



File Code: 1950/2810

Date: September 7, 2012

Dear Interested Party:

I am sending this letter to inform you of a mineral exploration proposal in the Buckskin Mountain area and to invite your comments on the proposal before I make a decision on it.

The proposal is called the "Buckskin-National Minerals Exploration Project" (Project) located on Santa Rosa Ranger District of the Humboldt-Toiyabe National Forest (See attached map). Volcanic Gold & Silver, LLC (Proponent) proposes to drill 21 core samples to define the nature, extent, shape, and economic value of precious metal-bearing deposits that may be in the project area. I have attached a short paper that further defines the Project; its reclamation, environmental protection measures, monitoring, and comment process; and how to establish your appeal eligibility for this decision.

I and my staff will work to address any questions or concerns you have on the Project. I will shortly publish a "Notice of Proposed Action" for the Project in the Humboldt Sun. I need to hear from you within 30 days of that publication date which is the official comment period for this decision. I will make my decision shortly after the 30 days have elapsed and I have considered and had an opportunity to address your questions and concerns.

For additional information please contact Manuel Silva, Project Geologist (775 778-6129; mrsilva@fs.fed.us) or Jeff Ulrich, Santa Rosa District Ranger (775-352-1215; jlulrich@fs.fed.us).

I thank you for your interest in our National Forests.

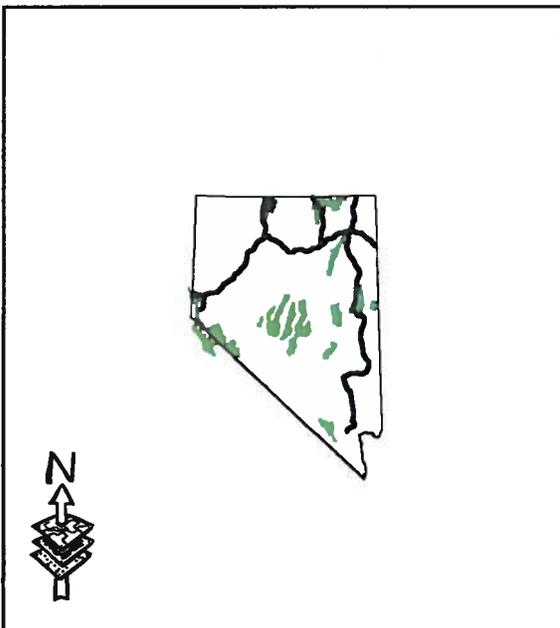
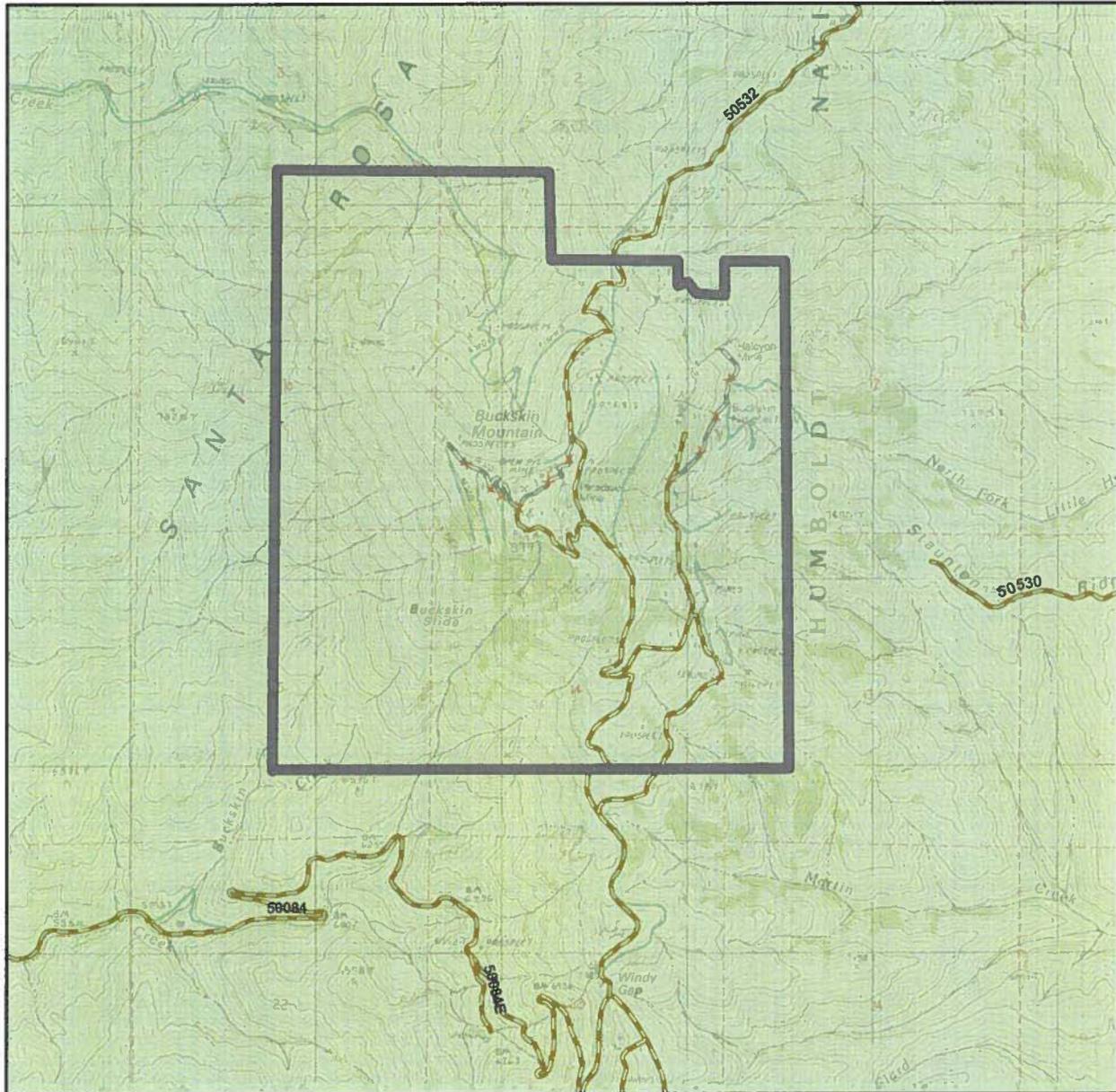
Sincerely,

