

RECORD OF DECISION AND PLAN OF OPERATIONS APPROVAL

DOI-BLM-NV-W030-2015-0007-EIS
Plan of Operations Serial Number: NVN-064641

Hycroft Mine Amendment to Plan of Operations Phase II Expansion Project

October 2019

Prepared by:

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**Hycroft Mine Amendment to Plan of Operations
Phase II Expansion Project
Final Environmental Impact Statement**

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**Bureau of Land Management
Winnemucca District
Black Rock Field Office
Winnemucca, Nevada**

Introduction

The Black Rock Field Office (BRFO) in the Winnemucca District of the United States (U.S.) Department of the Interior (DOI), Bureau of Land Management (BLM) received an Amendment to the Plan of Operations for the Hycroft Mine Phase II Expansion Project (project) from Hycroft Resources and Development, Inc. (HRDI), a wholly owned subsidiary of Hycroft Mining Corporation, in April 2014 (BLM Case File No. NVN-064641), which was revised in June 2014, January 2017, March 2017, and June 2018. The project includes the expansion of the existing precious metal mining operations at the existing Hycroft Mine. The project is located on public land administered by the BLM and private land controlled by HRDI located in Humboldt and Pershing counties, Nevada, approximately 55 miles west of Winnemucca, Nevada.

In addition, HRDI has requested authorization from the United States Fish and Wildlife Service (USFWS) to remove inactive eagle nests (i.e., outside of nesting season) and for a 30-year incidental take permit for golden eagles under the Bald and Golden Eagle Protection Act (Eagle Act). HRDI's Eagle Conservation Plan (ECP) is the foundation of the permit application and was developed with commitments to avoid, minimize, and mitigate adverse effects on golden eagles resulting from the implementation of the project. The USFWS consideration to issue an eagle take permit constitutes a discretionary federal action that is subject to the National Environmental Policy Act (NEPA). Therefore, the Environmental Impact Statement (EIS) analyzed two separate federal actions: (1) HRDI's proposal for a mine expansion submitted to the BLM and (2) an eagle take permit application and ECP submitted to the USFWS. The BLM hereby issues this ROD for the proposed mine expansion project. The USFWS will issue a separate Record of Decision (ROD) for HRDI's application for an eagle take permit and the associated ECP document.

Summary

The EIS analyzed six alternatives: (1) the Mine Expansion Proposed Action (Proposed Action); (2) the Mine Expansion Alternative A (Alternative A); (3) the BLM No Action Alternative (No Action Alternative); (4) the Eagle Take Permit Proposed Action (USFWS Eagle Permit Decision) (5) the Eagle Take Permit Alternative A (USFWS Alternative A Eagle Permit Decision); and (6) the USFWS No Action Alternative. Three alternatives analyzed were specific to the BLM's decision including: (1) the Proposed Action; (2) Alternative A; and (3) the No Action Alternative.

Under the proposal as submitted by HRDI, it would expand mining and ore processing activities on public lands at the existing Hycroft Mine. This would include expanding the authorized project boundary and creating additional surface disturbance. The proposed expansion total mine-related surface disturbance would increase by 8,737 acres on public land, from approximately 6,144 acres to 14,881 acres. This would also expand the authorized project boundary, which encompasses 14,753 acres, by an additional 13,082 acres of public land, for a total of 27,835 acres on public and private land. The Proposed Action would extend the period of mining from the previous authorization by 15 years, from 2024 to 2039, with ore processing continuing an additional two years after mining operations cease until 2041. Under the Proposed Action, the mine would employ 515 employees, which is a decrease of 291 workers from the previously authorized 806 employees. Under the Proposed Action, HRDI would construct and operate a 3,465-acre facility (dam and tails storage) known as the Northeast Tailings Storage Facility (TSF) to accommodate tailings

generated by mining sulfide ore below the groundwater table and processed in the authorized mill facility located on private land. Additionally, HRDI would expand mining activities in the Brimstone Pit by removing material below the pre-mining groundwater table thus requiring dewatering activities. Upon cessation of mining and dewatering activities, infiltration of groundwater into the Brimstone Pit would result in the formation of a pit lake.

Under Alternative A, all components of the Proposed Action would be the same except the Northeast TSF and all associated infrastructure would not be constructed, and the Southwest TSF would be constructed instead. Alternative A would include an expansion to the authorized Plan boundary to accommodate the Southwest TSF (Alternative A Expansion Plan Boundary). The Alternative A Expansion Plan Boundary would encompass approximately 5,310 acres of public lands administered by the BLM. Alternative A would expand the authorized project boundary, which encompasses 14,753 acres, by 5,310 acres of public lands administered by the BLM, for a combined total of 20,063 acres. Under Alternative A, HRDI would construct and operate an approximately 2,426-acre facility (dam and tails surface) known as the Southwest TSF to accommodate tailings generated by mining sulfide ore below the groundwater table and processed in the authorized mill facility located on private land.

Under the BLM No Action Alternative, HRDI would continue mining activities as outlined in their previously approved Plan of Operations.

