

FINDING OF NO SIGNIFICANT IMPACT

**Western Lithium Corporation
Kings Valley Clay Mine
Environmental Assessment
DOI-BLM-NV-W010-2013-0046-EA**

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Based on the interdisciplinary analysis conducted in the King's Valley Clay Mine Environmental Assessment (EA) DOI-BLM-NV-WO10-2014-0046-EA dated February 2014, a review of the plan of operations, and my consideration of the Council of Environmental Quality's criteria for significance (40 CFR 1508.27), both with regard to the context and the intensity of impacts, I have determined that the impacts associated with the Proposed Action, with the implementation of recommended mitigation identified in the EA, are not significant. Therefore, preparation of an Environmental Impact Statement pursuant to Section 102(C) of the National Environmental Policy Act (NEPA) is not required.

I have determined that the Proposed Action is in conformance with the approved Paradise-Denio Management Framework Plan (1982) and is consistent with other Federal agency, state, and local plans to the maximum extent consistent with Federal law and Federal Land Policy Management Act provisions.

The following mitigations were developed through the NEPA analysis in order to reduce impacts:

Greater Sage-Grouse

Per the *Memorandum of Understanding Regarding the Establishment of a Partnership for the Conservation and Protection of the Greater Sage-Grouse and Greater Sage-Grouse Habitat*, impacts to Greater Sage-grouse habitat should be mitigated at a ratio of two to one for Preliminary General Habitat (PGH). The Proposed Action would result in approximately 110 acres of PGH being physically disturbed. Therefore, 220 acres should be revegetated at one or more offsite locations in the Montana Mountains burned during the Holloway Fire. These locations would be determined in coordination with BLM, Nevada Department of Wildlife (NDOW), and Western Lithium Corporation (WLC). Evaluation under NEPA would be necessary once specific sites are identified. Offsite mitigation would begin in the appropriate season two to five years after initiation of mining activities. Successful revegetation would be determined based on the standards provided in Appendix G of the EA.

To verify that there is no adverse impact to the Greater Sage-grouse leks from noise, WLC should conduct active monitoring at the nearest active Greater Sage-grouse lek to determine the noise levels associated with the Proposed Action at the lek. This one-time monitoring should be conducted according to BLM protocols shown in Appendix H of the EA. If the noise level at the lek during mining operations exceeds a 20 decibel (dB) increase above ambient during the

lekking season (March 1 through June 30), WLC would be required to modify the operations to reduce noise levels.

Raptors

Personnel should be briefed of the possibility of Western Burrowing Owls utilizing disturbed areas of loosened soil. In the event that owls burrow in a working area (i.e. ore-grade clay stockpile), the burrow should be avoided by a distance determined in consultation with the BLM Authorized Officer, until the owlets have fledged and the nest is no longer active.

Bighorn Sheep

During final reclamation, the entire pit floors and haul roads within the pit should be graveled in a manner that would provide a hard, compact surface that can support the weight of bighorn sheep and other wildlife, and ensure no clay soil is exposed to create an entrapment hazard.

Wildlife

Recommended mitigations for special status species under the Proposed Action are also recommended for the benefit of general wildlife.

Context

WLC submitted the Kings Valley Clay Mine (KVCM) Plan of Operations proposing to develop an open-pit clay mine on public lands administered by the Bureau of Land Management (BLM). The KVCM is located approximately 21 miles west-northwest of Orovada, Nevada.

Specifically, WLC proposes to establish:

- A permit boundary;
- 2 open pits;
- 2 waste rock disposal areas;
- Ore-grade clay stockpile areas;
- 4 growth media stockpiles;
- An aggregate source (with associated aggregate stockpiles) and mobile aggregate screen;
- An exploration program utilizing drilling equipment, roads, and drill pads;
- Use of 2 on-site water wells as a non-potable source for dust suppression;
- Ancillary facilities including storm water controls, office/first aid trailer, parking, ready line, and fencing; and
- Access improvements to State Route (SR) 293.

The approximately 796 acre KVCM Project Area is located on public lands administered by the BLM, Winnemucca District, Humboldt River Field Office and is located on portions of Township 44 North, Range 35 East (T44N R35E), sections 8, 9, and 17, Mount Diablo Base and Meridian. As a result of the Proposed Action, the total surface disturbance on public lands would be approximately 110 acres.