/s/Jeff Ulrich
JEFF ULRICH
District Ranger

cc: Susan G Elliott



Buckskin-National Project



0 395,000 790,000 1,580,000 Meters

Location Map

Sec 10, 11, and 14, T45N, R39E

Legend

-  Project Area
-  Forest Service

This GIS product was compiled from various sources and may be corrected, updated, modified, or replaced at any time. For more information contact: Elko Zone Office, Elko, Nevada (775) 738-5171.



Public Scoping and Notice of Proposed Action & Opportunity to Comment

**United States
Department of
Agriculture**

Forest Service

**Humboldt-
Toiyabe
National Forest**

Buckskin-National Mineral Exploration Project

**Santa Rosa Ranger District
Humboldt County
Nevada**

August, 2012

Comments Welcome

The Santa Rosa District Ranger invites your comments on the proposed Buckskin-National Minerals Exploration Project (Project) located on Santa Rosa Ranger District of the Humboldt-Toiyabe National Forest. Volcanic Gold & Silver, LLC (Proponent) plans to drill 21 core samples and develop sumps in support of drilling to define the nature, extent, shape, and economic value of precious metal-bearing deposits that may be in the project area (See attached map). I have determined that this proposed activity may be categorically excluded from further analysis and documentation in an environmental assessment (EA) or environmental impact statement (EIS) and documented in a Decision Memo.

{36 CFR 220.6(e)(8) (8) Short-term (1 year or less) mineral, energy, or geophysical investigations and their incidental support activities that may require cross-country travel by vehicles and equipment, construction of less than 1 mile of low standard road, or use and minor repair of existing roads.}

The Forest Service is applying notice, comment, and appeal regulations found at 36 CFR 215 (specific to EAs) to this project due to a recent U.S. District Court decision.

This document initiates both the scoping process (40 CFR 1501.7) and provides preliminary notice of the 30-day comment period pursuant to Forest Service regulations at 36 CFR 215. The 30-day comment period will begin when a “Notice of Proposed Action” for this project is published in the Humboldt Sun (1022 South Grass Valley Road, Winnemucca, NV 89445 Phone: 775-623-5011 • Fax: 775-623-5243). The purpose of this comment period is to provide an opportunity for the public to provide meaningful input on the proposed action prior to a decision by the Responsible Official.