Alternatives Including the Proposed Action

Proposed Action

- Expand the authorized Plan of Operations boundary to the east;
- Extend mining from 2024 to 2039 and extend ore processing activities to 2041;
- Increase rate of process water pumping and extend until 2041;
- Construct and operate the Northeast TSF and associated pipeline corridor and haul road;
- Construct and operate the North Heap Leach Facility (HLF) East expansion and associated solution ponds;
- Expand the existing Brimstone Pit below the pre-mining groundwater table;
- Conduct active dewatering of the Brimstone Pit through the installation and operation of dewatering wells;
- Conduct passive dewatering within the expanded pit footprint;
- Expand the South Waste Rock Facility (WRF);
- Modify the approved land use in the South Processing Complex to allow for the option of constructing the Southwest WRF in place of the complex, if desired;
- Modify waste backfill plans with respect to the proposed mining plan;
- Expand haul and secondary roads around the pits, WRFs, HLFs, and TSF;
- Modify the milling operation to process ore in an ambient oxidation and leaching process;
- Construct and operate an oxygen plant;
- Construct stormwater diversions, install culverts, and other stormwater controls;
- Construct growth media stockpiles;

- Incorporate four HRDI rights-of-ways (ROWs) that exist wholly within the authorized Plan of Operations boundary into the Plan Amendment and relinquish the ROWs with the BLM;
 - Microwave repeater site and road (NVN-046292);
 - Floka access road (NVN-054893);
 - Pipeline (buried), wells, power distribution and access roads (NVN-046564); and
 - Road and water pipeline (NVN-039119).
- Initiate use of the well field ROW;
- Relocate rangeland improvement facilities within the footprint of the Northeast TSF;
- Reroute Rosebud Road around the Northeast TSF;
- Reallocate 10 acres of exploration disturbance on private land to public land; and
- Implement the authorized and proposed additional applicant-committed EPMs to new facilities and activities.

Alternative A

The Alternative A, which is the preferred alternative, includes:

- Expand the Authorized Plan Boundary to accommodate the Southwest TSF;
- Extend mining from 2024 to 2039 and extend ore processing activities to 2041;
- Increase rate of process water pumping and extend until 2041;
- Construct and operate the Southwest TSF and associated pipeline corridor and haul road;
- Construct and operate the North HLF East expansion and associated solution ponds;
- Expand the existing Brimstone Pit below the pre-mining groundwater table;
- Conduct active dewatering of the Brimstone Pit through the installation and operation of dewatering wells;
- Conduct passive dewatering within the expanded pit footprint;
- Expand the South WRF;
- Modify the approved land use in the South Processing Complex to allow for the option of constructing the Southwest WRF in place of the complex, if desired;
- Modify waste backfill plans with respect to the proposed mining plan;
- Expand haul and secondary roads around the pits, WRFs, HLFs, and TSF;
- Modify the milling operation to process ore in an ambient oxidation and leaching process;
- Construct and operate an oxygen plant;
- Construct stormwater diversions, install culverts, and other stormwater controls;
- Construct growth media stockpiles;
- Incorporate four HRDI ROWs that exist wholly within the authorized Plan of Operations boundary into the Plan Amendment and relinquish the ROWs with the BLM;
 - Microwave repeater site and road (NVN-046292);
 - Floka access road (NVN-054893);
 - Pipeline (buried), wells, power distribution and access roads (NVN-046564); and
 - Road and water pipeline (NVN-039119).
- Reroute the previously approved alignment of the Seven Troughs Road to accommodate the construction of the Southwest TSF;
- Reroute portions of Jungo Road to accommodate the Southwest TSF;
- Initiate use of the well field ROW;

- Relocate the authorized water supply pipelines and power line within the well field ROW to follow the proposed relocation footprint of Jungo Road;
- Reallocate 10 acres of exploration disturbance on private land to public land; and
- Implement the authorized and proposed additional applicant-committed EPMs to new facilities and activities.

No Action Alternative

The No Action Alternative includes:

- HRDI would continue mining activities as outlined in the previously approved Plan of Operations, reclamation and closure plans;
- Includes 6,144 acres of authorized disturbance; and
- Public land within the authorized Plan of Operations boundary would remain available for future mineral development or for other purposes as authorized by the BLM.

Environmentally Preferred Alternative

The BLM's environmentally preferred action alternative is also the BLM's preferred alternative. The BLM's preferred alternative includes all of the EPMs for the amendment to the plan of operations and all mitigation measures identified in the Draft EIS.

The amendment to the plan of operations, approved below, provides for the continuation and expansion of mining and ore processing in an area where mining has been identified as an appropriate land use as stated in the Winnemucca District RMP. Approval of the amendment will allow HRDI to utilize and expand its current workforce, and its equipment and infrastructure to expand and extend the life of the mine. The mitigation measures specified in Appendix A to this ROD will minimize potential adverse environmental impacts identified in the Draft EIS. The monitoring requirements specified in this ROD will assist the BLM and others to identify, avoid, and/or mitigate, if necessary, any unforeseen adverse environmental impacts that may occur. The EPMs committed to by HRDI, and specified in Appendix B to this ROD, and the conditions of approval (including monitoring) in this combined ROD/amendment to the plan of operations approval will provide environmental protection during and after implementation of the Agency Preferred Alternative and provide BLM periodic opportunities to re-evaluate its analysis of potential impacts during and after implementation.

