

Scoping Document

Precious Minerals Mining and Refining Corporation East Walker Clay Mine Expansion Project Lyon County, Nevada

United States

Department of
Agriculture

Forest Service



**USDA Forest Service
Humboldt-Toiyabe National Forest
Bridgeport Ranger District
Bridgeport, California**

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Table of Contents

- 1. Comments Welcome.....3
- 2. Location.....3
- 3. Purpose Of and Need for Action4
- 4. Decision Framework.....5
- 5. The Proposed Action.....5
- 6. Environmental Protection Measures.....6
- 7. Monitoring8
- 8. Preliminary Issues8
- 9. Alternatives9
- 10. Comment Process9
- 11. Analysis Process10
- 12. Contact10

Attachments

- Figure 1:** Project Location
- Figure 2:** Proposed Disturbance
- Figure 3:** Photographs
- Figure 4:** Photographs

1. Comments Welcome

The Bridgeport Ranger District of the Humboldt-Toiyabe National Forest welcomes your comments on the East Walker Clay Mine Expansion Project (Project) proposed by the Precious Minerals Mining and Refining Corporation (PMMR). The Project would consist of: minor improvements to existing Forest Service roads; surface mining disturbance; construction of a mine staging area, and surface water de-siltation ponds. Total Project-related disturbance would be up to approximately 45.8 acres. PMMR would use four Forest Service Roads, 764, 765, 765A, and 765B, to access the mine site for all mine-related traffic including over-the-road haul trucks which would transport the extracted mineral deposit to a rail road loading facility near Wabuska in Lyon County.

The Forest Service is conducting an environmental analysis of the proposal in accordance with the National Environmental Policy Act of 1969 (as amended) (NEPA). As part of this analysis, the Forest Service is now seeking public comments specific to the proposed Project. The purpose of the scoping period is to identify the public's and agency concerns and clearly define the environmental issues regarding the proposal in accordance with the requirements of the NEPA.

2. Location

The Project would be located on National Forest System lands in Lyon County, Nevada, within the Humboldt-Toiyabe National Forest, which is administered by the U.S. Department of Agriculture, Forest Service, Bridgeport Ranger District. The East Walker Clay Mine is located approximately 17 miles northeast of Bridgeport, California and 21 miles west-southwest of Hawthorne, Nevada in southern Lyon County, Nevada as shown on Figure 1. The mine site is located in the Pine Grove Hills, east of the East Walker River (Figure 2) and is entirely on public lands within the boundaries of the Humboldt-Toiyabe National Forest. The proposed Project area encompasses approximately 47.30 acres, which includes approximately 45.80 acres of new surface disturbance. The Project is located within:

- Mine locations: Township 7 North, Range 27 East, portions of Sections 20, 21, 28, 29 and 30 (Lyon County, Nevada);
- Access Locations: Township 7 North, Range 27 East, portions of Sections 11, 12, 14, 15, 16, 20, 21, 29 and 30 (Lyon County, Nevada).

The general location of the Project is illustrated on Figure 1, with access routes presented on Figure 2. Primary access would be south from the City of Yerington, Nevada via Lyon County Road 3C, to existing Forest Service System Roads 764, 765, 765A, and 765B. The mine development equipment (including over-the -road materials haul trucks, service trucks, and pickup trucks) would use this route to access the proposed Project.

3. Purpose Of and Need for Action

The purpose of and need for the Project is to extract economic mineral deposits on National Forest System lands in the Project area. The statutory right of PMMR to develop mineral resources on federally-administered lands is recognized in the General Mining Law of 1872, and is consistent with the Humboldt-Toiyabe National Forest Land and Resources Management Plan of 1986 (IV-50). Surface management regulations (36 CFR 228) require that all mineral exploration, development, and operation activities be conducted in a manner that minimizes adverse environmental impacts on National Forest surface resources (36 CFR 228.8).

4. Decision Framework

Based on the environmental analysis and disclosure documented in the Environmental Assessment (EA) currently being prepared, the Deciding Official would decide: 1) whether to select the Proposed Action as proposed or modified, or as described in an alternative; 2) what mitigation measures may be needed; and 3) what monitoring is required.

