

**Pilot Gold (USA) Inc.  
Kinsley Exploration Project**

Plan of Operations (NVN-091528)  
and  
NDEP Reclamation Permit Application No. \_\_\_\_\_

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Submitted by

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Submitted to

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and

Nevada Division of Environmental Protection  
Bureau of Mining Regulation & Reclamation  
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## **Abbreviations**

ATV	All-terrain vehicle
BLM	Bureau of Land Management
BMP	Best Management Practice(s)
BMRR	Bureau of Mining Regulation and Reclamation (NDEP)
MSDS	Material Safety Data Sheet(s)
MSHA	Mine Safety and Health Administration
NAC	Nevada Administrative Code
NDEP	Nevada Division of Environmental Protection
NDOT	Nevada Department of Transportation
NDWR	Nevada Division of Water Resources
NOI	Notice of Intent
NPDES	National Pollutant Discharge Elimination System
Pilot Gold	Pilot Gold (USA) Inc.
Plan	Plan of Operations
Project	Kinsley Exploration Project
ROW	Right-of-way
US	United States

# 1 Introduction

This Plan of Operations (NVN-091528)/Nevada Reclamation Permit No. \_\_\_\_\_ (Plan) is submitted to the Bureau of Land Management, Elko District Office, Wells Field Office (BLM), and the Nevada Division of Environmental Protection (NDEP) Bureau of Mining Regulation and Reclamation (BMRR) by Pilot Gold (USA) Inc. (Pilot Gold) for the Kinsley Exploration Project (Project) located in southeast Elko County, Nevada. The Project is shown on Figure 1.

This Plan is submitted in accordance with BLM Surface Management Regulations 43 CFR 3809, as amended, and Nevada reclamation regulations at Nevada Administrative Code (NAC) 519A. The format for this Plan is consistent with the plan of operations and permit for reclamation application for a mineral exploration project.

Pilot Gold currently is exploring the Project under Notice of Intent (NOI) (NVN-090386). The second amended NOI was approved on June 28, 2012. The total authorized disturbance is 4.97 acres on land administered by the BLM. Currently authorized disturbance is shown on Figure 2, as well as existing pre-1981 road disturbance.

The Kinsley Mountain Mine was operated by Alta Gold Inc. between 1985 and 1999. The BLM re-contoured and re-seeded the disturbed area between 2000 and 2010 after Alta Gold filed for bankruptcy.

The mineral exploration activities covered in this Plan consist of exploration drilling, road, drill pad, and sump construction, and the maintenance of pre-1981 roads. Pilot Gold plans to drill two exploratory wells near the Kinsley Mountain Mine Road and turn one into a production well. A third site in the northwest part of the Project will also be drilled and tested for water production. Gravel will be purchased from an existing gravel pit where the BLM has previously authorized a mineral material sale for the NOI. Pilot Gold will obtain travel Right-of-Way (ROW) permits for approximately 18.3 miles of pre-1981 public roads outside the Project. The three well sites, the gravel pit, and the public roads are shown on Figure 1.

Table 1 outlines the total acreage of authorized and proposed surface disturbance, by type of disturbance, for the Project. The 4.97 acres of authorized NOI-level activities on public lands are included in the total surface disturbance in this Plan. The proposed disturbance under this Plan will create approximately 55.03 acres of new surface disturbance in addition to the existing NOI-level disturbance for a total of 60.00 acres within the Project boundary. At the two proposed well sites outside the plan boundary, a total of 1.5 acres will be used for exploratory well drilling and well facilities. A 10-acre area surrounding the gravel pit will be analyzed for mineral material needs. ROW use on pre-1981 roads equals approximately 39.02 acres. The total disturbance proposed under this plan totals 110.52 Acres. This proposed disturbance is summarized in Table 1 and shown on Figure 3a.

**Table 1.** Authorized and Proposed Project Surface Disturbance

<b>Disturbance Component</b>	<b>Authorized</b>	<b>Proposed</b>	<b>Total</b>
<b>Drill Sites &amp; Roads Within Plan Boundary</b>			
Constructed Road	1.75	40.03	41.78
Overland Travel	0.33	0.00	0.33
Constructed Drill Sites and Sumps	2.89	15.00	17.89
<i>Subtotal</i>	<i>4.97</i>	<i>55.03</i>	<i>60.00</i>
<b>Activities Outside Plan Boundary</b>			
Potential Well Sites (2)	0.00	1.50	1.50
Gravel Pit Expansion	1.79	8.21	10.00
Pre-1981 Road ROWs	0.00	39.02	39.02
<i>Subtotal</i>	<i>1.79</i>	<i>48.73</i>	<i>50.52</i>
<b>Total Disturbance</b>			
<b>Total</b>	<b>6.76</b>	<b>103.76</b>	<b>110.52</b>

## 1.1 Operator/Claimant Information

### 1.1.1 Operator Information

Operator Name: Pilot Gold (USA) Inc.

Mailing Address: 1031 Railroad St., Suite 110, Elko, NV 89801

Phone Number: Office: (775) 777-2900; Fax (775) 777-2901

Tax Payer Identification Number of the Operator: 27-4313603

Points of Contact: Vance Spalding, President and US Exploration Manager  
Gerald Heston, GIS Manger, Land, & Permitting  
Bernardo Sandoval, Treasurer & Secretary  
Kent Samuelson, Regional Geologist/Project Manager

### 1.1.2 Claimant/Claim Information

ACE, SOZA, and TRUST Claims (Inside Plan Boundary)

Claimant Name: Nevada Sunrise LLC  
Mailing Address: 231 Cherry Ave., Suite 201, Auburn, CA 95603  
Phone number: (530) 887-9901

KN Claims (Outside Plan Boundary)

Claimant Name: Pilot Gold (USA) Inc.  
Mailing Address: 1031 Railroad St., Suite 110, Elko, NV 89801  
Phone number: (775) 777-2900

*1.1.2.1 Primary Commodity*

The primary commodity is gold.

*1.1.2.2 Claim list*

BLM Serial Number of unpatented mining claim(s) where disturbance would occur, and Claim Names and Type: See Appendix B.

Figure 4 shows Pilot Gold's unpatented lode mining claims at the Project.

## 2 Description of Operations (i.e. Proposed Action)

### 2.1 Legal description and Access

#### 2.1.1 Legal Description

##### 2.1.1.1 Project Area

The Project consists of 144 unpatented lode mining claims in the Kinsley Mountains, southeast Elko County, Nevada. The primary claim block consists of 144 “ACE”, “SOZA”, and “TRUST” claims (the “ACE claim block”), owned by Nevada Sunrise LLC and operated by Pilot Gold (USA) Inc. under an option agreement. The ACE claim block lies within the following: Township 26 North (T. 26N), Range 67 East (R. 67E), sections 1 and 12; T. 26N, R. 68E, sections 5, 6, 7, and 8; T. 27N, R. 67E, section 36; and T. 27N R. 68E, sections 31 and 32, Mt. Diablo Base Line & Meridian (Project Area). The historic Kinsley Mountain Mine lies within the ACE claim block.

The Project boundary is shown on the Kingsley Mountains 7.5’ USGS topographic quadrangle (Figure 1 and Figure 3c) and equals approximately 2,830 acres.