USFWS Alternatives

The Draft EIS also analyzed three alternatives for the USFWS's decision including: (1) the Eagle Take Permit Proposed Action (USFWS Eagle Permit Decision); (2) the Eagle Take Permit Alternative A (USFWS Alternative A Eagle Permit Decision); and (3) the USFWS No Action Alternative. The three alternatives analyzed were specific to the USFWS's decision for issuance of an eagle take permit.

Eagle Take Permit Proposed Action (USFWS Eagle Permit Decision)

Under the Eagle Take Permit Proposed Action (USFWS Eagle Permit Decision), HRDI has requested an eagle take permit as allowed by regulation under the Eagle Act for removal of inactive nests (i.e., outside of nesting season) (50 CFR 22.25) and disturbance take associated with nest removals and mining activities (50 CFR 22.26) that may result in the loss of up to three golden eagle breeding territories. Under the USFWS Eagle Permit Decision, the USFWS would issue an eagle take permit to HRDI that aligns with the approval of the BLM Plan Amendment. The USFWS Eagle Permit Decision is for the USFWS to issue a 30-year permit, which would be re-evaluated every five years, as required by the Eagle Act permit regulations.

Eagle Take Permit Alternative A (USFWS Alternative A Eagle Permit Decision)

Under the Eagle Take Permit Alternative A (USFWS Alternative A Eagle Permit Decision), the USFWS would issue an eagle take permit to HRDI that aligns with the BLM Alternative A, an alternative to the Plan Amendment. The USFWS would authorize nest removals and loss of one territory.

USFWS No Action Alternative

Under the USFWS No Action Alternative, the USFWS would take no further action on HRDI's permit application. The Hycroft Mine would continue to operate without a take permit and would take some reasonable steps to avoid taking eagles; however, HRDI would not be protected from enforcement for violating the Eagle Act should take of an eagle occur.

Alternatives Considered and Eliminated from Detailed Analysis

In addition, the EIS considered and eliminated from detailed analysis the following alternatives for both the BLM and USFWS: Backfill of Open Pits Above Water Table to Eliminate Pit Lake Formation Alternative; No Mining Below the Water Table to Eliminate Pit Lake Formation Alternative; Operate Authorized South Processing Complex and Not Construct New TSF Alternative; Daylight Only Operations Alternative; Water Management Alternative; Thickened or Dry Stack Tailings Alternative; USFWS Issuance of Golden Eagle Nest Removal Permit Alternative; USFWS Issuance of Silver Camel Nest Removal Permit Only; USFWS Issuance of Eagle Take Permit for Different Duration Alternative; USFWS Nest Removal Mitigation. The Draft EIS contains a complete discussion of alternatives and for the rationale for eliminating specific alternatives from detailed analysis.

Public Involvement

Native American Consultation

Information exchange and government-to-government consultation with Native American tribes related to the project has been ongoing for several years. On January 2, 2015, the BLM sent letters to the Native American tribes to initiate information exchange related to the project. These letters provided tribes with a description and map of the project and invited the tribes to provide any questions, comments, or concerns to the BLM, and requested the tribes to enter into formal government-to-government consultation with the BLM if they desired. These letters initiated

formal consultation in accordance with the NHPA and other legal authorities. Tribes contacted to consult on the project include the:

- Fort McDermitt Paiute and Shoshone Tribe;
- Fallon Paiute-Shoshone Tribe;
- Battle Mountain Band of the Te-Moak Tribe of Western Shoshone;
- Lovelock Paiute Tribe;
- Pyramid Lake Paiute Tribe;
- Summit Lake Paiute Tribe; and
- Winnemucca Indian Colony.

Although no tribes responded to the letter, the BLM continued to provide information and updates to the tribes, including sending copies of the Draft and Final EIS. In addition to sending letters, the project was discussed at ongoing consultation meetings with interested tribes.

The project was discussed at a regularly-scheduled consultation meeting with the Fort McDermitt Paiute and Shoshone Tribe on April 20th, 2015. The tribe expressed concerns about the relocation or removal of eagle nests, which is a USFWS action. During a consultation early-on (March 18th, 2014), the tribe also expressed concerns about quarries.

The project was discussed at a regularly-scheduled consultation meeting with the Fort McDermitt Paiute and Shoshone Tribe on October 23rd, 2015. Cultural resources issues including the historic properties treatment plan were discussed, and the tribe was interested in further discussing any potential archaeological excavations. Eagle nest removal was discussed and the tribe was informed that the USFWS would consult with the tribe on that issue.

The project was discussed at a regularly-scheduled meeting with the Summit Lake Paiute Tribe on February 20th, 2016. Cultural resources issues were discussed including the potential for the destruction of several rock stacks. A field visit was offered to the tribe but they did not respond.