5. The Proposed Action

Background

In 1998, the U.S. Forest Service issued PMMR an approved Mining Plan of Operations for the East Walker Clay Mine. After preparing an Environmental Assessment, on July 9, 1998, the Forest Service issued a Decision Notice/Finding of No Significant Impact (DN/FONSI) for the PMMR Mining Plan of Operations #02-98-04. The approval allows for the removal of an economic mineral from Mine #2. Under the Small Mine Operations Permit, PMMR may remove a maximum of 36,500 tons of material annually. To date, PMMR has extracted approximately 5,000 tons of material under their existing mining permits.

PMMR now proposes to expand operations to include two mine sites: expansion of the existing approved site and an additional new mine site plus a staging area. The proposed action includes a year around operation to annually extract approximately 750,000 cubic yards (1,000,000 metric tons) from two surface mines. The economic deposit, a clay-based mineral, will be mined from the surface, crushed and partially dried on-site before being loaded into haul trucks which will transport the material to a rail siding near Wabuska, Nevada for distribution to markets. PMMR anticipates that the mine will have an economic life of ten (10) years.

In 1999, PMMR received approvals for a Plan of Operations and Reclamation Plan from the State of Nevada, Department of Environmental Protection, Bureau of Mining Regulation and Reclamation, for extraction of a maximum of 36,500 tons of clay-based material annually.

Use of Existing Roads

Approximately 6.6 miles of existing Forest Service roads (Forest roads 764, 765, 765A, and 765B) would be used for all mine-related traffic, including 140 round trips per day based on an estimated 300 working days per year for the over-the-road haul trucks that will carry the extracted minerals to a rail siding and loading facility north of Yerington, Nevada.

Mineral Extraction

The economic material will be excavated, partially dried and hauled to a rail siding. The resource will be processed through a portable crusher, screen, dryer and conveyor belt for off-haul to a rail siding near Wabuska for shipment. No chemical processing is used in the mineral processing.

Equipment

Mechanized equipment proposed for the project includes:

- Dozers-Cat D10R or equivalent
- Front end loaders-Cat 988G or equivalent
- Motor graders-Cat 14G or equivalent
- End dump-24 ton capacity
- Water Trucks-3500 gallon capacity

Excavators-Cat 350 or equivalent
Trucks (mineral haul)-double trailer
Crushers and screens-Lokotrak LT-150 tons per hour capacity, one at each mine site
Portable propane-fueled dryers

Overall Disturbance

Disturbance has been calculated to include mine areas, minor road improvements and mine staging area as shown in Figure 2. The total anticipated new surface disturbance for this project would be approximately 45.80 acres which includes:

- Approximately 5.40 acres for the staging area;
- Approximately 14.00 acres for Mine Number 1,
- Approximately 22.90 acres for Mine Number 2,
- Approximately 1.60 acres improvements to FR-764,
- Approximately 1.60 acres improvements to FR-765,
- Approximately 0.30 acres improvements to FR-765A,
- Approximately 0.50 acres improvements to FR-765B,
- Approximately 1.00 acres of desiltation ponds, and
- Credit of approximately 1.5 acres for existing mine disturbance.

Reclamation

Upon completion of mining activities, all equipment and supplies would be removed from the project area and the mines would be contoured to blend with the existing topography. Disturbed areas would be reclaimed to restore vegetative cover as necessary. PMMR will submit a reclamation plan and reclamation bond for approval to the Forest Service and to the State of Nevada.

6. Environmental Protection Measures

Environmental protection measures are proposed to avoid or minimize potential negative effects to resources surrounding and within the Project area. Specific measures currently include, but are not necessarily limited to:

Air Quality

Dust control would be accomplished by watering access routes and active mine areas as necessary. The State of Nevada Department of Environmental Protection has issued an air quality permit (AP1459-2764) for proposed surface disturbances. In addition, Forest road speed limits of 25 MPH during daylight and 15 MPH during night hauling would be applied to minimize dust generation.

Water Quality

Water used in mining and dust control activities would be obtained from a new water well to be located within the staging area. Water would be stored in two water tanks adjacent to the water well. Potable water would be supplied by bottled water. Sanitary facilities would be portable restrooms which would be maintained by a local vendor. There would be no diversion of surface water.

"De-siltation Ponds" would be constructed at both mine sites and within the staging area to capture surface water flows and settle out sediment before discharging the water into existing natural drainages. Surface water from the Project area flows through natural drainages to the East Walker River about 0.5 miles from Mine Number 2, the closest to the river.