##### 2.1.1.2 Potential Well Sites

Two potential well sites lie along the Kinsley Mountain Mine Road. Each site includes a 0.75 acre area around the potential well for biological and cultural resource surveys, and for future well facilities. These claims occur in T. 27N, R. 68E, sections 29 and 33. These sites are located on 2 “KN” unpatented lode mining claims, owned by Pilot Gold (USA) Inc. These claims are not contiguous with the ACE claim block.

##### 2.1.1.3 Gravel Pit

The gravel pit previously authorized for mineral material sale lies in T. 27N, R. 68E, Section 17. This site is currently approximately 1.79 acres in size. An area of 10 acres around the pit will be surveyed for biological and cultural resources in preparation for future excavation activities. The site is located on 3 “KN” unpatented lode mining claims, owned by Pilot Gold. These claims are not contiguous with the ACE claim block.

##### 2.1.1.4 Public Roads

Approximately 18.3 miles of existing public roads outside the Project will require travel ROW permits. These include:

The *Kinsley Mountain Mine Road*, from its junction with US Highway 93-Alt to its junction with the mine haul road, is an existing road maintained by the BLM. A 20 foot ROW is required along 11.03 miles, equaling 26.75 acres of disturbance.

Quarter-Quarters	Section	Township-Range
SE $\frac{1}{4}$ NW $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$ , NE $\frac{1}{4}$ SE $\frac{1}{4}$	24	T. 28N R. 67E
N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$	19	T. 28N R. 68E
NE $\frac{1}{4}$ NE $\frac{1}{4}$	30	T. 28N R. 68E
NW $\frac{1}{4}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$	29	T. 28N R. 68E
W $\frac{1}{2}$ E $\frac{1}{2}$ , SE $\frac{1}{4}$ SE $\frac{1}{4}$	32	T. 28N R. 68E

N½NE¼, SW¼NE¼, NW¼SE¼, E½SE¼	5	T. 27N R. 68E
E½E½	8	T. 27N R. 68E
W½E½, S¼SE¼	17	T. 27N R. 68E
E½NE¼	20	T. 27N R. 68E
W½SW¼	21	T. 27N R. 68E
W½W½	28	T. 27N R. 68E
NE¼NE¼	32	T. 27N R. 68E
W½W½	33	T. 27N R. 68E
NW¼NW¼, S½NW¼, E½SW¼	4	T. 26N R. 68E

The *Mine Haul Road* was built by Alta Gold Inc. in the 1990s. A 14 foot wide ROW is required along 4,790 feet of this road between the Kinsley Mountain Mine Road and the Project boundary, for a total of 1.54 acres.

Quarter-Quarters	Section	Township-Range
S½SE¼, SE¼SW¼	5	T. 26N R. 68E
S½SW¼	4	T. 26N R. 68E

An existing road known locally as the *Candland Canyon Road* extends from the Kinsley Mountain Mine Road to the Project boundary. During NOI activities, this road was used to access several drill sites. A 14 foot ROW is required along 4,724 feet of this road, for a total of 1.52 acres.

Quarter-Quarters	Section	Township-Range
SW¼NE¼, NW¼SW¼	4	T. 26N R. 68E
N½SE¼, SE¼SW¼	5	T. 26N R. 68E

The *Kinsley Draw Road* extends from the Kinsley Mountain Mine Road to the west side of the Kinsley Mountains to the Project boundary. During NOI activities this road was used to access drill sites on the west side of the Project, and was partially armored with gravel from the pit. A 14-foot ROW is required along 5.43 miles, for a total of 9.22 acres of disturbance.

Quarter-Quarters	Section	Township-Range
NW¼SE¼, SW¼NE¼, E½NW¼	17	T. 27N R. 68E
S½SW¼, NW¼SW¼	8	T. 27N R. 68E
N½SE¼, SW¼SE¼, SE¼SW¼	7	T. 27N R. 68E
N½NW¼, SW¼NW¼	18	T. 27N R. 68E
E½SE¼	13	T. 27N R. 67E
W½E½, NE¼NE¼	24	T. 27N R. 67E
NW¼NE¼, E½W½, SW¼SE¼	25	T. 27N R. 67E
W½NE¼	36	T. 27N R. 67E

### **2.1.2 Surface ownership**

The surface within the Project Area is managed by the BLM. There is no private surface or Nevada State land in the Project Area. There are privately held parcels and patented claims approximately 2 miles south of the Project Area.

### **2.1.3 Access**

The Project Area can be accessed by traveling south from West Wendover, Nevada for 37 miles on US Highway 93-Alt, then turning southeast on the Kinsley Mountain Mine Road and traveling south for 11 miles, then turning west at the turnoff to the Kinsley Mountain Mine. The historic mine is 1.5 miles from the Mine Road (Figure 1). There are several unpaved roads in and around the Project Area. These include a two-track road in the Kinsley Draw on the west side of the Project Area that is being utilized during the NOI activities.

Dispersed recreational activities such as hunting, rock collecting, and other similar activities will still be allowed through the Project Area although some exploration roads will be temporarily blocked by drilling activities. Temporarily blocked roads should not prevent access due to other routes available in the Project Area.

## **2.2 Descriptions of operations**

Pilot Gold is currently authorized to conduct 4.97 acres of surface disturbance within the Project Area under a NOI. The authorized surface disturbance includes the construction of drill sites and roads. Pilot Gold proposes to expand exploration activities up to a total of 60.00 acres within the Project Area (Table 1).

Expanded exploration activities will include exploration drilling; road, drill pad, and sump construction; and the maintenance of existing pre-1981 roads.

### **2.2.1 Equipment**

Project personnel will access the Project Area in four-wheel drive vehicles. One or more truck-mounted, track-mounted, or articulated buggy-mounted reverse circulation or core drill rigs will be used for drilling in the Project Area. Generally, a Cat D7 or D8H bulldozer or equivalent will be used to construct the roads and drill sites where needed. Roads and drill sites will be reclaimed using a bulldozer and/or a Cat 325 L or Cat 350 front-end excavator or equivalent. The following vehicles and equipment could be used in conjunction with project activities:

- Two reverse circulation truck-mounted, track-mounted, or articulated buggy-mounted rotary drill rigs;
- One truck-mounted, track-mounted, or articulated buggy-mounted core rig;
- Two or more 2,000 to 4,000 gallon water trucks;
- Four or more all-terrain vehicles;
- Two or more pipe trucks;
- Up to two booster trucks;
- One or more excavator with hydraulic hammer;

- Two or more auxiliary air compressors; and
- Two or more portable light plant/generators.

Pilot Gold will take steps to prevent fires by ensuring that each field vehicle carries hand tools and a fire extinguisher. Water trucks at the Project Area will be used in the event of fire. All portable equipment, including drill rigs, support vehicles, and drilling supplies, will be removed from the Project Area during extended periods of non-operation.

### **2.2.2 Devices**

Not applicable as this is an Exploration Plan of Operations.

### **2.2.3 Operating practices**

Not applicable as this is an Exploration Plan of Operations.

### **2.2.4 Mining Operations**

Not applicable as this is an Exploration Plan of Operations.