Intensity

1) Impacts that may be both beneficial and adverse.

The EA considered possible beneficial and adverse impacts of the proposed project. Benefits to the local communities would be through employment of the local mining work force, and use of local retail services, restaurants and lodging are possible throughout the life of the project.

Adverse impacts would include removal of vegetation and an increase in noise and activity levels that would decrease available habitat for several special status wildlife species throughout their life cycles. With implementation of the environmental protection measures and recommended mitigation, these impacts are not expected to be significant. Upon completion of the mining activities, all equipment would be removed, and most surface disturbances would be recontoured and revegetated. Long-term impacts to the area would include approximately 30 acres of unreclaimed surface disturbance from the open pits.

2) The degree to which the proposed action affects public health or safety.

Mining activities are not expected to cause adverse public health effects. The proposed operations and proposed action includes a Spill Contingency and Emergency Response Plan, a Fugitive Dust Control Plan and Dark-Sky Measures. Safety requirements would be required by Mine Safety and Health Administration and the Nevada Industrial Relations Division of Mine Safety. No long-term adverse public health or safety effects are expected from use of the reclaimed area.

3) Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

The project would not affect park lands, prime farmland, wetlands, wild and scenic rivers or ecologically critical areas. All areas to be disturbed by mining activity have been surveyed and evaluated for historic and/or cultural resources. No National Register eligible properties are impacted by the proposed action.

4) The degree to which the effects on the quality of the human environment are likely to be highly controversial.

Mining activities are not new to Nevada or Humboldt County. Such activities are prone to generating public comment through scoping and the public comment period on the preliminary EA. Issues and concerns brought forward through scoping were taken into consideration for analysis in preparing the preliminary EA. Concerns raised on the preliminary EA have been addressed in the final EA. No controversial issues remain.

5) *The degree to which the possible effects on the quality of the environment are likely to be highly uncertain or involve unique or unknown risks.*

The mining techniques involved are all common methods employed in the mining industry and are not expected to produce uncertain or unique risks. There is some uncertainty associated with the affects that increased noise and activity have on Greater Sage-grouse. Recent studies have shown that increased noise and activity affects the behavior of Greater Sage-grouse (Blickley and Patricelli 2010; Blickley, Blackwood, and Patricelli 2011; Blickley et. al. 2012), however, the authors also acknowledge the uncertainties about how much noise or activity results in a negative impact (Blickley, Blackwood, and Patricelli 2011; Patricelli, Blickley, and Hooper 2013). Similarly, while establishing a general threshold for impacts at 20 dB above ambient, BLM has acknowledged in the EA that impacts to Greater Sage-grouse from noise and activity are uncertain.

6) *The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.*

Approval of the proposed action would not set any known precedents or establish any principles for future decisions. The proposed mining activities have been commonly applied for several decades in various phases of mining.

7) *Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.*

Cumulative impacts to the area were assessed in the EA. The Cumulative Effects Study Areas (CESAs) analyzed the potential effects to air quality, invasive and non-native species, migratory birds, special status species, general wildlife, noise, soils, vegetation and water quality. Detailed analyses of these areas were done to assess the potential cumulative impacts. Through these analyses it was determined that no significant cumulative impacts would result from the proposed action.

8) *The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the NRHP or may cause loss or destruction of significant scientific, cultural, or historic resources.*

The proposed action would have no adverse effects to any of these resources.

9) *The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under ESA of 1973.*

Lahontan cutthroat trout (LCT) are known to inhabit Pole Creek and Crowley Creek, which are located outside of the Project Area, but within the Assessment Area. Potential affects to LCT were examined in the EA and no adverse impacts are anticipated.

10) *Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment.*

No threats of violation were identified in the preparation of the EA and any Decision regarding this proposed project would stipulate that the operator must obtain all necessary approvals from other federal, state, and local agencies before proceeding with the proposed action. The BLM would make at least two inspections each year to ensure compliance with the approved plan of operations. Additionally, the Nevada Division of Environmental Protection would make regular inspections pertaining to the reclamation permit.

S\Victor W. Lozano\S

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Field Manager

Humboldt River Field Office

3/5/14

Date