Approximately 2.25 miles of the western portion of the existing access road is located within a natural drainage which is tributary to the East Walker River. The road serves as the only surface

route to the mine site and will be maintained by PMMR to minimize sediment and runoff that could reach the east bank of the East Walker River.

Solid Wastes

All non-hazardous trash would be taken off of National Forest Service lands to the county landfill (or other approved disposal facility).

Scenic Values

Reclamation would be completed after cessation of mining activities to minimize potential visual impacts. Mine sites would be reclaimed following mining. All roads would be restored to their pre-mining condition, e.g. 15 to 20 feet width, following completion of mining activities.

Wildlife and Vegetation

Qualified biologists would be contracted by PMMR to complete a biological evaluation as part of the analysis process. The biological evaluation would identify the existing flora and fauna within the Project area including threatened, endangered, and otherwise sensitive species of special status and their potential habitats. PMMR will avoid negative impacts to greater sage grouse in accordance with guidelines developed by a multi-agency, multi-state resource committee.

PMMR would implement controls to prevent the spread of noxious weeds including the identification of noxious weed stands in the vicinity and washing vehicles moving in and out of the Project area as required.

Cultural Resources

Forest Service-approved archaeologists would be hired by PMMR to conduct a Class III inventory in the proposed Project area as part of the analysis process. Project construction would be designed to avoid cultural resources. If unevaluated archaeological or cultural sites or resources are encountered during Project work, activity in that area would cease immediately, the Forest Service would be notified, and the resource would be evaluated. The results of the evaluation would determine subsequent action.

Hazardous Substances

No. 2 diesel fuel would be used for the mining equipment and haul trucks, and unleaded gasoline or No. 2 diesel fuel would be used in the pickup trucks. Propane will be used in the material dryers. Other petroleum products, such as hydraulic oil or motor oil, would be used to service equipment as necessary.

Fuel would be transported to the Project area by a local vendor. Fueling would occur every day or every other day, as required. Mine personnel would be instructed to manage products in a proper manner and to prevent spillage during fueling and servicing operations. Mining equipment would be equipped with absorbent pads, shovels, and buckets to clean up any spills that may occur. Mine support vehicles with service tanks would have appropriate warning signs and fire extinguishers. Equipment would have Forest Service-approved spark arrestors.

PMMR would be required to have a proper spill response plan. PMMR would ensure that spill prevention measures are in place and containment, notification, and clean-up of any spills are accomplished as per regulation. Soils contaminated by petroleum spills would be removed and disposed of in an approved offsite waste facility. Material Safety Data Sheets would be on-site and available for reference.

Noxious Weed Prevention Control

PMMR would implement controls to prevent the spread of noxious weeds including the identification of noxious weed stands in the vicinity and washing vehicles moving in and out of the Project area as required.

Tribal Consultation

Native American consultation would be carried out with area tribes to ensure tribal concerns are addressed and the project mitigated or modified to meet tribal standards.

Land Use

Analysis would include current land use, including, but not limited to recreation and grazing to determine potential impacts.

Inventoried Roadless Areas (IRA)

Although the existing roads are outside of any IRA, the proposed area of the mine encroaches on an IRA. Analysis would include addressing this situation.

Socio-Economic Conditions

Analysis would include impacts to the local economy and activity, and environmental justice.

7. Monitoring

Forest Service minerals administrators would routinely monitor the operation to ensure compliance with the approved plan of operations. During the Project, PMMR would cooperate with the Forest Service to inventory and monitor noxious weeds and undesirable plants within areas of disturbance. At the conclusion of the Project, reclaimed areas would be monitored for at least three years to ensure successful establishment of vegetation, per the revegetation standards established in the Nevada Guidelines for Successful Revegetation for the NDEP, the Bureau of Land Management, and the Forest Service, are attained. Monitoring for the control of erosion and control of noxious weeds would be carried out in conjunction with reclamation monitoring.

8. Preliminary Issues

The following preliminary issues have been identified for the Project by the Forest Service:

- Potential impacts to air resources;
- Potential impacts to water resources;
- Potential impacts related to hazardous substances;
- Potential impacts to wildlife;
- Potential impacts to vegetation;
- Potential impacts to American Indian resources and sites;
- Tribal Consultation;
- Potential impacts to land use;
- Potential impacts to Inventoried Roadless Areas (IRA); and
- Potential impacts to socio-economic issues.