### **2.2.5 Ancillary facilities**

Pilot Gold may establish staging areas on flat terrain in the Project Area. A portable toilet facility will be placed at the staging area, as well as near active drill rigs. Equipment and facilities at the staging areas could include temporary trailers and storage containers. One of the trailers will be used as a logging facility. A portable diesel generator would be used to supply electricity to this facility. Pilot Gold would obtain all necessary permits for this facility including, however, not limited to, any air quality permits required by NDEP and any building permits required by Elko County. A night watchman may be employed in the laydown area. The facilities area is shown on Figures 3a, 3b, and 3c.

### **2.2.6 Water needs and uses**

Water will be used for dust suppression and during drilling to cool the drill bit and remove drill cuttings. Water will be utilized with or without nontoxic drilling additives.

Pilot Gold is currently applying for a water rights appropriation from the Nevada Division of Water Resources (NDWR) for three sites for a production well. The three sites are shown on Figures 3a, 3b, and 3c. Pilot intends to drill stratigraphic holes and perform air lift tests to determine water production potential. Once the Environmental Assessment is approved, Pilot Gold will apply for a Right-of-Way permit for the site with the best potential water flow. That site will be converted to a production well that will serve the water needs for the project. Block biological and cultural resource surveys will be performed before surface disturbing activities begin.

The well site facilities will include a well pump, a diesel generator, a small wellhead protection building, and a raised 15,000 gallon water tank. A schematic diagram of the well site area is shown in Figure 5.

#### **Surface**

An area 100 feet by 100 feet (0.23 acre) will be used for a water tank and truck access. The truck path will include room for the truck to pass underneath the water tank to fill up. There will also be a turnaround for the trucks. The ground will be armored with 6 to 8 inches of gravel to

maintain air, water, and soil quality. With protracted use, more gravel will be brought in to maintain the surface.

#### Water Tank

The water tank will be a 12,000 gallon tank installed on a stand that allows the truck to pass underneath and fill up. The tank and stand together will be 26 feet high, 40 feet long, and 9 feet wide.

#### Well

Pilot Gold will install a pump down the well that provides water to the tank. If necessary, a small shed (8 feet × 8 feet × 10 feet) will be constructed to protect the well head from the elements or vandalism.

#### Generator

A diesel generator will be temporarily installed to provide power to the well pump. Generator fuel will be supplied by drilling contractor as needed. The generator will be placed in a lined containment pit and will incorporate spill prevention measures.

Until these applications are approved, Pilot Gold will haul water from Chin Creek Reservoir, approximately 10 miles south of the Project Area. During peak drilling activity, 4,000-gallon water trucks could make up to 15 daily trips to the reservoir. If undue degradation occurs to the road between the Project Area and Chin Creek Reservoir, Pilot Gold will mitigate the impacts by grading, applying gravel, or by utilizing other dust control measures.

In either water source scenario, degradation to the road surface may occur. If required by BLM or local authorities, Pilot Gold will bring in road repair equipment to restore the road to drivable conditions.

Drill fluids will be managed with the use of sumps at each drill site. Best Management Practices (BMPs) for sediment control will be utilized during construction, operation, and reclamation to minimize sedimentation from disturbed areas. Proposed construction and drilling activities will avoid springs and seeps, if present; however, none are known to occur in the Project Area. In order to facilitate proper drainage and prevent erosion, all bladed roads will have water bars constructed, as needed, at BLM-recommended spacing.

Sediment control structures may include; however, are not be limited to, fabric or certified weed-free straw bale filter fences, siltation or filter berms, sumps, and down-gradient drainage channels in order to prevent unnecessary or undue degradation to the environment. Sediment traps (sumps), constructed, as necessary, within the drill pad disturbance, will be used to contain drill cuttings.

### **2.2.7 Access and other roads**

The running width for overland travel routes is estimated to be approximately 6 feet and for constructed roads is estimated to average 12 feet. Planned disturbance associated with road construction is shown in Table 1. Exploration roads that require earth-moving will be constructed using typical construction practices for temporary mineral exploration roads to minimize surface disturbance, erosion, and visual contrast, as well as to facilitate reclamation. Road construction will be implemented using a dozer,

excavator, or equivalent equipment. An excavator will be used on roads on slopes greater than 30%. Road grades will be no steeper than 10%, except for short drill spurs, in order to be consistent with the BLM roads manual.

Balanced cut-and-fill construction will be used to the extent practicable to minimize the exposed cut slopes and the volume of fill material. Since the depth of the cut will be kept to a minimum, growth media removed during construction will be stockpiled as the fill slope to be used during reclamation. Road construction within drainages will be avoided where possible. When drainages must be crossed by a road, BMPs established by NDEP and the Nevada Division of Conservation Districts through the State Environment Commission (1994) will be followed to minimize the surface disturbance and erosion potential. Culverts may be installed as necessary in order to minimize erosion to roadways. It is not anticipated that blasting will be necessary to construct roadbeds. If drilling and blasting of exploration drill roads should become necessary, prior to blasting the operator will submit an approved safety plan to BLM and NDEP. Routine road maintenance may be required and will consist of smoothing ruts, filling holes with fill material, grading, and re-establishing water bars where necessary. In addition, Pilot Gold may need to armor some existing pre-1981 roads and the exploration roads with gravel to minimize excess disturbance and control dust.

In March 2012, Pilot Gold purchased gravel from the BLM (Mineral Material Sale NVN-091007) from a pit located in T. 27N, R. 68E, section 17 (Figure 1). Operating under Pilot Gold's NOI permit, Pilot Gold armored BLM-identified portions of the Kinsley Draw Road using the purchased gravel. This road is used to access drill sites on the west side of the Project. Armoring the roads will protect air and water quality and prevent undue degradation to the road. As part of the Plan baseline surveys, Pilot Gold's contractor will survey the pit area and a 10 acre around it for biological and cultural resources prior to excavation activities. Future material needs by Pilot Gold may require new mineral material sales from the BLM.

Approximately 18.3 miles of existing public roads outside the Project will require travel ROW permits. These include:

- The *Kinsley Mountain Mine Road*, from its junction with US Highway 93-Alt to its junction with the mine haul road, is an existing road maintained by the BLM. A 20 foot ROW is required along 11.03 miles, equaling 26.75 acres of disturbance.
- The *Mine Haul Road* was built by Alta Gold Inc. in the 1990s. A 14 foot wide ROW is required along 4,790 feet of this road between the Kinsley Mountain Mine Road and the Project boundary, for a total of 1.54 acres.
- An existing road known locally as the *Candland Canyon Road* extends from the Kinsley Mountain Mine Road to the Project boundary. During NOI activities, this road was used to access several drill sites. A 14 foot ROW is required along 4,724 feet of this road, for a total of 1.52 acres.
- The *Kinsley Draw Road* extends from the Kinsley Mountain Mine Road to the west side of the Kinsley Mountains to the Project boundary. During NOI activities this road was used to access drill sites on the west side of the Project, and was partially armored with gravel from the pit. A 14-foot ROW is required along 5.43 miles, for a total of 9.22 acres of disturbance.

Pilot Gold or its contractors will utilize a road grader to maintain surface road integrity and drainage. Emissions of fugitive dust from roads will be minimized by the application of water from a water truck as a method of dust control.

