

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
BATTLE MOUNTAIN DISTRICT/MOUNT LEWIS FIELD OFFICE**

DOI-BLM-NV-B010-2015-0004-EA

FINDING OF NO SIGNIFICANT IMPACT

I have reviewed Environmental Assessment (EA) DOI-BLM-NV-B010-2015-0004-EA dated November 2014. After consideration of the environmental effects as described in the EA (and incorporated herein) I have determined that the Proposed Action with the project design features identified in the EA will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as described in 40 CFR 1508.27. Therefore, preparation of an Environmental Impact Statement (EIS) is not required per section 102(2)(c) of the National Environmental Policy Act (NEPA).

DOI-BLM-NV-B010-2015-0004-EA has been reviewed through the interdisciplinary team process, as well as being sent to the Nevada State Clearinghouse and the public for a 30-day comment period.

After consideration of the environmental effects of the Bureau of Land Management's (BLM) preferred alternative (the Proposed Action) described in the EA and the supporting baseline documentation, it has been determined that the Proposed Action identified in the EA is not a major Federal action and will not significantly affect the quality of human environment.

It has been determined that the Proposed Action is in conformance with the approved Shoshone-Eureka Resource Management Plan and its amendments, and is consistent with the plans and policies of neighboring local, county, state, tribal, and federal agencies and governments.

Context

The BLM, Mount Lewis Field Office (MLFO), has prepared an EA to analyze the impacts of conducting exploration-related activities at the CMZ Exploration Project (Project) by NuLegacy Gold Corporation (NUG). To perform the exploration, NUG submitted to the BLM, the Plan of Operations (Plan). The Plan was initially submitted in December 2013, then again in December 2014, to the BLM in accordance with the BLM Surface Management Regulations 43 Code of Federal Regulations (CFR) 3809, as amended. It has been assigned BLM case file number NVN-091891. The Project Area includes approximately 1,760 acres of public land. The Project is located in all or portions of Township 25 North, Range 49 East (T25N, R49E), Sections 12, 13, 24, and 25; and, T25N, R50E, Sections 7, 18, 19, and 30, Mount Diablo Base and Meridian (MDB&M), Eureka County, Nevada.

NUG is currently authorized (Notice-level) to disturb five acres within the Project Area. The total proposed disturbance for the Project is 100 acres.

For a complete description of the proposed Project, please refer to the EA, Section 2.1, Proposed Action.

Pursuant to the NEPA and the Council on Environmental Quality regulations on implementing NEPA, the EA identifies, describes, and evaluates resource protection measures that would mitigate the possible impacts of the proposed Project. The short and long-term impacts as disclosed in the EA are not considered to be significant to the human environment. The short-term impacts from implementation of the Proposed Action are local; they are not regional or national in nature. The long-term impacts resulting from the Proposed Action would be mitigated by concurrent reclamation during the life of the project and meeting all reclamation requirements prior to closure of the project.

Intensity

1. Impacts that may be both beneficial and adverse.

Potential impacts to the environment as identified in Chapter 3 of the EA include the following: potential for spread of noxious weeds and invasive, non-native species within the Project Area; temporary vegetation loss; temporary wildlife habitat loss and displacement due to Project activities and human presence; and potential release of hazardous materials, and drilling fluids. Many of these impacts would be minimized by the Environmental Protection Measures (EPMs) included in section 2.1.9 of the EA as well as by the concurrent reclamation and other measures required in the Plan.

Greater sage-grouse sign was observed in eight locations throughout the Project Area, with the majority concentrated in the northwest portion of the Project Area. The Nevada Department of Wildlife (NDOW) identified seven known lek sites within four miles of the Project Area: Buckhorn Road (approximately 3.5 miles from the Project Area); Buckhorn Road 2 (approximately 3.6 miles from the Project Area); Red Hills 1 (approximately two miles from the Project Area); Red Hills 2 (approximately one mile from the Project Area); Red Hills 3 (approximately 1.3 miles from the Project Area); Red Hills 4 (approximately 1.5 miles from the Project Area); and Tonkin Road (approximately 3.4 miles from the Project Area). The Buckhorn Road lek was the only lek identified as active, while the other six leks have an unknown status. Exploration activities that are proposed under Phase I would be located greater than four miles from active Greater sage-grouse leks, so noise assessment determinations would not be necessary. However, depending on the actual location of subsequent phased exploration activities, noise assessments may be required by the BLM and would be conducted according to the draft statewide wildlife survey protocols. If it is determined that noise assessments would be required they would be conducted prior to any surface disturbance activities. The Project Area contains approximately 1,054 acres of mapped Preliminary Priority Habitat (PPH). As a result, the following applicant-committed environmental protection measure for Greater sage-grouse is included in the EA:

- In order to reduce impacts to greater sage-grouse PPH, NUG would provide the following EPM: Using hand-thinning methods (i.e., use of chainsaw, lop and scattering of slash, etc.) to remove piñon-juniper (P-J) trees in areas that are determined to be actively encroaching into PPH. Piñon-juniper would be removed from three acres of habitat for

every one acre disturbed within PPH in the Project Area. In order to minimize impacts to breeding and nesting greater sage-grouse, P-J thinning would not occur from March 1st through June 30th. To minimize impacts to migratory birds, site surveys would be conducted by a qualified biologist to determine the presence of nesting birds if thinning activities are proposed between July 1st and July 31st. Preferred locations for P-J removal include areas that have been identified by the BLM, NDOW, or research studies as important migration corridors, riparian areas, or nesting habitat. Preferred treatment locations include areas that would directly benefit Greater sage-grouse, such as areas adjacent to (but still located inside the Project Area boundary) the Tonkin Road and Buckhorn Road leks. NUG would consult with the BLM prior to implementing any P-J removal. In the event that exploration activities occur within areas previously treated with P-J removal, those areas would be considered as new disturbance and NUG would conduct similar P-J treatments with the removal of P-J from three acres of habitat for every one acre disturbed within previously-treated PPH.

- To minimize potential impacts to cultural resources as a result of these measures, several additional actions would be undertaken. As specific sites for P-J removal are identified, a BLM staff archaeologist would evaluate the potential of the area for cultural resources, and would undertake avoidance measures as needed. To reduce the risk of unauthorized collection, field crews would be instructed by an agency archaeologist regarding the importance of cultural resources and the possible penalties under the ARPA for the destruction of archaeological resources. In order to decrease the risk of inadvertent damage to fragile remains, crews would also be instructed to recognize wood and brush cultural resources.

Based on the results of a Class III cultural resources inventory conducted by ASM Affiliates (Sprengeler et al. 2013), there were 35 newly identified archaeological sites and 22 isolates identified. In addition, two previously recorded lithic scatter sites were updated. NUG would avoid all eligible or unevaluated cultural sites within the Project Area. In order to avoid eligible or unevaluated cultural sites, NUG would submit an annual work plan to the BLM. In addition, NUG would ensure that cultural sites within the area of proposed phased surface disturbance are mapped by a qualified cultural resource specialist with a GPS unit prior to surface disturbance, and a summary report of that mapping would be provided to the BLM by the cultural resource specialist. The BLM would review the proposed locations of the surface disturbance and notify NUG if the locations overlap with any cultural site. If a cultural site is located within the area of proposed surface disturbance, the identified cultural sites would be avoided .

Travel on dirt roads and drilling within the Project Area have the potential to create fugitive dust and vehicle emissions. Fugitive dust would be controlled by minimizing surface disturbance and utilization of other environmental protection measures described in Chapter 2 of the EA. The potential impacts would be temporary and would cease upon completion of the Project and successful revegetation of the surface disturbance.

The EA addresses visual resources in Chapters 3 and 4. The impacts to visual resources by the proposed action would be short term. Successful reclamation of the site would minimize the linear contrasts with the natural landscapes caused by drill roads. The Project Area is located in

an area designated as VRM Class IV and the Project meets all of the requirements associated with that classification.

Impacts that would be avoided or minimized by operating and reclamation measures committed to by NUG are presented in Chapter 2 and by the required regulatory performance standards. Reclamation and revegetation of the Project disturbance would gradually reestablish soils, vegetative cover and wildlife habitat. None of the environmental impacts disclosed above and discussed in detail in Chapter 3 of the EA are considered significant.

Reclamation would be completed to the standards described in 43 CFR 3809.420 and Nevada Administrative Code (NAC) 519A. Reclamation would meet its objectives as outlined in the United States Department of the Interior Solid Minerals Reclamation Handbook #H-3042-1, Surface Management of Mining Operations Handbook H-3809-1, and revegetation success standards per BLM/Nevada Division of Environmental Protection (NDEP) "Revised Guidelines for Successful Mining and Exploration Revegetation."

The No Action Alternative represents no change to the current management direction. Under the No Action Alternative, exploration activities in the Project Area would continue for disturbance up to five acres under Notice-level activity (NVN-089695).

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

The effects of the Proposed Action on both employees and public health and safety are considered to be positive. Compliance by NUG with both BLM and NDEP mining regulations, along with compliance with the Mine Safety and Health Administration's regulations would ensure employee and public safety.

Through adherence to applicant-committed environmental protection measures, and Best Management Practices (BMPs), the Proposed Action would not result in potentially substantial or adverse impacts to public health and safety. Public safety would be maintained throughout the life of the Project. NUG would commit to the following environmental protection measures to insure public health and safety:

- All equipment and other facilities would be maintained in a safe and orderly manner.
- Personnel working at the site would keep the occasional public out of operational areas.
- All sumps and other small excavations that pose a hazard or nuisance to the public, wildlife, or livestock would be adequately fenced to preclude access to them.
- The Project would not use pesticides, therefore, would not pose a health or human safety risk.
- Existing roads within the Project boundary that are disturbed during the proposed action would be reclaimed, by NUG, to their pre-disturbance condition in order to provide continued public access through the area.
- Unpaved roads are well maintained and accommodate two-lane traffic to and from the Project Area.
- Trash and regulated wastes would be contained and hauled to an approved landfill.
- Portable chemical toilets would be used for human waste.