9. Alternatives

Currently three alternatives are being analyzed in detail.

The Proposed Action: Alternative Number 1

The Plan of Operations would be approved, and PMMR would be authorized to conduct mining activities as proposed with up to approximately 45.80 acres of new disturbance. This alternative would include environmental protection measures, scheduling, monitoring, and reclamation as proposed under the Plan of Operations, as well as those measures agreed to in consideration of comments from the public, tribes, and the interdisciplinary team during analysis of the Proposed Action.

The Proposed Action: Alternative Number 2

Mining operations would remain the same as those proposed in Alternative Number 1, except for the following. PMMR would improve the Forest Service road by placing up to 19 culvert crossings, eliminating some horizontal and vertical curves and, where necessary, widening the road to a maximum of 25 feet. The culverts would be removed at the end of the mining cycle as part of the overall Project reclamation.

The No Action Alternative

Under this alternative, the proposed Plan of Operations would not be approved by the Forest Service, and PMMR would not conduct expanded mining activities. Conditions at the Project area would remain unchanged.

10. Comment Process

Written comments must be submitted to:

Keith Whaley
Project Lead
Bridgeport Ranger District
HC 62 Box 1000
Bridgeport, CA 93517-1000
Phone: (760) 932-5821
Fax: (760) 932-5899
E-mail: kwhaley@fs.fed.us

For those submitting hand-delivered or oral comments the office telephone number is (760) 932-7070. Office business hours are 8:00 am to 4:30 pm, Monday through Friday, excluding holidays. The Bridgeport Ranger District office is located off Highway 395, south of downtown Bridgeport, California.

Electronic (E-mail) comments may be submitted and must be a format such as an E-mail message, plain text (.txt), rich text format (.rtf), Acrobat (.pdf), or Word (.doc).

You may submit e-mail comments to: comments-intermtn-humboldt-toiyabe-bridgeport@fs.fed.us

Please place "PMMR" in the subject line.

In order to be most useful comments should be received by 4:30 pm May 15, 2012.

Comments received in response to this solicitation, including names and addresses of those who comment, will be part of the public record and may be available for public review under the Freedom of Information Act.

For those wishing to discuss the issues further, two evening open house scoping meetings are planned. The public is invited to attend.

1. Wednesday, May 2, 2012, from 4:00 PM until 7:00 PM, Lyon County Library, 20 Nevin Way, Yerington, NV 89447
2. Thursday, May 3, 2012, from 4:00 PM until 7:00 PM, El Capitan Lodge & Casino, 540 F Street, Hawthorne, NV 89415.

11. Analysis Process

An initial review of the proposed action by the Forest Service has indicated that the preparation of an Environmental Assessment (EA) is needed for this project. A tentative timeline has been developed for completion of this EA. Key steps are outlined below:

Activity	Approximate Dates
Begin Scoping	April 16, 2012
Public Meeting - Yerington	May 2, 2012
Public Meeting - Hawthorne	May 3, 2012
30 day public comment period ends	May 15, 2012
Notice of Proposed Action Document Mailed	June 4, 2012
Final EA prepared	August 17, 2012
Final Decision Notice/FONSI signed	August 24, 2012
45 day appeal period starts (if needed)	August 31, 2012

As described in this notice, comments received would be utilized to identify potential other actions, different alternatives, and/or effects to the proposed action.

A second notice and opportunity to comment [Notice of Proposed Action (NOPA)] on this proposal would be issued as the analysis progresses. Those submitting comments during the 30-day NOPA period would be eligible to participate in the appeal process pursuant to Forest Service regulations at 36 CFR 215.