### **2.2.8 Hazmat**

Hazardous materials utilized at the Project Area will include diesel fuel, gasoline, and lubricating grease. Approximately 500 gallons of diesel fuel will be stored in fuel delivery systems on vehicles and drill rigs. It is anticipated that a 4,000 gallon diesel fuel storage tank will be utilized at the Project. The entire diesel fuel tank area will employ spill containment measures. Approximately 100 gallons of gasoline will be stored in fuel delivery systems for light vehicles. Approximately 100 pounds of lubricating grease will be stored on the drill rigs or transported by drill trucks. All containers of hazardous substances will be labeled and handled in accordance with Nevada Department of Transportation (NDOT) and Mining Safety and Health Administration (MSHA) regulations. In the event that a reportable quantity of hazardous or regulated materials, such as diesel fuel, is spilled, measures will be taken to control the spill, and the NDEP, and the Emergency Response Hotline will be notified, as required. If any oil, hazardous material, or chemicals are spilled during operations, they will be cleaned up in a timely manner. After clean up, the oil, toxic fluids, or chemicals and any contaminated material will be removed and disposed of at an approved disposal facility.

Measures to prevent spills and BMPs are detailed in Appendix D.

### **2.2.9 Exploration operations**

#### *2.2.9.1 Drill Sites and Drilling Procedures*

Drill sites will have working areas that measure approximately 30 feet wide by 70 feet long. Drill sites will be the minimum size necessary for safe access and to provide a safe working area for equipment and crews. Pilot Gold plans to utilize constructed drill sites (Table 1). Sumps will be installed at each drill site to contain cuttings and manage drilling fluids. Sumps are included within the disturbance of each drill site and will measure approximately 14 feet long, 30 feet wide, and 6.75 feet deep. Sumps will be designed to be zero-discharge facilities. Sumps will be constructed in the cut side of the slope instead of in the fill material. Bentonite and/or plastic can be added as a liner to prevent leakage. Therefore, a National Pollutant Discharge Elimination System (NPDES) permit will not be required. To be wildlife- and livestock-safe, sumps will be engineered to have egress for climb out or fencing to deny access.

Drilling of exploration holes will be completed by utilizing track- or truck-mounted reverse circulation or core drill rigs and support equipment. Up to three drill rigs will operate in the Project Area at a given time. Drill holes will be both angled and vertical with drill depths of up to approximately 1,500 feet. Drill holes will range in diameter from three to six inches. If ground water is encountered, the hole will be plugged pursuant to NAC 534.420. Up to three drill holes may remain open at any one time.

Pilot Gold will follow standard drilling procedures and require a company representative to be on site or on call throughout drilling activities. The company representative will monitor and coordinate the layout and construction of each drill site, the setup of the drill rig, drilling progress, demobilization, and cleanup of the drill site. A company geologist will also coordinate drilling activities, log each hole according to the

geologic features encountered, determine the maximum depth of each hole, and advise the drill operator as needed. The company representative and geologist will travel to and from the drill site in separate four-wheel drive pickup trucks.

Standard drill rig crews will consist of a drill operator and one or two helpers. The helpers normally remove and box the recovered core samples, the cuttings from reverse circulation rigs, mix drilling fluids in the portable mud tank, operate the water truck, assist with drilling operations, and conduct maintenance as necessary. The crew will be transported to and from the drill site in up to three four-wheel drive vehicles per drill rig or a drilling company operated crew van.

#### *2.2.9.2 Other Exploration Activities*

No trenching or bulk sampling will occur as part of this Plan.

### **2.3 Maps of the Project Area**

See Appendix A: Figures 1, 2, 3a, and 3b.

### **2.4 Electronic Maps**

A data DVD containing ArcGIS shapefiles and images is included with this Plan.

### **2.5 Water Pollution Control Permit**

A Water Pollution Control Permit is not required as this is an exploration project. Drill sumps will be engineered to be zero-discharge facilities.

### **2.6 Use and Occupancy**

Up to two trailers for an office, logging, and core cutting; and portable toilets will be used at the Project. The Project Area will not be occupied overnight; however, a night watchman may be employed in the laydown area.

### **2.7 Environmental Protection Measures**

Pilot Gold commits to the environmental protection measures below to prevent unnecessary or undue degradation during construction, operation, and reclamation of the Project. The measures are derived from the general requirements established in the BLM's Surface Management Regulations at 43 CFR 3809 and BMRR mining reclamation regulations, as well as water, air quality, and other environmental protection regulations.

In compliance with BLM Instruction Memorandum No. NV-2011-004 dated November 5, 2010, Pilot Gold has implemented biological baseline surveys prior to submittal of the Plan.

#### **2.7.1 Water Quality**

Exploration drill holes will be surveyed and plugged as an operational procedure immediately after completion of drilling in accordance with NAC 534.421 and 534.425. The drill holes will be plugged by placing drill cuttings or bentonite grout, concrete grout, or neat cement plug into the total depth of the hole, or if ground water is encountered, plugged as a well pursuant to NAC 534.420.

Storm water BMPs will be used at construction sites to minimize erosion from storm water.

BMPs such as check dams (weed-free straw bales) will be used to slow and disseminate discharge water from pump tests to decrease erosion and sedimentation to surface waters.

Drill cuttings will be contained and the fluids managed utilizing appropriate control measures. Sediment traps will be used as necessary and filled at the end of the drill program.

Pilot Gold will follow the Spill Contingency Plan included in Appendix D.

Only nontoxic fluids will be used in the drilling process.

### **2.7.2 Migratory Birds**

Land clearing or other surface disturbance associated with Project-related activities will be conducted outside of the avian breeding season, whenever feasible, to avoid potential destruction of active bird nests or young birds in the area. Areas to be surveyed are limited to vegetated zones where proposed surface disturbance (e.g. drill pads, sumps, associated access roads, etc.) will be located. Surveys will be completed every two weeks from March 15 through May 31, then every 30 days through July 31. The area to be surveyed will include a 100-foot buffer around proposed surface disturbance, and will vary with each survey. If active nests are located, or if other evidence of nesting (i.e., mated pairs, territorial defense, carrying nesting material, transporting food) is observed, a protective buffer (the size depending on the habitat requirements of the species) will be delineated and the entire area avoided to prevent destruction or disturbance to nests until they are no longer active. The start and end dates of the seasonal restriction may be based on site-specific information, such as elevation and winter weather patterns, which affect breeding chronology.

### **2.7.3 Cultural and Paleontological Resources**

In compliance with BLM Instruction Memorandum No. NV-2011-004 dated November 5, 2010, Pilot Gold has implemented cultural baseline surveys prior to submittal of the Plan.

A class III pedestrian transect survey was conducted within the ACE claim block during 2012. An additional survey will be conducted in the well site and gravel pit areas prior to initiation of surface disturbance activities. Pilot Gold will coordinate with the BLM in order to avoid impacts to cultural resources identified during the survey.

Pursuant to 43 CFR 10.4(g), Pilot Gold will 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 will immediately stop all activities in the vicinity of the discovery and not commence again for 30 days or when notified to proceed by the BLM authorized officer.