The project was discussed at a regularly-scheduled consultation meeting with the Summit Lake Paiute Tribe on April 15th, 2017, at which time a general status update was provided. No additional concerns were identified by the tribe during the meeting.

The project was discussed at a regularly-scheduled consultation meeting with the Pyramid Lake Paiute Tribe on January 24th, 2018, at which time a general project overview was provided. Concerns were raised about eagles and disappointment in USFWS consultation efforts. Concerns were also raised about the potential for holding ponds and the effects of animals getting into the ponds and being injured or killed.

A field trip to the project area was held on June 25th, 2014, with representatives from the Pyramid Lake Paiute Tribe and Fort McDermitt Paiute and Shoshone Tribe. Several stacked rock features were observed and tribal representatives asserted a cultural association to those features. During the field trip some individuals voiced opposition to the excavation of archaeological sites. Fort McDermitt Paiute and Shoshone Tribe expressed concern about destruction of chert quarries in the general vicinity of the project. One of the quarries recorded during the inventory was visited but

it turned out that it wasn't going to be disturbed by the project. There are several other quarries in the north part of the survey area but most are not going to be affected. The tribal members on the tour did not have any particular comments about the quarries during the visit.

Copies of the draft MOA for implementing the historic properties treatment plan for the project were mailed to the seven tribes listed above in March of 2019, for their review and comment. Three of the seven tribes, those who have a data-sharing agreement with the BLM, were also mailed a copy of the historic properties treatment plan, as well, for their review and comment. No issues were identified.

The USFWS coordinated and consulted with Native American tribes on issues related to eagles. The following tribes have been engaged based on their location within a 109-mile range from the project area:

Fort Bidwell Indian Community of Paiute Indians;
Susanville Indian Rancheria;
Pit River Tribe, Includes: XL Ranch; Alturas; and likely Rancheras;
Cedarville Rancheria;
Greenville Rancheria;
Alturas Indian Rancheria;
Utu Gwaitu Paiute Tribe;
Big Pine Paiute Tribe;
Bishop Paiute Tribe;
Fort Independence Indian Community of Paiute Indians;
Lone Pine Paiute-Shoshone Tribe
Modoc Tribe of Oklahoma;
Shoshone-Bannock Tribes of The Fort Hall Reservation;
Summit Lake Paiute Tribe;
Pyramid Lake Paiute Tribe;
Reno-Sparks Indian Colony;
Fallon Paiute-Shoshone Tribe;
Battle Mountain Shoshone Tribe;
Winnemucca Indian Colony;
Lovelock Paiute Tribe of the Lovelock Indian Colony;
Elko Band;
Shoshone-Paiute Tribes of the Duck Valley Indian Reservation;
South Fork Band;
Te-Moak Tribe of Western Shoshone Indians;
Walker River Paiute Tribe;
Wells Band;
Yerington Paiute Tribe;
Fort McDermitt Paiute-Shoshone Tribe;
Burns Paiute Tribal Council;
Klamath Tribes; and
Confederated Tribes of the Warm Springs Reservation.

Cooperating Agencies

The cooperating agency relationships established during this project facilitated the exchange of views and expertise among BLM personnel and other government officials and staff. This form of consultation, unique to NEPA processes, was crucial to the shaping of this EIS. The following two agencies were official cooperating agencies with the BLM for the project: the Nevada Department of Wildlife (NDOW); and the U.S. Environmental Protection Agency (EPA).

Intergovernmental Partners

Under the Federal Land Policy and Management Act (FLPMA) of 1976, the BLM's coordination responsibilities include maximizing consistencies with the plans and policies of other government entities.

Consultation with the State Historic Preservation Office (SHPO) occurred at points along the National Historic Preservation Act (NHPA) and NEPA process regarding site eligibility, impacts and mitigation of effects.

Coordination was conducted with the Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (NDEP/BMRR) as specified within Memorandum of Understanding (MOU) 3000-NV920-0901, MOU for Mining and Mineral Related Activities within the State of Nevada.

The NEPA regulations require that EISs be filed with the EPA (40 Code of Federal Regulations [CFR], Subpart 1506.9). The draft and final EIS were submitted to the EPA, as required by the Council on Environmental Quality regulations. Coordination was conducted with the EPA as outlined in the April 26, 2018 MOU regarding mining EISs in Nevada between the BLM and EPA.

Public Scoping

To initiate the public scoping process, the BLM published the Notice of Intent to Prepare an Environmental Impact Statement in the Federal Register December 30, 2014. A news release was posted on the BLM's Winnemucca District Office website and sent to local newspapers. Three public open house meetings were held as follows: January 20, 2015 in Reno, Nevada (four members of the public attended the meeting and no written comments were received); January 21, 2015 in Lovelock, Nevada (nine members of the public attended this meeting and one written comment was received); and January 22, 2015 in Winnemucca, Nevada (six members of the public attended this meeting and one written comment was received). In addition to the two written comments provided at these public scoping meetings, 12 additional public scoping letters were received by the BLM during the December 30, 2014 through January 29, 2015 scoping period.