Purpose and Need

The Proponent proposes mineral exploration activities to define the nature, extent, shape, and economic value of precious metal-bearing deposits that may be in the project area (See map) and has the statutory right to do so. The statutory right of the proponent to explore for and 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 Resource Management Plan of 1986. Surface management regulations (36 CFR 228) require that all mineral exploration, development, and operations activities be conducted in a manner that minimizes adverse environmental impacts on National Forest surface resources (36 CFR 228.8). The decision to be made is not whether to allow mineral exploration but how to authorize mineral exploration consistent with the 1872 General Mining Law while minimizing adverse environmental impacts.

The Proposed Action

The Buckskin-National Mineral Exploration Project is located immediately north of Windy Gap on National Forest System land administered by the U.S. Department of Agriculture, Forest Service, Santa Rosa Ranger District (Forest Service), within all or portions of:

- T45N, R39E, Section 10, 11 and 14

The Project proponent, Volcanic Gold & Silver LLC., proposes to drill a total of 21 reverse-circulation or core drill holes for mineral exploration from 21 drill pads. The drilling would occur near or on existing roads with one drill pad requiring cross-country travel. New constructed roads proposed under this Plan include a total of approximately 3520' of reopening three roads that have been constructed and reclaimed by other operators since the 1980s. Road 1 is approximately 1750' in length at an average grade of 6.9%, and was first built by ASARCO Inc. in the early 1980's to drill an exploration hole. Drill sites B, C, D, and E will be spaced out along this road. Road 2, which provides access to a historic road on which drill sites Q-T are located, is approximately 720' in length at an average grade of 11%. Road 3 is approximately 1050' long at an average grade of 13.1% and has a similar history as Road 1. Approximately 100' of overland travel is necessary to access drill site O. The overland travel is on the same previously disturbed flat area as is the drill site.

Each drill site location would require a drill pad approximately 30 feet by 70 feet, except where a site can be located within an existing road. Each location will require the construction of a sump (10 feet × 20 feet × 8 feet deep), to contain drill cuttings and fluids from each hole. Due to the rocky nature of some drill pads, up to 2 sumps may need to be constructed off the drill pads.

Drilling and geological/supervisory personnel will use 4 wheel drive pickup trucks to access the project area on a daily basis. It is possible that a trailer to transport and store drilling muds and supplies will be parked at some locality within the project area during the drilling operation. As noted above, a bulldozer will be used for road and drill site construction, and a core or rotary reverse-circulation drill rig will be used for the actual drilling. A water truck will be used once or twice per shift to haul water to the drill sites and will have a capacity of approximately 1500 gallons.

The anticipated disturbance for this drill program has been calculated for the three roads, drill pads and sumps. Total area disturbed by road and drill site construction is approximately 49,080 sq. ft., or 1.13 acres, calculated as follows:

- 3250' of road at 12' width equals 39,000 sq. ft., or 0.9 acre.
- 21 drill sites each 16' x 30' (480 sq. ft.) equals 10,080 sq. ft., or .23 acre.

The Project is expected to last for approximately six months. Reclamation of the new access road and drill sites will be completed by November 1, 2016 unless they are needed for additional

exploration activity. The reclamation will be accomplished with a track-mounted backhoe that will be able to reclaim the access roads and drill sites to the currently existing slope.

Reclamation

Upon completion of drilling, the drill holes would be plugged and abandoned according to the regulatory requirement set forth in Nevada Administrative Code (NAC) 534.4369, NAC 534.4371, NAC 534.4373, and NAC 534.4375. If any unusual groundwater conditions are encountered (e.g., artesian flow) the drill hole would be sealed according to NAC 534.4375. The drill pads and sumps would be regraded to pre-exploration slopes, roads would be pulled back to contour, and removed soil would be spread on top of regraded areas. An approved Forest Service seed mix would be applied and raked into the soil of disturbed areas.

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 the following list.

Air Quality: Dust control would be accomplished by watering access routes as necessary. A minimal amount of limb trimming and removal of trees is anticipated for access roads and in areas where existing roads experience overgrowth; no burning of slash is planned. Disturbed areas would be reclaimed to restore vegetative cover.

Water Quality: All drilling muds and additives used during the operation will be environmentally safe. Surface runoff of water or mud from the drill sites will be minimal as it is anticipated that nearly all water and mud used during the drilling will be lost down the holes. Sumps and/or suitable tanks will be constructed or available to catch any runoff. All drill holes will be plugged and capped according to the appropriate state regulations. Water used during the drilling process will be obtained from the Halcyon Adit. The Nevada Division of Environmental Protection approved the use of Halcyon Adit water for drilling purposes in 1992. The Halcyon Adit water will either be pumped or transported with a water truck to the drill sites.