In the event that previously undiscovered paleontological resources are discovered in the performance of any surface disturbing activities, the item(s) or condition(s) will be left intact and immediately brought to the attention of the authorized officer of the BLM. If significant paleontological resources are found, avoidance, recordation, and data recovery will be required.

Any cultural resource discovered by the permit holder, or any person working on their behalf, during the course of activities on federal land will be immediately reported to the authorized officer by telephone, with written confirmation. The permit holder will suspend all operations in the immediate area of such discovery and protect it until an evaluation of the discovery can be made by the authorized officer. This evaluation will determine the significance of the discovery and what mitigation measures are necessary to allow activities to proceed. The holder is responsible for the cost of evaluation and mitigation. Operations may resume only upon written authorization to proceed from the authorized officer.

#### **2.7.4 Public Safety and Access**

Public safety will be maintained throughout the duration of the Project. All equipment and other facilities will be maintained in a safe and orderly manner.

Signage will be placed warning the public that the area is an active exploration site and heavy equipment traffic may be present.

All unattended sumps will be adequately fenced or bermed to preclude access. To be wildlife- and livestock-safe, sumps will be engineered to have egress for climb out.

Any survey monuments, witness corners, or reference monuments will be protected to the extent economically and technically feasible.

All solid wastes will be disposed of in a state, federal, or local designated site.

Pursuant to 43 CFR 8365.1-1(b)(3), no sewage, petroleum products, or refuse will be dumped from any trailer or vehicle.

Pilot Gold will comply with all applicable state and federal fire laws and regulations and all reasonable measures will be taken to prevent and suppress fires in the Project Area.

Any identified public hazards such as open historic mine workings will be secured per Nevada Division of Minerals standards.

#### **2.7.5 Air Quality**

Emissions of fugitive dust from disturbed surfaces will be minimized by the application of water from a water truck as a method of dust control.

In addition, Pilot Gold may need to armor some existing pre-1981 roads and the exploration roads with gravel to minimize excess disturbance and control dust.

#### **2.7.6 Noxious Weeds**

Noxious weed surveys were performed by Pilot Gold's contractors as part of the baseline biological surveys in the ACE claim block.

Noxious weed surveys would be conducted prior to site use. If noxious weeds or other invasive species deemed detrimental by the BLM are found, a BLM weed specialist would be consulted and an appropriate treatment plan developed and implemented. Control standards and measures would

comply with applicable State and federal regulations. Weed treatments may include the use of herbicides, and only those herbicides approved for use on public lands by the BLM would be evaluated for use.

### **3 Reclamation Plan**

Reclamation will be completed to the standards described in 43 CFR 3809.420 and Nevada Administrative Code (NAC) 519A. Reclamation will meet the reclamation objectives as outlined in the U.S. Department of Interior Solid Minerals Reclamation Handbook #H-3042-1 (BLM 1992), Surface Management of Mining Operations (NSO) Handbook H-3809-1 (BLM 1989), and revegetation success standards per BLM/NDEP “Nevada Guidelines for Successful Revegetation” (NDEP 1998). Although much of the Project Area terrain is very steep, overland travel and existing roads will be utilized as much as possible, minimizing the need for road construction. All Pilot Gold drill sites, sumps, overland travel, and road construction will be re-contoured and reseeded.

Reclamation will be designed to achieve post exploration land uses consistent with the BLM’s land use management plans for the area, which are outlined in the Wells Resource Management Plan (BLM 1985). Reclamation is intended to return disturbed land to a level of productivity comparable to pre-exploration levels. Post-exploration land use includes wildlife habitat, livestock grazing, hunting, and dispersed recreation. The post-exploration land use is not expected to differ from pre-exploration land use.

During exploration activities, Pilot Gold will: manage drilling to contain cuttings and manage drilling fluids; monitor road conditions; and keep sites clean and safe. During seasonal closure of the Project and periods of inactivity between drilling phases, Pilot Gold will fill sumps and clean sites. The BLM and NDEP will be notified prior to any periods of inactivity greater than 120 days.

After exploration activities are terminated, reclamation will involve re-grading disturbed areas related to this Project to their approximate original contour. The Project will then be seeded using the approved reclamation seed mixture and application rates furnished by the BLM (Table 2). Overland travel routes will be scarified and reseeded, if necessary. Yearly visits to the site will be conducted to monitor the success of the revegetation for a period of at least three years or until revegetation success has been achieved per “Nevada Guidelines for Successful Revegetation” (NDEP 1998).

#### **Weed Control**

To prevent and control the introduction and spread of noxious weeds within the Project Area during reclamation activities, Pilot Gold will implement the following prevention and control practices:

- Growth media (soil and alluvium) disturbance will be minimized to the extent practicable, consistent with Project objectives. Growth media will be stockpiled and used in reclamation.
- Disturbed sites will be revegetated as soon as practicable when exploration work is completed. Activities may include topsoil replacement, planting, and seeding.
- The seed mixture will be certified pure live seed and weed free. Straw bales used for erosion control will also be certified as weed free.

Noxious weeds can readily invade disturbed areas associated with exploration projects. Pilot Gold will be responsible for the following:

1. Identifying noxious weeds in the Project Area (booklets and pamphlets will be provided by the BLM);
2. Excluding noxious weeds from disturbed areas until reclamation has been accepted and released;
3. Ensuring all that equipment is “weed free” before traveling to and from the Project Area so that noxious weeds are not spread to new locations; and
4. Creating a noxious weed inventory.

If noxious weeds or other invasive species deemed detrimental by the BLM are found, a BLM weed specialist would be consulted and an appropriate treatment plan developed and implemented. Control standards and measures would comply with applicable State and federal regulations. Weed treatments may include the use of herbicides, and only those herbicides approved for use on public lands by the BLM would be evaluated for use.

Exploration activities will occur over approximately ten years. All reclamation work, with the exception of revegetation monitoring, will be completed no later than two years after the completion of activities under this Project. Pilot Gold will conduct concurrent reclamation of disturbed areas once it is determined that the disturbance is no longer required for Project activities.

### **3.1 Drill hole plugging**

All holes will be abandoned in accordance with the State of Nevada Regulations for Water Well and Related Drilling (NAC/NRS Chapter 534) as well as BLM policies. Up to three holes will be left open at any time in addition to the one currently being drilled. Drill hole plugging methods in current use can be summarized according to drill type. Reverse-circulation drill holes use pelletized bentonite. On core drill holes, both slurry and pelletized bentonite are used. All drill holes will be plugged concurrent with operations.

For reverse-circulation holes, pelletized bentonite is poured down the hole at a rate of two minutes per bag. Periodically, the hole is probed to ensure that the top ten feet of each hole is not filled.

The top ten feet of each hole is plugged with cement, which is batched in a mixer and poured down the hole.

For mud-rotary and core holes, the density of the mud slurry is measured at the completion of the hole and bentonite is added to bring the slurry density and viscosity to that specified in the regulation; which is:

- Increase mud viscosity by 20 seconds to at least 50 seconds, and
- Ensure a mud weight of at least nine pounds per gallon.

After holes are filled to within ten feet of the surface, the specified cement cap is poured. Most drill holes will be plugged immediately after drilling is completed and samples have been collected; only three drill holes may be left open at any time.