Issues of Concern Identified in Project Scoping

As a result of the public and internal scoping process, issues of concern were identified for the proposed project. Comments relating to the proposed project were identified and have been consolidated into the following issues:

- What are the potential impacts on air quality from mine emissions?
- What are the National Ambient Air Quality Standards and Prevention of Significant Deterioration increments applicable to air quality in the project area?
- What are the expected point source and fugitive emissions from the Proposed Action including particulate matter less than 10 microns, particulate matter less than 2.5 microns, and greenhouse gases?
- What are the proposed alternatives for the project and what are the potential direct and indirect impacts of the project alternatives?
- What are the direct impacts and indirect visual impacts to sites on the National Register of Historic Places and the National Historic Trails from the Proposed Action and alternatives?
- What are the expected cumulative impacts from the project?
- What are the potential impacts on cultural resources?
- What is the cumulative impact on golden eagle populations in the western United States from the proposed eagle take, including if new territories and artificial nests are created under mitigation?
- Would any minority or low-income populations be affected by the project?
- What are the potential impacts on land use, realty, access, and transportation from the Proposed Action and alternatives?
- What mitigation measures and monitoring are proposed to address project-related impacts, and how would they be implemented and monitored for effectiveness and success?
- What are the potential impacts on Native American religious concerns?
- What are the potential impacts on public safety from the proposed tailings dam and potential failure?
- What are the potential impacts on rangeland management?
- What are the potential impacts on recreation including Burning Man and the National Conservation Area?
- What are the potential impacts on soil resources?
- What are the potential impacts on visual resources including night skies?
- What are the potential impacts on wastes and materials (hazardous and solid)?
- What are the potential impacts on water quantity and quality including geochemistry?
- What are the potential impacts from the formation of a pit lake on resources?
- What effects does the project have on geothermal resources?
- What are the potential impacts on wetlands and riparian areas?
- What are the potential impacts on wildlife including special status species?
- What are the potential impacts on vegetation including special status species?
- How will the project impact golden eagle nests and breeding territories and what is the breeding history of the nests proposed for take?
- What are the environmental impacts of the proposed project's golden eagle mitigation measures and what are their level of significance?

- What are the potential impacts on golden eagles?
- What are the proposed mitigation measures for electric utility power pole retrofits and how would they be implemented and monitored for effectiveness?
- How will the proposed project be reclaimed, and how will reclamation be maintained during closure?
- What are the proposed closure and post-closure activities, and how will effectiveness of the closure activities be monitored?

Draft EIS

To solicit public comments and feedback on the Draft EIS, the BLM published the Notice of Availability for the Draft EIS in the Federal Register on May 17, 2019. Letters were sent to potentially interested parties and a news release was also issued by the BLM that stated the Draft EIS was available for comment during a 45-day period, and an additional seven-day comment period extension. Two public meetings were held on June 5, 2019 in Lovelock, Nevada, and June 6, 2019 in Winnemucca, Nevada.

Individuals, public agencies, and nonprofit organizations submitted nine letters with comments on the Draft EIS. The comments and responses to them are contained in Table 3-2 of the Final EIS. Based on comments received, the BLM prepared the Final EIS adding information that clarified and improved the EIS analysis, however, it was determined that a supplemental EIS was not necessary. This is because there were no substantial changes in the Proposed Action or alternatives that are relevant to environmental concerns presented in the Draft EIS. Moreover, there were no significant new circumstances or information relevant to environmental concerns and bearing on the Proposed Action and alternatives or impacts.

Final EIS

The Notice of Availability for the Final EIS was published by the BLM in the Federal Register on September 6, 2019. The 30-day availability period ended on October 7, 2019. The EPA submitted a comment letter on the Final EIS. In their letter, the EPA made the following recommendations:

- Preparation of a Failure Mode and Effects Analysis (FMEA) be prepared concurrently with plans for the State Engineer's tailings dam permitting process;
- Clarifications in the ROD on the reduction in compensatory mitigation for golden eagles; and
- Further discussion of foreseeable impacts from groundwater pumping, guzzler relocation, and deeper well drilling.

The BLM's response to these recommendations is:

- The State Engineer at the Nevada Department of Water Resources is responsible for issuing a dam safety permit for the tailings dam. The Nevada Department of Environmental Protection, Bureau of Mining Regulation and Reclamation, is responsible for issuing any associated water pollution control permits that may be needed for the proposed tailings dam. The BLM requires that the proponent completes the permitting process and provides the BLM with a copy of the FMEA before constructing the tailings dam.

- The compensatory mitigation for golden eagles should be addressed in the decision by the USFWS. The USFWS decision is required before the BLM mine expansion project may proceed.
- Broad discussions of the impacts of groundwater pumping have occurred in the Draft and Final EIS. At this time it is unclear that wells will be re-drilled and guzzlers will be relocated. As these impacts develop and if guzzlers are relocated and wells re-drilled, the BLM will conduct more detailed analyses and monitoring. The development of relocated guzzlers and wells being drilled deeper may require new NEPA documentation.