- Drill sites and storage yards would be located off of existing roads.
- Only nontoxic fluids would be used in the drilling process.
- Emissions of fugitive dust from disturbed surfaces would be minimized by utilizing appropriate control measures.

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

The Project Area is located in Eureka County, 58 miles northwest of Eureka, Nevada. There are no park lands, prime farmlands, or wild and scenic rivers in the vicinity.

There are known cultural resources located within the Project Area. All cultural sites will be avoided.

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

The Proposed Action is not expected to have highly controversial effects on the quality of the human environment. The parameters of the exploration activities, along with associated reclamation of the drill holes, drill pads and sumps, and roads are well established. The Project Area is isolated from human habitations. Except for mineral exploration and recreation uses, the Project Area is typically uninhabited.

The reclamation should return the land to its pre-exploration uses of livestock grazing, mineral exploration, dispersed recreation, and wildlife habitat.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

There are no known effects of the Proposed Action identified in the EA that are considered highly uncertain or involve unique or unknown risks. Exploration activities similar to what has been included in the Proposed Action have been conducted numerous times over many years on BLM-administered land and the effects are well understood. This is demonstrated through the effects analysis in Chapter 3 of the EA.

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.

The Proposed Action will not establish a precedent for future actions with significant effects or represent a decision about a future consideration. Completion of the EA does not establish a precedent for other assessments or authorization of other exploration projects including additional actions at the Project Area. Any future projects within the area or in surrounding areas will be analyzed on their own merits, independent of the actions currently selected.

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

Direct and indirect impacts of the Proposed Action were analyzed in Chapter 3 (Environmental Consequences) of the EA. None of the environmental impacts disclosed under item 1 above and discussed in detail in Chapter 3 of the EA are considered significant. Past, present and reasonably foreseeable future actions have been considered in the cumulative impacts analysis within Chapter 4 of the EA. The cumulative impacts analysis examined all of the affected resources and all other appropriate actions within the Cumulative Effects Study Areas and determined that the Proposed Action would not incrementally contribute to any significant impacts. In addition, for any actions that might be proposed in the future, further site-specific environmental analysis, including assessment of cumulative impacts, would be required.

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

The entire area of potential effect (APE) consists of 1,780 acres and includes the entire Project Area. A total of fifty-seven (57) cultural sites were identified, including 35 newly identified archaeological sites and 22 isolates.

NUG has committed to avoid all known eligible sites, as described in Chapter 3 of the EA. Inadvertent discoveries of previously undetected cultural resources would be treated as required under 43 CFR 10.4 and 43 CFR 3908.420(8)(b). Any such discovery would be immediately reported to the authorized BLM officer. All operations in the immediate area of the discovery would be suspended, and the site would be protected until the authorized officer could develop an appropriate plan for management of the resource.

NUG would not knowingly disturb, alter, injure, or destroy any scientifically important paleontological deposits. In the event that previously undiscovered paleontological resources are discovered by NUG in the performance of any surface disturbing activities, the item(s) or condition(s) would 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/or data recovery would be required.

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 the Endangered Species Act (ESA) of 1973.*

The United States Fish and Wildlife Service, the Nevada Natural Heritage Program (NNHP), and NDOW were contacted to obtain a list of threatened, endangered, and sensitive species that have the potential to occur within the Project Area. In addition, the BLM Sensitive Species List and Special Status Species lists for the Battle Mountain District were evaluated.

The NNHP database was queried to determine the presence or absence of special status wildlife species in the area of the Proposed Action. Information from the NNHP indicates that no

federally threatened or endangered plant or animal species have the potential to occur within the Project Area.

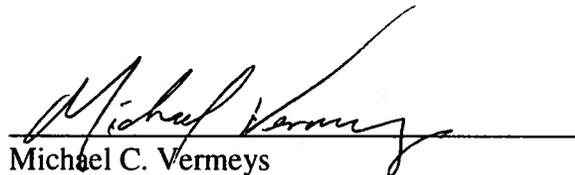
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Impacts to special status species or their habitat from the Proposed Action are analyzed in Chapters 3 and 4 of the EA. These impacts are expected to be minimal, based on the implementation of the design features and EPMs outlined in Chapter 2.

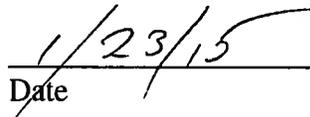
The action complies with the Endangered Species Act, in that potential effects of the Decision approving the Plan on listed species have been analyzed and documented. The action will not adversely affect any endangered or threatened species or its habitat that has been determined to be critical under the ESA of 1973, as amended.

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

The Proposed Action will not violate or threaten to violate any federal, state, or local law or requirement imposed for the protection of the environment.



Michael C. Vermeys
Acting Field Manager
Mount Lewis Field Office



Date