12. Contact

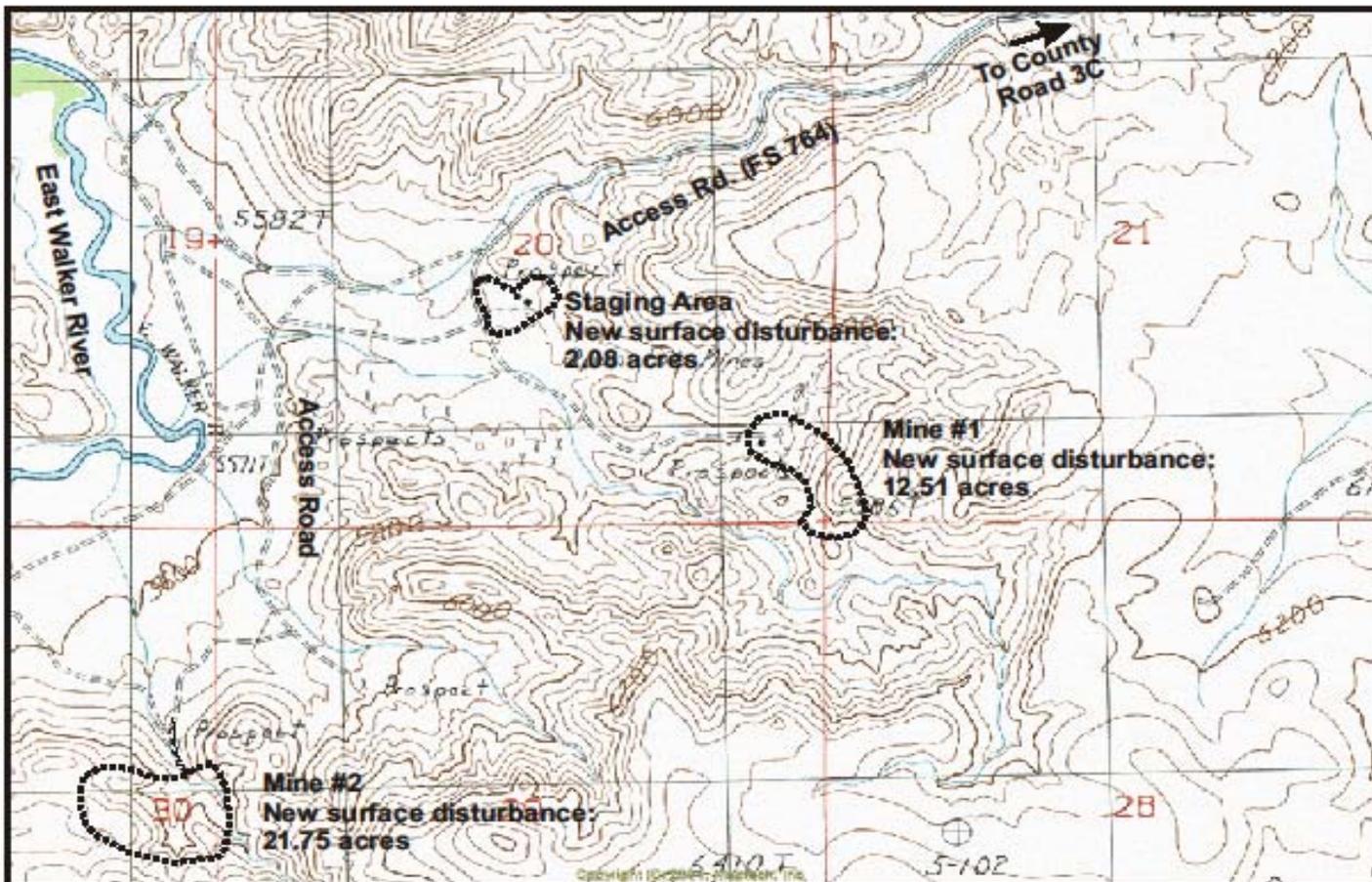
For further information, contact Keith Whaley, Project Lead, at:

Phone: (760)-932-5821

E-mail address: kwhaley@fs.fed.us



Figure 1
Regional Location
PMMR
East Walker Clay Mine
Lyon County, Nevada



Project located in:
T7N, R27E
Lyon County, Nevada



North

Scale: 1" = 1,430 ft (approx)

Figure 2
Proposed Surface Disturbance
PMMR
East Walker Clay Mine
January 2012

Figure 3



PMMR East Walker Clay Mine
View to southeast looking at Mine #2



PMMR East Walker Clay Mine
View to southwest looking at Mine #1

Figure 4



PMMR East Walker Clay Mine
View to west from Mine #2



PMMR East Walker Clay Mine
View into Mine #1