Rationale

Rationale for the decision to select Alternative A, the preferred alternative as well as the environmentally preferred alternative, is spelled out in this section. The following topics identified during scoping and analysis in the EIS informed my decision. They are noted below in order of their relevance to the alternative selected. Additional factors that influenced the decision follow these topics.

Geologic Stability

Geologic stability is a concern due to the size of the tailings facility impoundment, the potential for seismic activity in the area, and environmental damage in the event of dam failure. The analysis, supported by a baseline geologic report, concludes that Alternative A is the more geologically stable location.

Golden Eagles

The take of golden eagle nests and loss of golden eagle territory is a critical issue for Native American tribes, the USFWS and the BLM, and therefore was taken heavily into account in the rationale for selecting Alternative A. Alternative A will result in the take of three golden eagle nests and the loss of one territory (Silver Camel eagle territory). Whereas, a selection of the proposed action alternative would have resulted in the take of six golden eagle nests and three eagle territories. The USFWS will determine whether to permit any eagle nest take or loss of eagle territories. USFWS will issue its decision under a separate ROD.

Bats

There was concern for special status bat species because bat species in Nevada have uncertain trends and are vulnerable to population declines from habitat loss and disease, such as White Nose Syndrome (WNS). Currently, WNS has not been documented in Nevada. In addition, BLM strives to prevent a situation that could cause the decline of bats due to reduction in habitat. The potential loss of bat roosting or hibernacula habitat under the selected alternative is extremely limited to non-existent, whereas under the proposed action alternative, 56 acres of potential bat roosting habitat would be removed. This decision would result in the removal of 3,852 acres of potential bat foraging habitat, which is less than the proposed action alternative's removal of 8,737 acres.

Burrowing Owls

Burrowing owls are a BLM special status species and protected by the Migratory Bird Treaty Act. There was a concern for burrowing owls as they are vulnerable to habitat loss and

fragmentation. This decision would result in the removal of 3,896 acres of potential habitat, which is less than the proposed action alternative's removal of 6,207 acres.

Cultural Resources

The BLM's responsibilities under Section 106 of the National Historic Preservation Act (NHPA) (54 U.S.C. § 306108) were completed in accordance with the regulations found in 36 CFR 800.3 to 800.6 before this decision was made.

The proposed action alternative would have adversely affected seven National Register of Historic Places (NRHP)-eligible historic properties while the alternative selected will adversely affect six NRHP-eligible historic properties. The proposed action alternative would have affected 21 rock features, some of which may have had cultural or religious significance to Native American tribal members. The selected alternative does not affect any of the rock features. This rationale relies heavily on the planned implementation of the mitigation measures described in a Historic Property Treatment Plan (HPTP; see below).

Visual effects to the Black Rock Desert-High Rock Canyon Emigrant Trails National Conservation Area (NCA) were considered (the NCA having been created to protect the viewshed of the Historic Trails) but, given the long history of mining at this location (over 100 years), expansion of the existing mine was not considered an adverse impact to the resource.

In consultation with the Nevada State Historic Preservation Office (SHPO), the Fort McDermitt Paiute and Shoshone Tribe, the Fallon Paiute-Shoshone Tribe, the Battle Mountain Band of the Te-Moak Tribe of Western Shoshone, the Lovelock Paiute Tribe, the Pyramid Lake Paiute Tribe, the Summit Lake Paiute Tribe, and the Winnemucca Indian Colony, the BLM has made a determination of adverse effect for the undertaking. The SHPO provided their concurrence on this finding in a letter dated May 30, 2018.

Per 36 CFR 800.6, which requires the resolution of adverse effects to NRHP-eligible historic properties, a Memorandum of Agreement (MOA) has been prepared that addresses the adverse effects to the six NRHP-eligible historic properties. The applicant, BLM and SHPO are signatories on the MOA, the final signature being secured on June 20th, 2019. Per stipulations in the MOA, an HPTP has been prepared, which specifies the mitigation measures to be taken. The MOA also requires that a bond to cover costs for completion of the cultural mitigation be in place before BLM issues a Notice to Proceed.

Rangeland Management

Selection of Alternative A results in lesser impacts than the proposed action alternative and only involves one grazing allotment versus multiple grazing allotments. An important factor that weighed into rationale for selecting Alternative A was that no range improvements will be impacted whereas range improvements would have been impacted if the proposed action alternative had been selected. A related rationale involves the five springs that are located within the extent of the drawdown area. There is no difference in the impacts associated with the five springs under the action alternatives. The rationale relies on the decision being subject to implementation of all of the applicant committed environmental protection measures and the mitigation developed in the EIS.

Sand Cholla

Sand cholla, present in the area, was previously listed as a special status plant when the NEPA process began for this project. Although the plant species was removed from the list in November 2017, it was evaluated in the EIS. This decision impacts fewer sand cholla than the proposed action alternative (13 occurrences vs. 44) and results in fewer acres of sand cholla habitat being impacted.