Solid Wastes: Drill cuttings and drilling product packaging would be the only solid waste generated by the Project. Cuttings would be impounded in sumps. All non-hazardous trash would be taken to the county landfill (or other approved disposal facility). If generated, hazardous wastes created during the exploration program would be properly disposed of offsite in approved hazardous waste facilities according to local, state, and federal regulations.

Scenic Values: Reclamation would be completed after cessation of drilling activities to minimize potential visual impacts. Drill sites would be reclaimed following drilling.

Wildlife and Vegetation: The Proposed Action construction schedule would avoid potential conflicts with migratory and breeding birds. Sumps would be constructed with bovine exit ramps for the protection of livestock or wildlife that may inadvertently enter the sumps. Sumps would be backfilled after use. Volcanic Gold & Silver 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. Drill sites would be reclaimed following drilling if no further development plans are implemented, and roads would be reclaimed upon completion of the Project to restore vegetation and wildlife habitat.

Cultural Resources: 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 drill rig and water truck, and unleaded gasoline or No. 2 diesel fuel would be used in the pickup truck. Other petroleum products, such as hydraulic oil or motor oil, would be used to service equipment as necessary. Drill additives would be non-hazardous and not detrimental to the environment. Fuel would be transported to the Project area in metal tanks on drill support vehicles. Fueling would occur every day or every other day, as required. Drill personnel would be instructed to manage products in a proper manner and to prevent spillage during fueling and servicing operations. Drill rigs would be equipped with absorbent pads, shovels, and buckets to clean up any spills that may occur. Drill support vehicles with service tanks would have appropriate warning signs and fire extinguishers. Equipment would have Forest Service-approved spark arrestors. Drill contractors would be required to have a proper spill response plans. Volcanic Gold & Silver LLC 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 off-site waste facility.

Monitoring

During the Project, Volcanic Gold & Silver LLC would cooperate with the Forest Service to monitor all project activities. Monitoring would include but not be limited to:

- Drilling
- Sediment control
- Road construction
- Reclamation
- Noxious weed control

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.

Comment Process

The Forest Service encourages your comments on this Project. Written, facsimile, hand-delivered, oral, and electronic comments concerning this action will be accepted for 30 calendar days following the publication of the legal notice for this project in the Humboldt Sun. It is the responsibility of persons providing comments to submit them by the close of the comment period. Interest expressed or comments provided after the close of the 30-day comment period will be considered, but will not confer eligibility to appeal a decision to proceed with the Project.

Mailed comments must be submitted to: District Ranger, Santa Rosa Ranger District, 1200 E Winnemucca Blvd, Winnemucca, Nevada 89445. The fax number is (775) 625-1200. Office business hours for those submitting comments in person are: 7:30 am to 4:30 pm Monday through Friday, excluding federal holidays.

Electronic comments must be submitted in a format such as an email message, plain text (.txt), rich text format (.rtf), and Word (.doc/.docx) to: comments-intermtn-humboldt-toiyabe-santarosa@fs.fed.us.

Appeal Eligibility

Individuals and organizations wishing to be eligible to appeal must provide the information identified in 36 CFR 215.6, including : [i] name and address; [ii] title of the proposed action; [iii] specific comments (36 CFR 215.2) on the proposed action, along with supporting reasons that the Responsible Official should consider in reaching a decision; [iv] signature or other verification of identity upon request; identification of the individual or organization who authored the comment(s) is necessary for appeal eligibility; [iv. A] for appeals listing multiple organizations or multiple individuals, a signature or other means of verification must be provided for the individual authorized to represent each organization and for each individual in the case of multiple names, to meet appeal eligibility requirements; [iv. B] those using electronic means may submit a scanned signature. Otherwise another means of verifying the identity of the individual or organizational representative may be necessary for electronically submitted comments or comments received by telephone; [v] individual members of an organization must submit their own comments to meet the requirements of appeal eligibility; comments received on behalf of an organization are considered as those of the organization only.

Comments received in response to this notice, including names and addresses of those who comment, will be considered part of the public record for this project and will be available for public inspection and will be released if requested under the Freedom of Information Act.

For additional information please contact Manuel Silva, Project Geologist (775 778-6129; mrsilva@fs.fed.us) or Jeff Ulrich, Santa Rosa District Ranger (775-352-1215; jlulrich@fs.fed.us).

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