

Decision Notice
&
Finding of No Significant Impact
for
Quito Minerals Exploration Project
 USDA Forest Service
 Austin Ranger District
 Humboldt-Toiyabe National Forests
 Lander County, Nevada

Background

Meridian Minerals Inc. (MMI) submitted Plan of Operation #03-07-001 to conduct mineral exploration at the Quito property (Project). The Project is located eight miles south of Austin, Nevada in Lander County on lands administered by the Austin Ranger District of the Humboldt-Toiyabe National Forests in Section 36, Township 18 North, Range 43 East, Section 1, Township 17 North, Range 43 East, and Sections 19, 20, and 31, Township 18 North, Range 44 East; Mount Diablo Base and Meridian (Project Area). The Project could create up to 20 acres of disturbance from temporary exploration roads, overland travel, staging areas, drill sites, and sumps over a five year period.

Meridian Minerals has identified two target areas, Spires (~125 acres) and BCG (~ 244 acres), totaling 369 acres. The drilling will be completed in several phases over the five year period. The subsequent phases would be based on the drilling results obtained from the previous phase of exploration work. The first phase of proposed drilling is approximately 10.0 acres in size and includes temporary exploration roads, overland travel, drill sites and staging areas. Later phases of exploration drilling will create another 10.0 acres disturbance.

A total of 156 acres of the BCG target area is within the Bunker Hill Inventoried Roadless Area (IRA). The 10.0 acres of first phase disturbance includes 4.0 acres of temporary exploration road construction (~8,900 linear feet) within the IRA. There will be no further road construction in the IRA after the first phase of drilling, but drilling on new drill sites could occur from the temporary exploration roads in later phases.

The Project Area is accessed from existing Forest Service roads. Temporary exploration roads will be constructed using a D7 cat or equivalent. A small track/truck mounted core drilling rig or reverse circulation drill rig with support vehicles will be used. Best Management Practices (BMPs) will be implemented for environmental protection.

Concurrent reclamation of temporary exploration roads will occur when they are no longer needed in future phases of drilling. All remaining reclamation will occur within one year of project completion. Reclamation will consist of fully recontouring all temporary exploration roads, drill sites, and sumps to the original topographic contour, and reseeding using an approved seed mix.

Total Project Area	369 acres (156 acres in IRA)
Total Project Disturbance	20.0 acres
Total Proposed Roads Outside IRA	11.5 acres
Total Proposed Roads in IRA	4.0 Acres/8,900 Feet in Length
Total Number of Drill Sites	59

An Environmental Assessment (EA) for the Quito Minerals Exploration Project was prepared pursuant to the requirements of the National Environmental Policy Act (NEPA, 40 CFR 1500-1508), the National Forest Management Act (NFMA, 36 CFR 219), and the Toiyabe National Forest Land and Resource Management Plan (1986) as amended. The EA documents the analysis of the Proposed Action and No Action alternative. This EA and all supporting information are incorporated by reference into this Decision Notice. A copy of the EA is available for public review at the Humboldt-Toiyabe National Forest Service Office in Austin, Nevada.

Decision

I have reviewed the analysis conducted in the EA for this project, relevant Forest Plan direction, and public comments received during the “Request for Scoping Comments and Notice of Proposed Action”. I visited the Quito Project Area on July 8, 2008 to review the proposed project with Steve Williams, District Ranger for the Austin/Tonopah Ranger Districts. I paid special attention to the 4.0 acres of planned activities in the Bunker Hill IRA and the Birch Creek riparian corridor.