Crosby's Buckwheat

Crosby's buckwheat is mentioned here because it is a special status plant species that occurs in the project area and has been analyzed in previous permitting for this mine site. There are no new occurrences of Crosby's buckwheat under the action alternatives that were not already previously analyzed. HRDI has demonstrated its commitment to salvaging Crosby's buckwheat under previous authorizations by transplanting, planting seedlings, and preserving seeds from the Crosby's buckwheat population located at this mine site. The rationale for this decision relies on HRDI's commitment to preventing unnecessary degradation to sensitive species, such as the Crosby's buckwheat.

Dark and Pale Kangaroo Mouse

Dark and pale kangaroo mice were a concern because they are special status species that are experiencing population declines and habitat loss. Although Alternative A will disturb more potential dark and pale kangaroo habitat than the proposed action alternative, these species were not observed during the baseline surveys.

Winnemucca District Land Use Plan Conformance

Alternative A conforms with the BLM's Record of Decision and Resource Management Plan for the Winnemucca District Planning Area, approved May 21, 2015, as amended by the Record of Decision (ROD) and Nevada and Northeastern California Greater Sage-Grouse Record of Decision and Approved Resource Management Plan Amendment, March 2019. Locatable mineral objective MR9, states, in part, "Manage locatable mineral operations to provide for the mineral needs of the nation while assuring compatibility with and protection of other resources and uses."

Additional Important Factors that informed the decision:

- The results of public outreach, including consultation and coordination with governments and agencies, as summarized in this ROD.
- HRDI has or will obtain all appropriate water rights for mining below the water table and development of a future pit lake.
- Based on ground water quality analysis, treatment will be implemented upon infilling of the pit lake to prevent or mitigate potential water quality concerns.
- Based on the conclusions reached in the air quality analysis, including a cumulative air impact analysis, there are no unresolved issues concerning air pollutant emissions. There will be Green House Gas emissions, Hazardous Air Pollutant emissions and

fugitive dust emissions associated with implementation of the Alternative A. There were no major differences in amount of emissions under the action alternatives..

- HRDI has demonstrated its commitment to reducing light pollution under previous authorizations as well as retrofitting existing lighting. The rationale for this decision relies on HRDI's commitment to continue in this same manner therefore helping to prevent unnecessary pollution of the night sky resource.
- Implementation of Alternative A will have no impact on any threatened or endangered listed species.
- Alternative A will result in fewer acres of habitat loss for pronghorn antelope and mule deer.
- Other than temporary disruption during road re-alignment work, public access through the project area would not be affected.
- Implementation of the selected alternative involves fewer fenced acres than under the proposed action alternative and therefore less change in existing recreation opportunities.
- With Alternative A, there will be fewer surface acres disturbed and fewer permanent acres disturbed.
- This decision will provide continued opportunities on public lands for HRDI to conduct mining exploration and development.
- This decision will allow the mine life to be extended 15 years.
- This decision provides jobs and adds to the local economy, which is important to rural Nevada.
- The decision will not generate any adverse energy impacts or limit energy production and distribution.
- Alternative A is the environmentally preferred course of action.
- The decision is consistent with other federal, state and local plans, and to the maximum extent consistent with Federal law and Federal Land Policy and Management Act provisions.
- Implementation of Alternative A, subject to implementation of all mitigation included in the EIS, meets the purpose and need for the federal action.
- Implementation of the attached Appendices A through C require monitoring of impacts and as implemented, will reduce or prevent impacts to public land resources.

- Monitoring, mitigation, and adaptive management procedures will be conducted to reduce impacts to wildlife. Coordination with agencies having regulatory authority (e.g. NDOW and USFWS) will occur as necessary to limit impacts to wildlife.
- Reclamation and revegetation at the end of mine life will remove or reduce many of the affects in the long term creating a more balanced ecosystem.
- Based on the environmental impact analysis contained in the EIS, and subject to implementation of all mitigation, this decision will not result in any undue or unnecessary environmental degradation of the public lands.

Record of Decision

Based on the Hycroft Mine Amendment to Plan of Operations Phase II Expansion project (project) Final Environmental Impact Statement (EIS), DOI-BLM-NV-W030-2015-0007-EIS, and the rationale section of this ROD, it is my decision to select the Mine Expansion Alternative A (Alternative A), including the applicant's committed Environmental Protection Measures (EPMs) described at DEIS Section 5.3 and all of the mitigation at DEIS Section 5.2 for Alternative A. Refer to Appendix A of this ROD for a complete description of mitigation measures, Appendix B of this ROD for a complete description of EPMs, and Appendix C for the conditions of approval. Alternative A is subject to all three appendices in their entirety. Bureau's approval applies only to activities on public land.