### **3.2 Re-grading and reshaping**

Re-grading and reshaping of all constructed drill sites and exploration roads will be completed to approximate the original topography. Fill material, enhanced with growth media, will be pulled onto the roadbeds to fill the road cuts and restore the slope to natural contours. Roads and drills sites will be re-graded and reshaped with a front-end excavator or bulldozer. Excavators will be used on slopes greater than 30%, per SRCE. For overland travel roads, upgraded roads or pads that do not require replacement of sidecast material, reclamation will be accomplished with an excavator bucket/ripper or a dozer to knock down and smooth any berms and relieve road compaction. Tire tracks (trails created by overland travel) will be lightly scarified and left in a rough state as necessary to relieve compaction, inhibit soil loss from runoff, and prepare the seed bed.

Should any drainage be disturbed, they will be reshaped to approach the pre-construction contours. The resulting channels will be of the same capacity as up and downstream reaches and will be made non-erosive by use of surface stabilization techniques (rip-rap) where necessary, and ultimately revegetated. Following completion of earthwork, all disturbed areas will be broadcast seeded.

### **3.3 Mine reclamation**

Not applicable as this is an exploration project.

### **3.4 Riparian mitigation**

No riparian areas are present within the Project Area.

### **3.5 Wildlife and fisheries habitat rehabilitation**

There are no fisheries, or habitat for fish within the Project Area. Sensitive species with potential to occur in the Project Area include: pygmy rabbit, bats, golden eagle, raptors (ferruginous hawk, burrowing owl, and Swainson's hawk), and migratory birds. A wildlife survey has been conducted as part of the Environmental Analysis (EA) required by this Plan.

Impacts to wildlife will consist of temporary habitat loss, displacement, and disturbance from human activity and noise. Wildlife could tend to avoid active drilling sites and move temporarily into adjacent habitat, which could increase populations in those areas. Impacts to animals could be lessened by reclaiming access and drill roads as quickly as possible; therefore, impacts will be temporary and will not eliminate individual territories or populations.

Areas to be surveyed are limited to vegetated zones where proposed surface disturbance (e.g. drill pads, sumps, associated access roads, etc.) will be located. Surveys will be completed every two weeks from March 15 through May 31, then every 30 days through July 31. The area to be surveyed will include a 100-foot buffer around proposed surface disturbance, and will vary with each survey.

### 3.6 Handling and Application of Topsoil

Whenever possible, and primarily on reasonably level terrain, topsoil will be graded and stockpiled to the uphill margin of the pad and sump cut. On steeper slopes, topsoil will be stored as side-cast along the periphery of the pads. Although this will mix the limited existing quantities of topsoil with the subsoils, experience has shown that the resulting surface soils can support vegetation. The alternative option of pushing topsoil uphill prior to cutting pads on steep slopes would result in a significant increase in surface disturbance due to bulldozers working “back-and-forth” below the proposed disturbance.

### 3.7 Revegetation

Re-contouring of drill pads, sumps and, if necessary, roads, will be the primary means by which seedbeds will be prepared. During seed placement, the ground surface will be roughened by dragging a chain harrow or other suitable implement. Leaving a roughened surface will provide greater opportunities for seed and moisture to be trapped and held. Additional benefits include slower runoff, increased infiltration, and in general, more favorable microclimates conducive to seed germination.

Seeding procedures will be dependent upon site characteristics. Re-contoured pads, sumps and roads with severe slopes will be seeded with hand-held broadcast seeders. An electric broadcast seeder mounted on an all-terrain vehicle (ATV) may be used on roads with gentle slopes. A chain drag mounted behind the ATV may be used to cover the seed.

The BLM-recommended reclamation seed mix for Pilot Gold’s Notice of Intent (NVN-090386) is shown in Table 2. Only certified weed-free seed will be used for reclamation seeding.

**Table 2.** BLM-recommended reclamation seed mix for the Kinsley Exploration Project, NVN-090386.

Common Name	Scientific Name	Pounds/Acre
Crested wheatgrass	<i>Agropyron cristantum</i>	3
Snake River wheatgrass	<i>Elymus wawawaiensis</i>	4
Big bluegrass	<i>Poa secunda ssp.</i>	4
Great basin wildrye	<i>Elymus cinereus</i>	4
Blue flax	<i>Linum lewisii</i>	1
Fourwing saltbrush	<i>Atriplex canascens</i>	4

### 3.8 Isolation, removal, and/or control of acid-forming, toxic, or deleterious materials

All refuse generated by the Project will be disposed of at an authorized landfill facility off site, consistent with applicable regulations. No refuse will be disposed of on site. Water or nontoxic drilling fluids, additives, gels, and abandonment materials will be utilized as necessary during drilling and will be stored at the Project Area.

Hazardous materials utilized at the Project Area will include diesel fuel, gasoline, and lubricating grease. Approximately 500 gallons of diesel fuel will be stored in fuel delivery systems on vehicles and drill rigs. Also, it is anticipated that a 4,000 gallon diesel fuel storage tank will be utilized on site. The entire diesel

fuel tank area will employ spill containment measures. Approximately 100 gallons of gasoline will be stored in fuel delivery systems for light vehicles. Approximately 100 pounds of lubricating grease will be stored on the drill rigs or transported by drill trucks. All containers of hazardous substances will be labeled, handled, and stored in accordance with NDOT and MSHA regulations. In the event that a reportable quantity of hazardous or regulated materials, such as diesel fuel, is spilled, measures will be taken to control the spill, and BLM, NDEP, and the Emergency Response Hotline will be notified as required. If any oil, hazardous material, or chemicals are spilled during operations, they will be cleaned up in a timely manner. After clean up, the oil, toxic fluids, or chemicals and any contaminated material will be removed from the site and disposed of at an approved disposal facility.

### **3.9 Removal or stabilization of buildings, structures and support facilities**

All logging/office trailers, portable toilets, generators, equipment, and supplies will be removed following completion of the Project. These facilities will be removed by being transported off site with trucks and/or trailers. Materials, including scrap, trash, and unusable equipment, will be removed on a daily or weekly basis and disposed of in accordance with federal and state regulations and laws.

### **3.10 Post-closure management**

Post-closure management will commence on any reclaimed area following completion of the reclamation work for the area. Post-closure management will extend until the reclamation of the site or component has been accepted by both the BLM and BMRR. For bonding purposes, a three-year post-closure management period is assumed following completion of reclamation construction on any site. For sites reclaimed early in the operations, management of the reclaimed sites will occur concurrently with operational site management. Annual reports showing reclamation progress will be submitted to the BLM and BMRR.

### **3.11 Topographic map**

The Project Area is shown on the Kinglsey Mountains 7.5' USGS topographic quadrangle. See Figure 3c.

#### **3.11.1 The boundaries of the area of the operation**

The Project Area encompasses 2,830 acres.

#### **3.11.2 Surface ownership of the land within the area of operation**

The surface area within the project boundary is owned and administered by the Bureau of Land Management.

#### **3.11.3 The areas to affected in sufficient detail so that they can be located from the ground**

See Figures 3a and 3b.