It is my decision to implement the Proposed Action alternative with environmental protection measures. In addition, I have added three measures to better protect sensitive plants (See “Wildlife and Vegetation” * below). This decision will allow exploration drilling for mineral resources to occur over a five year period. The exploration drilling will require the construction of temporary exploration roads, overland travel, staging areas, drill sites, and sumps. The decision authorizes up to 20 acres of surface disturbance for these activities. From my review I have found that the Proposed Action has been designed to minimize environmental impacts; incorporates reasonable environmental protection measures; has no adverse effects; and the project should provide an economic benefit to the community of Austin, Nevada and surrounding Landers County. The environmental protection measures for the Project are summarized below:

Air Quality

- Dust from roads would be minimized by encouraging contractors and staff to minimize trips to and from the drill rig on a daily basis.

Water Quality

- Sediment control structures, including fabric and/or straw bale filter fences, siltation or filter berms, sumps, and down gradient drainage channels would be used.
- Sumps would be constructed as necessary adjacent to the drill sites to settle cuttings and prevent their release.
- Drill effluent would be captured by sump(s) and would not be allowed to flow unchecked within 200 feet of any perennial or ephemeral stream, stream channel, or intermittent wet meadow.
- Drill effluent would not be allowed to flow unchecked over the fill bank of any drill site or road.
- Drill effluent may be channeled as necessary to a sump via ditch down the inside edge of a road.
- Drill effluent may be collected in a series of water troughs to collect suspended cuttings and the residual water would be pumped or drained to a site designated by the USFS.
- USFS approved methods would be used at each drill location to prevent gulying and rilling of fill slopes, cut banks, and natural ground surfaces by drill hole effluent discharge. These materials may include, but are not limited to: geotextiles or other suitable material placed on

fill and cut banks, flexible drainage pipe to disperse drill effluent, or sumps on either the inside or outside of the road or travelway.

- Project activities would avoid springs and seeps.
- All temporary exploration roads will have waterbars constructed, as needed.
- MMI would prevent debris from entering stream courses and in the event debris to enters stream courses in any amount that may adversely affect the natural flow of the stream, water quality, or fishery resource, MMI would remove the debris within 48 hours in a manner agreed to with the USFS that would minimize disturbance to stream courses.
- Wheeled or tracked equipment would not be operated in streams except at crossings approved by the USFS.
- One temporary culvert would be installed in a tributary to Birch Creek in order to reduce sediment in the stream and promote safe passage of equipment.

Groundwater

- The Austin Ranger District will be notified within 24 hours of encountering artesian ground water flow during the drilling process.
- MMI will provide the USFS a summary report when extra-ordinary losses of circulation or extra-ordinary rates of groundwater inflow occur in a drill hole. The report will include the following: drill log report identifying depth and estimate of rate of fluid loss or groundwater inflow; method and materials used in down hole conditioning; and drill hole abandonment.
- Drill holes will be plugged and abandoned in accordance with Chapter 534 of the Nevada Administrative Code (NAC). If flowing water is encountered it shall be controlled as required in NRS 534.060 (3).

Wildlife and Vegetation

- Disturbed areas would be reclaimed to restore habitat.
- Raptor nests identified during a wildlife survey in the Project Area would be avoided during the Project.
- Project activities would avoid riparian areas, seep, and springs.*
- Project activities would not occur on moderate to steep scree and talus slopes.*
- Prior to implementation within potential habitat of alpine tonestus (*Tonestus alpinus*), survey that habitat to avoid disturbances to any occupied habitat. Potential habitat consists of crevices, rubble, and adjacent rocky soils of rock outcrops, often on northerly or protected aspects in the mountain mahogany zone.*

Migratory Birds

- Avoid ground disturbing activities during the nesting season if feasible.
- A migratory bird nest survey would be conducted within potential breeding habitat prior to any surface disturbance if avoidance isn't possible.

Cultural Resources

- Avoid all identified cultural resources sites during exploration drilling activities. Should MMI discover any historically or culturally significant material that would be impacted by the operation from road building, cross-country travel, or sump construction, cease

operations and notify the District Ranger. Work shall not resume until authorized by the District Ranger.

Noxious Weed Control

- Implement noxious weed assessment prevention measures.
- Wash all vehicles entering/leaving the Project Area within a designated vehicle washing staging area.