/s/Ester M. McCullough

Ester M. McCullough
District Manager

Oct 22 2019

Date Signed

PLAN OF OPERATIONS APPROVAL DECISION UNDER SURFACE MANAGEMENT REGULATIONS (43 CFR §3809)

The Winnemucca District, Black Rock Field Office (WD/BRFO), has reviewed the Amendment to the Plan of Operations (Case File No. NVN-064641) for the Hycroft Mine Phase II Expansion Project. The amendment proposal was submitted by Hycroft Resources and Development, Inc. (HRDI) in April 2014 and was last revised in June 2018. An Environmental Impact Statement (EIS), DOI-BLM-NV-W030-2015-0007-EIS, was prepared and is detailed in the above Record of Decision (ROD).

It is my decision to approve amendment NVN-064641, including the mitigation measures specified in Appendix A to this ROD and the Environmental Protection Measures (EPMs) specified in the amendment and Appendix B to this ROD. This approval is subject to the attached conditions of approval, Appendix C, referenced in the above ROD. HRDI may only perform those actions that have been described in the amendment to the plan of operations Alternative A. Implementation of the aforementioned conditions will prevent unnecessary or undue degradation.

The surface occupancy proposed in the amendment meets the conditions specified in the applicable regulations (43 Code of Federal Regulations [CFR] §3715). The Bureau of Land Management (BLM) is in concurrence with the occupancy of the subject lands. HRDI must comply with all applicable regulations, including sections 3715.2, 3715.2-1, and 3715.5 of Title 43.

This approval does not constitute certification of ownership to any person or company named in your plan of operations; recognition of the validity of any mining claims named in the plan of operations; or recognition of the economic feasibility of the proposed operations.

No work is authorized under the amendment until HRDI has complied with all applicable federal, state and local regulations, including obtaining all necessary permits from the Nevada Division of Environmental Protection (NDEP) and other federal, state and local agencies.

Activities approved in this decision shall not begin until the BLM Nevada State Office issues a decision accepting the reclamation financial guarantee. A sufficient financial guarantee acceptable to both the BLM and NDEP, Bureau of Mining and Reclamation, must be in place before your operations can begin. The types of financial instruments that are acceptable to the BLM are found at 43 CFR 3809.555. Please contact the BLM Nevada State Office at (775) 861-6500 for further information on the financial guarantee process.

If you are a party adversely affected by this decision, you may request that the BLM Nevada State Director review this decision. If you request State Director Review, the request must be received in the BLM Nevada State Office at: **BLM Nevada State Office, State Director, 1340 Financial Blvd., Reno, Nevada 89502**, no later than 30 calendar days after you receive or have been notified of this decision (43 CFR 3809.804).

The request for State Director Review must be filed in accordance with the provisions in 43 CFR 3809.805. This decision will remain in effect while the State Director Review is pending, unless you request and obtain a stay (suspension) from the State Director. If you request a stay,

you have the burden of proof to demonstrate that a stay should be granted using the standards and procedures for obtaining a stay (43 CFR 4.21) from the Interior Board of Land Appeals (IBLA).

If the State Director does not make a decision on your request for review of this decision within 21 days of receipt of the request, you should consider the request declined and you may appeal this decision to the IBLA. You may contact the BLM Nevada State Office to determine when the BLM received the request for State Director Review. You have 30 days from the end of the 21-day period in which to file your Notice of Appeal with this office at 5100 E. Winnemucca Blvd., Winnemucca, Nevada, 89445, which we will forward to IBLA.

Under 43 CFR 3809.801(a)(1), if you wish to bypass a State Director Review, this decision may be appealed directly to the IBLA in accordance with the regulations at 43 CFR Part 4. Your Notice of Appeal must be filed in this office at 5100 E. Winnemucca Blvd., Winnemucca, Nevada, 89445, within 30 days from receipt of this decision. As the appellant you have the burden of showing that the decision appealed from is in error. Enclosed is BLM Form 1842-1 which contains information on taking appeals to the IBLA. This decision will remain in effect while the IBLA's decision is pending, unless you request and obtain a stay under 43 CFR 4.21. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted under the criteria in 43 CFR 4.21.

Request for Stay

If you wish to file a petition (request) pursuant to regulations 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by IBLA, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of this notice of appeal and petition for a stay must also be submitted to each party named in the decision and, to the IBLA, and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed with this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

1. The relative harm to parties if the stay is granted or denied.
2. The likelihood of the appellant's success on the merits.
3. The likelihood of immediate and irreparable harm if the stay is not granted.
4. Whether the public interest favors granting the stay.

Approval of the Plan of Operations Amendment by the BLM does not constitute a determination regarding the viability or ownership of any unpatented mining claims involved in the mining operation. Approval of the amendment of the plan of operations in no way implies the economic viability of the operations. Any modification to the amendment to the plan of operations must be coordinated with and approved by the authorized officer. Surface occupancy related to the

amendment to the plan of operations is that reasonably associated with the mining operation. The Bureau's authority applies only to activities on public land.

This Decision is issued pursuant to 43 CFR 3809.803. It is effective immediately. In the case of an appeal before the Office of Hearings and Appeals (OHA), this Decision will remain in effect unless OHA grants a stay under §4.21(b) of this title.

/s/ Ester M. McCullough

Ester M. McCullough
District Manager

Oct 22 2019

Date Signed