#### **3.11.4 Kinds of disturbance**

See Table 1.

**3.11.5 Land within the area of operation which was affected by:**

*3.11.5.1 An operation conducted by a previous operator and which is inactive on the date on the application for a permit for an operation is filed*

Alta Gold Co. operated the Kinsley Mine from 1985 to 1999. Alta Gold and previous exploration operators disturbed approximately 180 acres within the project boundary. These areas include drill roads, open pits, mine dumps, mine roads, and other facilities. In addition, approximately 16 miles of exploration drill roads were built within the Project Area. Alta Gold declared bankruptcy in 2000. The mine was reclaimed by BLM in 2004-06. The BLM partially re-contoured the some of the open pits by back filling waste into the pits and spreading stockpiled topsoil over disturbed areas. Exploration roads surrounding the mine area were also partially re-contoured and re-seeded. Re-contoured areas were re-seeded in 2006, but this attempt was not successful. In 2010, some areas were again re-seeded, and this attempt was partially successful. As part of this Plan, Pilot Gold will delineate the areas that were successfully re-vegetated through a vegetation inventory and monitoring program.

*3.11.5.2 The current operator before January 1, 1981, and which is inactive on the date on which the application for a permit for an operation is filed*

None.

*3.11.5.3 The current operator before January 1, 1981, and which is active on the date on which the application for a permit for an operation is filed*

None.

*3.11.5.4 The current operator on or after January 1, 1981, but before October 1, 1990, and which is inactive on the date on which the application for a permit for an operation is filed*

None.

*3.11.5.5 The current operator on or after January 1, 1981, but before October 1, 1990, and which is active on the date on which the application for a permit for an operation is filed.*

None.

**3.11.6 The location of any surface water body within 0.5 mile down gradient of the operation which may be impacted by excess sedimentation resulting from the mining operations.**

None.

**3.11.7 Land within the operation is active on or after October 1, 1990**

The former Kinsley Mountain Mine has disturbed but not reclaimed areas. The areal extent of these areas will be determined by BLM using data from Pilot Gold's vegetation surveys.

**3.11.8 Access roads which were created before January 1, 1981.**

In order to determine the extent of pre-1981 surface disturbance existing in the Project Area, Pilot Gold reviewed USGS aerial photos and topographic maps from 1979. This pre-existing disturbance is shown on Figure 2.

### **3.12 Acreage disturbed**

See Table 1.

### **3.13 Prospecting and excavation techniques**

See Section 2.2.

### **3.14 Proposed productive post-mining use of the land**

Not applicable as this is an exploration project.

### **3.15 Proposed schedule of the time for initiation and completion of activities for reclamation**

Reclamation activities will be conducted concurrently with exploration activities when the disturbance is no longer needed. Reclamation will begin within exploration areas considered inactive, without potential, or completed, at the earliest practicable time. Earthwork and revegetation activities are limited by the time of year during which they can be effectively implemented. At sites considered inactive or completed, re-grading will take place between April and December within 1 year. Seeding will take place between October and December within 1 year. Site conditions and/or yearly climatic variations may require that this schedule be modified to achieve revegetation success. Reclamation activities will be coordinated with the BLM and BMRR whenever necessary. The proposed reclamation is expected to have duration of up to four years from the time of commencement of final reclamation and will be initiated within two years after the completion of exploration activities. Revegetation is anticipated to take three years after the time of seeding to achieve success. Monitoring will take place between April and September for 3 years beyond re-grading and seeding. The BLM will use vegetation transects to determine when the reclamation has met the "Nevada Guidelines for Successful Vegetation" (NEDP 1998) standards.

### **3.16 Proposed post-mining topography**

Not applicable as this is an exploration project.

### **3.17 Technical criteria used to determine the final gradient and stability of slopes created or affected by the mining operation.**

Not applicable as this is an exploration project.

### **3.18 Proposed methods for concurrent reclamation**

Not applicable as this is an exploration project.

### **3.19 Statement of reclamation constraints**

Not applicable as this is an exploration project.

### **3.20 Access roads**

Reclamation access roads include existing pre-1981 roads and a two-track road that follows the former Alta Gold mine haul road.

### **3.21 Measures to minimize loading of sediment to surface waters during the operation and reclamation**

Sediment control structures may include; however, are not be limited to, fabric or certified weed-free straw bale filter fences, siltation or filter berms, sumps, and down-gradient drainage channels in order to prevent unnecessary or undue degradation to the environment. Sediment traps (sumps), constructed, as necessary, within the drill pad disturbance, will be used to contain drill cuttings.

### **3.22 Proposed revegetation of the land for its post-mining land use**

The reclaimed areas will be reseeded using the BLM-recommended seed mix for Pilot Gold's Notice of Intent NVN-090386. Table 2 lists the species in this mix.

### **3.23 Proposed disposition of buildings, equipment, piping, scrap, chemicals and reagents, fuel tanks and petroleum products, and any other equipment and materials**

After clean up, the oil, toxic fluids, or chemicals and any contaminated material will be removed from the site and disposed of at an approved disposal facility (see Appendix D for the Spill Contingency Plan). No hazardous materials will be left on site.

### **3.24 Description of any surface facilities such as buildings or roads which will not be reclaimed**

No permanent facilities will be built.

### **3.25 Description of any necessary monitoring and maintenance of fences, signs and other structures which will be performed by the operator on the reclaimed land**

No permanent facilities will be built.

### **3.26 Description of any reclamation which is necessary because of in-stream mining**

Not applicable as this is an exploration project.

### **3.27 Effect the proposed reclamation will have on future mining in the area**

Future mining activities will not be affected by this reclamation plan.

### **3.28 Effect the proposed reclamation will have on public safety.**

No unnatural hazards will exist during or after reclamation in the disturbed/reclaimed areas.

### **3.29 Proposed methods for reclaiming any waste rock, ore, and other stock piles**

Not applicable as this is an exploration project.

### **3.30 Proposed methods for reclaiming any tailings impoundments and dams**

Not applicable as this is an exploration project.

### **3.31 Proposed methods for reclaiming any heap-leach pads and ponds**

Not applicable as this is an exploration project.

### **3.32 Proposed methods for reclaiming any open pit mines**

Not applicable as this is an exploration project.

### **3.33 Proposed methods for reclaiming underground mines**

Not applicable as this is an exploration project.

### **3.34 Operator statement agreeing to assume responsibility for the reclamation of the project**

Pilot Gold agrees to accept the responsibility for reclamation of all surface disturbances associated with the Project detailed under this Plan. Pilot Gold is currently approved for 4.97 acres of disturbance under the existing NOI (NVN-090386). Pilot Gold will increase the existing statewide bond by the appropriate amount upon receiving notification from the BLM and BMRR that the RCE is sufficient to conform with the completion of reclamation activities outlined in this Plan, as per 43 CFR 3809.400 and NAC 519A.35075, to cover a total of 60.00 acres of authorized and proposed surface disturbance.

### **3.35 Acknowledgements**

This reclamation plan is consistent with the plan of operations.

It is Understood that should the Nature of the Operation Change a Modified or Supplemental Plan of Operations and Reclamation may be Required.