Inventoried Roadless Area

- Place temporary gate(s) or fencing across all temporary roads located in the IRA to prevent off-road vehicle use. Implement temporary closures when there are no project activities at the site. Temporary exploration roads will be reclaimed to the original topographic contour and reseeded using an approved seed mix.

Scenic Values

- All attempts will be made to limit the temporary impacts to scenic values by the construction of narrow exploration roads and attempting to limit the size of cut and fill slopes.
- Concurrent reclamation of temporary exploration roads not required for future drilling operations.

Public Safety

- All vehicles will carry extinguishers and other fire suppression equipment.
- Signs would be posted at the entrance of roads when exploration activities are in progress.

Decision and Reasons for the Decision

My reasons for selecting the Proposed Action, which includes the above-mentioned environmental measures, are the following:

1. The statutory right of MMI to explore and develop mineral resources on federally administered lands is recognized in the General Mining Law of 1872 and is consistent with the Toiyabe National Forest Land and Resource Management Plan (LRMP) of 1986 (IV-50).
2. The Proposed Action with environmental measures meets the requirements of 36 CFR Subpart A, Part 228.8 that all mineral exploration, development, and operations activities be conducted in a manner that minimizes adverse environmental impacts on National Forest surface resources.
3. The Proposed Action meets the purpose and need and is not expected to cause significant environmental impacts or result in unnecessary or unreasonably irreparable damage to surface resources. The affected lands will be reclaimed to achieve a stable and vegetated post-exploration topography that will allow for the continued multiple use of the land upon conclusion of the Proposed Action.

Public Involvement

The revised Plan of Operation was submitted on March 28, 2008. A Notice of Proposed Action (NOPA) was prepared and provided to the public and other agencies for comment on May 15, 2008. A total of fifty three (53) NOPA's were sent to interested parties. A legal notice was published on May 24, 2008 in the Reno Gazette-Journal. The public comment period ran from May 25 to June 23, 2008 and elicited a total of 7 comments. Comments were received from Nevada Division of Environmental Protection; Nevada Department of Transportation; Nevada Division of

Water Resources; Nevada Department of Wildlife; Austin Chamber of Commerce; Lander County Public Land Use Advisory Planning Commission; and the Fallon Paiute-Shoshone Tribe.

Tribal Involvement

The proposal was first provided to the Duckwater Shoshone Tribe, Yomba Shoshone Tribe, and Fallon Paiute-Shoshone Tribe for comment in a letter dated May 19, 2008. The Fallon Paiute-Shoshone Tribe commented on May 23, 2008 and requested a site visit to the project site. A site visit was completed on June 27, 2008 with representatives of the Fallon Paiute-Shoshone Tribe and Fred Frampton, Forest Archeologist, Humboldt-Toiyabe National Forest. The Fallon Paiute-Shoshone Tribe has not provided any further input on this project. Cultural resource surveys indicate there were no sites, listed, or eligible, to the National Register of Historic Places in the project area.

Key Issues

The following key issues have been identified during internal and public scoping for the Project by the USFS:

1. Wildlife - Potential impacts to mule deer, nesting raptors, and greater sage-grouse as a result of Project-related activities.
2. Water Quality - Potential impacts to surface water quality as a result of erosion and sedimentation.
3. Roadless Area - Potential impacts to the roadless character and wilderness attributes of the roadless area as a result of Project activities.
4. Fisheries – Potential impacts to brown and brook trout populations in Birch Creek as a result of Project activities.

Other Alternatives Considered

In addition to the selected alternative, one other alternative, the No Action Alternative was analyzed in detail. The No Action Alternative serves as the baseline against which the Proposed Action (selected alternative) is evaluated.

Findings Required by Other Laws and Regulations

My decision is consistent with all applicable laws, Executive Orders, regulations and policies as summarized below.

