting/welding torch use, electric-arc welding, and grinding operations should be conducted in an area free, or mostly free, from vegetation. An ample water supply and shovel should be on hand to extinguish any fires created from sparks. At least one person in addition to the cutter/welder/grinder should be at the work site to promptly detect fires created by sparks.
 - e. Any fire restrictions or closures issued by the BLM WDO will be publicized in the local media, and notice will be posted at various sites throughout the district. We will not individually contact operators. Your plan serves as an authorization that may exempt your operations from certain restrictions in those orders. Your personnel will be responsible for being aware of and complying with the requirements of those orders.
 - f. Any wildland fire observed should be reported immediately to the BLM Central Nevada Interagency Dispatch Center at (775) 623-3444.

APPLICANT COMMITTED ENVIRONMENTAL PROTECTION MEASURES

The following environmental protection measures incorporated into the Proposed Action were designed in accordance with applicable laws and regulations and are considered industry standard with the exception of the lighting mitigation measure and the wildlife water development measure, which were developed and incorporated into the Proposed Action as a result of comments received during Project scoping.

Air Quality

Air emissions, including point and fugitive dust sources, would be controlled in accordance with the air quality operating permits for the Project and would be controlled in accordance with present BMPs shown in the *Hycroft Mine Dust Control Plan* and in the table below:

Committed Practices for Fugitive Dust Control

Area	Control Practice
Drilling	Wet drilling as needed
Blasting	Stemming Optimize blast pattern
Exploration, clearing/grubbing	Application of water and dust suppressants Limit vehicle speed Controlling vehicle access by fences or berms
Hauling	Control vehicle speed Application of water and dust suppressants
Crushing	Water sprays Enclosures Minimize drop height
Conveying	Water sprays Enclosures Minimize drop height
WRF	Surface wetting Concurrent vegetation
Ancillary areas and growth media stockpiles	Application of water and dust suppressants Place gravel or pave Control vehicle access by fences or berms Revegetation

Source: HRDI 2010a.

Cultural Resources and Native American Religious Concerns

- Pursuant to 43 CFR 10.4(g), HRDI would notify the BLM authorized officer, by telephone, and with written confirmation, immediately upon the discovery of human remains, funerary objects, sacred objects, or objects of cultural patrimony (as defined in 43 CFR 10.2). Further pursuant to 43 CFR 10.4 (c) and (d), the operator would immediately stop all activities in the vicinity of the discovery and not commence again for a maximum of 30 days or when notified to proceed by the BLM authorized officer.

- HRDI would not knowingly disturb, alter, injure, or destroy any historical or archaeological site, structure, building, or object. If HRDI discovers any cultural resource that might be altered or destroyed by operations, the discovery would be left intact and reported to the authorized BLM officer.
- In order to prevent impacts to cultural resources, HRDI would avoid eligible or unevaluated cultural sites within the Project Area. HRDI would ensure that eligible or unevaluated cultural sites within the Project Area are mapped and flagged by a qualified cultural resource specialist with a GPS unit prior to surface disturbance.
- HRDI would avoid Pulpit Rock and the known rock shelter locations within the Project Area by establishing a 250-foot setback from the cliff areas and Pulpit Rock for operational activities. HRDI may fence the Project boundary, but an arrangement would be reached with the Northern Paiute tribes to allow them access to Pulpit Rock and the cliff face.

Fire Management

HRDI would comply with applicable federal and state fire laws and regulations and would take reasonable measures to prevent and suppress fires in the area of operations. HRDI and contractors would be required to carry fire extinguishers, hand tools, or backpack-type water pumps in their vehicles to suppress small fires.

Hazardous Materials Management

Solid and hazardous wastes would be managed according to the *Solid and Hazardous Waste Management Plan* (HRDI 2010c). Used oil, antifreeze, diesel fuel, grease, oil, solvents, ammonium nitrate, emulsion, and Class A explosives would be utilized as part of HRDI's proposed activities. Approved staging facilities, safety measures, transportation, and handling requirements are already in use and would continue to be utilized for the proposed Project. Used materials would be recycled where possible.

Aerosol cans would be emptied and de-pressurized prior to disposal. Liquid drained from aerosol cans would be tested to determine their waste status and managed appropriately. Accumulation of pressurized cans would be minimized.

Hazardous waste would be stored in properly labeled storage containers, dumpsters, or barrels. Storage containers would be closed except when materials were being placed in the containers. The storage containers would be clearly labeled or marked with the dates when accumulation began and when the container was filled. Storage containers would be in good repair with no defects and would be suitable for off-site shipment under NDOT requirements. Hazardous wastes would be shipped to an approved location by a certified hazardous waste vendor in accordance with Resource Conservation Recovery Act requirements.

Lighting

HRDI would utilize screening on proposed stationary lights and light plants. Lighting would be directed onto the pertinent site only and away from adjacent areas not in use with safety and proper lighting of the active work areas being the primary goal. Lighting fixtures would be hooded and shielded as appropriate. The Proposed Action would also modify or retrofit the existing lighting facilities. HRDI would utilize the lighting measures provided in the *Hycroft Mine Lighting Management Plan* (HRDI 2011a), which are designed to reduce the impacts to night skies.

Migratory Birds

Land clearing and surface disturbance would be timed to prevent destruction of active bird nests or young of birds during the avian breeding season and in accordance with the Winnemucca District policies to comply with the Migratory Bird Treaty Act of 1918 (MBTA). If surface disturbing activities were unavoidable during the breeding season, HRDI would have a qualified biologist survey areas proposed for disturbance for the presence of active nests immediately prior to the disturbance.

Wildlife Water Developments

HRDI would coordinate with the NDOW if the existing small game guzzlers are impacted by the Project development to relocate the affected guzzler. In addition, HRDI would work with the NDOW on the development of a new big game guzzler in the vicinity of the Project Area to offset potential loss of big game habitat.

Noxious, Invasive and Nonnative Species

HRDI would work with the BLM to prevent the spread of noxious, invasive, and nonnative species in the area affected by the expansion. The ongoing weed control program would continue in the area of the proposed activity. Employees and contractors would be educated to identify weeds that could occur in the area disturbed. Should invasive weeds be identified, HRDI would take appropriate measures to prevent their spread, as identified in the *Hycroft Mine Noxious Weed Monitoring and Control Plan* (HRDI 2010d).

Storm Water

Best Management Practices would be used to limit erosion and sediment transport from proposed facilities and disturbed areas during construction and operation, in accordance with the Nevada General Storm Water Permit NVR300000 and the Storm Water Pollution Prevention Plan (SWPPP). Following construction activities and in accordance with the BLM requirements, areas such as growth media stockpiles would be seeded as

soon as practical and safe. Concurrent reclamation would be conducted to accelerate stabilization of disturbed areas.

In addition to the BMP inspections and reporting, an annual evaluation would be conducted, preferably following the spring runoff period. This evaluation would result in the preparation of a written report documenting the following:

- Inspection of areas contributing to storm water discharges containing pollution (i.e., sediment or product spills/leaks);
- Evaluation of BMPs for their effectiveness in reducing storm water pollutant loads; and
- Schedule for modifying the BMPs and revisions to the SWPPP, if practical reductions of pollutants can be achieved.

Monitoring

As part of the *Hycroft Mine Monitoring Plan*, HRDI proposes to monitor the following in compliance with state permits and other plans: air quality; WRFs and ore stockpiles; reagent and diesel storage; heap leach facilities; sediment controls; ground water; reclamation; noxious weeds; and wildlife (HRDI 2010e).