It is Understood that Approval of this Plan of Operations and Reclamation does not Constitute: (1) Certification or Ownership to Any Person Named Herein; and (2) Recognition of the Validity of any Mining Claim Herein.

It is Understood that a Bond Equivalent to the Actual Cost of Performing the Agreed upon Reclamation Measures will be Required before this Plan can be Approved. Bonding and Any Bond Reclamation Amounts will be Set on a Site-Specific Basis by the Lead Agency in Coordination with the Cooperating Agencies.

It is Understood that Approval of this Plan does not Relieve me of my Responsibility to comply with any other Applicable State or Federal Laws, Rules or Regulations.

It is Understood that any Information Provided with this Plan that is Marked Confidential will be Treated by the Agency in Accordance with that Agency's Laws, Rules, and Regulations.

I/We have Reviewed and Agree to Comply with all Conditions in the Plan of Reclamation and Operations, including the Recommended Changes and Reclamation Requirements. I/We Understand that the Bond will not be Released until the BLM or the State Agency in Charge gives written Approval of

the Reclamation Work. I/We Further Understand that all Fees Required to be Paid Annually to the State of Nevada are to be Paid until such Time as Written Approval of the Reclamation Work has either been Provided to the State or the State has Given its own Approval.

Operator

Date

\_\_\_\_\_

\_\_\_\_\_

Gerald S. Heston  
GIS Manager, Land & Permitting

## **4 Monitoring Plan**

### **4.1 Demonstrate compliance with the approved plan of operations and other Federal and State environmental laws and regulations**

The current operations at the Project are authorized under the current NOI. The proposed activities outlined in this Plan will be conducted under the BLM and NDEP approvals for this Plan.

### **4.2 Provide early detection of potential problems**

Monitoring will include periodic visual inspections during road and drill site construction, drill operations, and reclamation. In order to facilitate drainage and prevent erosion, all bladed roads will have water bars constructed as specified in the BLM roads manual. BMPs for sediment control will be utilized to minimize sedimentation from disturbed areas. Sediment control structures will include, but not be limited to, fabric and/or weed-free straw bale filter fences, siltation or filter berms, mud sumps, and down-gradient drainage channels in order to prevent unnecessary or undue degradation to the environment. Sediment traps will be constructed as necessary to ensure that the drill cuttings are contained. Should the observed condition indicate that the sump containment is inadequate, additional sump capacity will be built and incorporated into the drilling fluid management system. Monitoring associated with reclamation activities is addressed in the Reclamation Plan (Section 3).

### **4.3 Supply information that will assist in directing corrective actions should they become necessary**

The activities outlined in the Reclamation Plan (Section 3) provide the necessary direction for corrective actions associated with the reclamation.

## **5 Interim Management Plan**

### **5.1 Measures to stabilize excavations and workings**

The planned exploration activities do not include mine excavations or workings. The constructed exploration drill roads, pads, and sumps will be maintained in operating condition until reclamation to prevent wash outs and containment breaches. Where practical, sumps will be dug into the cut side of drill sites rather in the outside/fill portions, to minimize the potential for migration of drill fluids into surface exposures.

### **5.2 Measures to isolate or control toxic or deleterious materials**

(See also the requirements in §3809.420(c)(12)(vii) of the 43 CFR 3809 Regulations)

All refuse generated by the Project will be disposed of at an authorized landfill facility off site, consistent with applicable regulations. No refuse will be disposed of on site. Water or nontoxic drilling fluids, additives, gels, and abandonment materials will be utilized as necessary during drilling and will be stored at the Project Area.

Hazardous and regulated materials utilized at the Project Area will include diesel fuel, gasoline, and lubricating grease. Approximately 500 gallons of diesel fuel will be stored in fuel delivery systems on vehicles and drill rigs. Also, it is anticipated that a 4,000 gallon diesel fuel storage tank will be utilized on site. The entire diesel fuel tank area will employ spill containment measures. Approximately 100 gallons of gasoline will be stored in fuel delivery systems for light vehicles. Approximately 100 pounds of lubricating grease will be stored on the drill rigs or transported by drill trucks. All containers of hazardous substances will be labeled and handled in accordance with NDOT and MSHA (see Appendix D for the Material Safety Data Sheets). In the event hazardous or regulated materials, such as diesel fuel, are spilled, measures will be taken to control the spill, and the BLM, NDEP, and the Emergency Response Hotline will be notified, as required. If any oil, hazardous material, or chemicals are spilled during operations, they will be cleaned up in a timely manner. After clean up, the oil, toxic fluids, or chemicals and any contaminated material will be removed from the site and disposed of at an approved disposal facility (see Appendix D for the Spill Contingency Plan). No hazardous materials will be left on site.

Self-contained, portable, chemical toilets will be used for human waste. The human waste and toilet chemicals will not be buried on site. Toilets will be serviced by contractor and sludge transported to an approved disposal facility.

### **5.3 Provisions for the storage or removal of equipment, supplies, and structures**

During extended periods of non-operation or seasonal closure of the exploration activities, all motorized exploration equipment will be removed from the Project Area. Pilot Gold may place trailers on surface disturbance within the Project Area for storing drilling supplies and drill samples. One of these trailers may also be used by project geologists as a logging facility at which the drill cuttings and core will be examined.

#### **5.4 Measures to maintain the Project Area in a safe and clean condition**

The Project Area will remain trash free and open sumps will be backfilled or left in a safe condition. Routine road maintenance may be required and will consist of smoothing ruts, filling holes with fill material, grading, and re-establishing water bars when necessary.

Periods of non-operation are not anticipated; however, if temporary closures are required, the drill rigs will vacate the Project Area and sumps will be marked by stakes and flags. Once the sumps have dried out, they will be backfilled.

#### **5.5 A schedule of anticipated periods of temporary closure during which you will implement the Interim Management Plan, including provisions for notifying BLM and BMRR of unplanned or extended temporary closures.**

Should periods of temporary closure or non-operation occur, Pilot Gold will notify the BLM and NDEP verbally and in writing. Periods of temporary closure or non-operation could be caused by severe winter weather conditions, such as drifting snow or deep snow.

## References

- Bureau of Land Management, 1985. Wells Resource Management Plan.  
[http://www.blm.gov/nv/st/en/fo/elko\\_field\\_office/blm\\_programs/planning.html](http://www.blm.gov/nv/st/en/fo/elko_field_office/blm_programs/planning.html) (Accessed June 4, 2012).
- Bureau of Land Management, 1989. Surface management of Mining Operations (NSO) Handbook, H-3809-1.
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[ftp://ftp.blm.gov/pub/blmlibrary/BLMpublications/BLM\\_ManualsAndHandbooks/3042\\_1\\_Solid\\_MineralsHandbook\\_Part\\_1.pdf](ftp://ftp.blm.gov/pub/blmlibrary/BLMpublications/BLM_ManualsAndHandbooks/3042_1_Solid_MineralsHandbook_Part_1.pdf) (Accessed June 3, 2012).
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<https://www.reno.gov/modules/ShowDocument.aspx?documentid=13702> (Accessed June 1, 2012).
- Nevada Division of Environmental Protection, 1998. 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. <http://ndep.nv.gov/bmrr/reveg.pdf> (Accessed June 3, 2012).