Toiyabe National Forest LRMP 1986 – This decision is consistent with the Forest LRMP as required by the National Forest Management Act and 36 CFR 228 Subpart A. The Project was designed in conformance with Forest LRMP standards and incorporates appropriate Forest LRMP guidelines for reclamation to mitigate resource impacts generated by mining operations and contributes to the desired future condition of the Forest by providing proper and reasonable reclamation of existing mining operations.

Endangered Species Act of 1973 – A Biological Assessment and Biological Evaluation (BA/BE) has been completed for this Project. The BA/BE found that no Federally listed threatened or endangered plant or wildlife species will be adversely affected by this action.

Migratory Bird Treaty Act – The impacts from the Proposed Action to nesting birds from construction disturbance would be minimal and of short duration. The action complies with the US Fish and Wildlife Service Director’s Order #131 related to the applicability of the MBTA to federal agencies and requirements for permits for “take”. In addition, the action complies with Executive

Order 13186 because the analysis meets agency obligations as defined under the January 16, 2001 MOU between the Forest Service and USFWS.

National Historic Preservation Act of 1966 – A cultural site survey of the area was conducted. There were no sites, listed, or eligible, to the National Register of Historic Places in the project area. Only one small site was identified: an historic claim marker, prospect pit and fire pit. This site is avoided, but was not eligible for inclusion to the National Register of Historic Places, as determined by the Forest Service. The State Historic Preservation Office (SHPO) has been consulted and provided comment on May 1, 2008 that the Proposed Action will not effect historic properties and concurred with the Forest Service’s findings of No Adverse Effect.

Floodplain Management and Protection of Wetlands – The Proposed Action is not located on, nor will it impact, any floodplain or wetland.

Environmental Justice – The Proposed Action will not have a disproportionately high and adverse human health or environmental effects on minority or low-income populations.

Finding of No Significant Impact

The Finding of No Significant Impact incorporates by reference the project Environmental Assessment and Administrative Record, including specialist’s reports and comments. After considering the environmental effects described in the EA, I have determined that the Selected Alternative will not have a significant effect on the quality of the human environment, considering the context and intensity of impacts (40 CFR 1508.27). My finding of no significant environmental effects is not biased by the beneficial effects of the action. There were no significant, adverse, or controversial impacts to the human environment identified in this review. This determination is also based on the following findings and on the ten criteria listed below. Thus, an environmental impact statement will not be prepared. I base my finding on the following:

Ten Criteria of Project Intensity

1) *Impacts that may be both beneficial and adverse.*

The EA considered both potential beneficial and adverse impacts of the Proposed Action. The beneficial impacts include identification of a mineral resource, increased income and taxes, and demand for goods and services. The potential adverse impacts are described in detail in Chapter 3 of the EA and are minimized in part by the incorporated environmental protection measures of the Proposed Action. None of the environmental impacts disclosed and described in the EA are considered significant.

Under the No Action Alternative, none of the impacts associated with the Proposed Action would occur.

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

Adherence to environmental protection measures and identified Best Management Practices will ensure there are no impacts to public health and safety.

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.*

Historic or Cultural Resources, Park Lands, Areas of Critical Environmental Concern, Prime or Unique Farmlands, Wilderness, or Wild and Scenic Rivers are not present within or adjacent to the Project Area.

Inventoried Roadless Area

The total planned disturbance within the 27,547-acre Bunker Hill Inventoried Roadless Area (IRA) is 4.0 acres. Short term impacts to the wilderness character qualities of naturalness, remoteness, and solitude may occur during drilling activities. Constructed roads would be reclaimed at the end of the Project; therefore, long-term impacts to the wilderness character qualities and roadless characteristics of the IRA would be minimized, therefore, there be no significant impacts to this resource.

Riparian/Wetlands

Birch Creek riparian corridor is outside of the Spires and BCG project areas. Access may occur through and adjacent to the Birch Creek riparian corridor and potential impacts to the wetland resource would be minimized through the implementation of BMPs and environmental protection measures, therefore, there be no significant impacts to this resource.

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

The project area is very remote and implementation of the project would pose little risk to populated areas. Results of scoping, comments on the Proposed Action, site visit with members of the Fallon Paiute-Shoshone Tribe, did not indicate that the effects to the quality of the human environment were likely to be highly controversial.

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

Exploration drilling in Northeastern Nevada is a common practice and the Forest Service has previously evaluated and approved Plan of Operations for exploration drilling. There are no known effects of the Proposed Action identified in the EA that are considered uncertain or involve unique or unknown risks.

- 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 would not establish a precedent for future actions with significant effects or represent a decision about future consideration. Future proposed exploration or mining projects would be subject to a site specific analysis and approval would depend on that analysis.

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

Chapter 4 of the EA analyzes the cumulative impacts for Proposed Action in relation to past, present, and reasonably foreseeable future actions within the cumulative effects study areas (CESAs) for Vegetation, Inventoried Roadless Area, Invasive Nonnative Species, Water Quality, Wildlife, Soils, Recreation and Visual Resources. Two different CESAs were designated for the analysis of these resources: the 11,655 acre Birch Creek Watershed CESA and the 27,548 acre Bunker Hill Inventoried Roadless Area. The cumulative impacts analysis determined that impacts to these resources would be minimal and there are no significant impacts from the Proposed Action and related actions within the CESA's.

- 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 (NHRP) or may cause loss or destruction of significant scientific, cultural, or historical resources.*

The action will have no significant adverse effect on districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places (NHRP) or cause loss or destruction of significant scientific, cultural, or historical resources. The single site that was identified in the cultural resource survey was not eligible for inclusion to the National Register of Historic Places.

- 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), as amended, of 1973.*

Special status species are discussed in Section 3.9 of the EA. The project will have no effect on any threatened or endangered species and will not affect the viability of any species which may occur in the area

- 10) *Whether the action threatens a violation of federal, state, or local laws or requirement imposed for the protection of the environment.*

Applicable laws and regulations were considered in the EA. The action will not violate Federal, State, and local laws or requirements for the protection of the environment.

Administrative Review or Appeal Opportunities

This decision is subject to appeal pursuant to 36 CFR part 215.11. Individuals or organizations that provided comments or otherwise expressed interest by the close of the comment period may appeal this decision. Appeals must meet the content requirements of 36 CFR 215.14, as published in the Federal Register on June 4, 2003.

Appeals should be sent to: Appeal Deciding Officer, 324 25th Street, Ogden, UT 84401; phone: (435) 896-9233, fax: (801) 625-5277; e-mail: appeals-intermtn-regional-office@fs.fed.us. E-mailed appeals must be submitted in MS Word (*.doc) or rich text format (*.rtf). Appeals may also be delivered to the above address, during regular business hours of 8:00 a.m. to 4:30 p.m, Monday-Friday, excluding federal holidays. The appeal, including any attachments, must be filed with the Appeal Deciding Officer within 45 days following the date of publication of this legal notice in the Reno Gazette Journal. The date of publication of this legal notice in the Reno Gazette Journal is the exclusive means for calculating the time to file an appeal. Those wishing to file an appeal should not rely upon dates or timeframe information provided by any other source.

Implementation Date

If no appeal is filed within the 45-day time period, implementation of this decision may begin on, but not before, the 5th business day following the close of the appeal-filing period. If an appeal is received, implementation may not occur for 15 days following the date of appeal disposition.

Contact

For additional information, please contact, Jim Rigby, Geologist, Tonopah Ranger District, P.O. Box 3940, Tonopah, NV 89049. Phone 775-482-7887.

/s/ Edward C. Monnig

September 10, 2008

EDWARD C. MONNIG
Forest Supervisor
Humboldt-Toiyabe National Forest

Date

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