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Intermountain Region

**Humboldt-Toiyabe
National Forest**

**Ely
Ranger District**

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Final

SCOPING DOCUMENT

For

Taylor Mine Project

White Pine County, Nevada

Taylor Mine Project

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1.0 Introduction

This scoping document is part of the public involvement process for the proposed reopening of the Taylor Mine. The purpose of this document is to provide initial information on the proposed project and to invite your comments. Public involvement is encouraged and is used for identifying issues that are relevant to this project.

The 1969 National Environmental Policy Act (NEPA) and its implementing regulations define the environmental analysis process. The analysis will be documented in an Environmental Assessment (EA).

The Forest Service is the lead agency for the project. The Humboldt-Toiyabe National Forest Supervisor is the responsible official and the decision to proceed with the NEPA process under an EA has been decided.

1.1 Purpose and Need

Anglo Nevada Metals Corporation (Anglo Nevada) has submitted a mining plan of operations for expansion and development of the Taylor Mine site on National Forest System lands as described below. The purpose of this project is to mine silver resources within Anglo Nevada claims while ensuring the protection of natural resources.

The General Mining Law of 1872, as amended provides Anglo Nevada the statutory right to explore for and develop mineral resources on Federally administered lands. Forest Service surface management regulations for locatable minerals (36 CFR 228.8) require that all mineral exploration, development, and operation activities minimizes adverse environmental impacts on National Forest surface resources, where feasible. The Forest Plan, and other State and Federal laws, regulations, and policy provide standards and guidance regarding impacts.

1.2 Public's Involvement

Public involvement in the environmental analysis process is essential. The public is now invited to submit written comments stating their concerns and issues that are relevant to the proposed action. Comments received from this scoping document and from personal contacts will be used to help establish the scope of the environmental analysis.

Public involvement will be ongoing throughout the analysis process. However, written scoping comments should be received by 30 days after this scoping document is published (estimated to be June 30, 2008).

2.0 Proposed Action

2.1 Scope of Project

The geographic scope of this project is located in the Taylor Silver District approximately 14 miles south of Ely, Nevada in White Pine County as shown on Figure 2.1. Most of the property is under the jurisdiction of the Ely District of the Humboldt-Toiyabe National Forest. Figure 2.2 identifies the public and private land boundaries in the project area. The EA will evaluate impacts on both the public and private land.

The project is set against a backdrop of past mining activities. The Taylor silver deposit was first discovered in 1868. Following the discovery, 60,000 tons of ore was mined over a period of 20 years. The district was idle until a cyanide plant was installed around 1920, but the plant was not utilized until later. Mining in the Taylor district resumed in the 1930's which produced an additional 100,000 tons of ore. In 1960, K. Stoker acquired the Taylor Mine area and in 1961 formed Silver King Mines Inc. Additional small scale underground mining activity continued for a few years. Silver King and Phillips Petroleum formed a joint venture in 1966 and explored the district until the early 1970's. An open pit mine and mill complex was set up in 1979 and production at the site intermittently continued until 1984 when silver prices declined. Alta Gold took over Silver King Mines in 1989 and expanded the mill to incorporate zinc, lead, and copper circuits to process ore from the nearby Ward Mine. When the Ward Mine closed in 1991, operations at the Taylor site ceased.

Alta Gold went bankrupt in 2000 and the property reverted to the responsibility of the United States Forest Service (USFS). In 2000, the National Bank of Ely took ownership of the Taylor property for monies owed. All property requirements were maintained by the Ely Bank including water rights for the site and mine/mill cleanliness to meet environmental regulations. An interim closure of the Taylor property was completed by the USFS in early 2006, including draining and cleaning all existing storage tanks, removing and disposing of process chemicals from the mill, emptying all balls from ball mills, and removing transformers containing PCB's. Additional reclamation, paid for by Anglo Nevada, was completed in 2007, which included the removal of approximately 100 drums from the mill and the open pits. The closure did not include reclamation of pits, dumps, haulage ways, or demolition of the mill/office buildings.

The primary features and footprint of the previously disturbed and un-reclaimed area are shown on Figure 2.2. Anglo Nevada took control of the property in January, 2008 and exploration

activities have been conducted on public lands administered by the USFS under Plan of Operations (POO) #09-06-001 beginning November 2006.

2.2 Proposal

POO #09-08-001 for the development of a mining project was submitted to the USFS in November 2007. The proposed POO consists of the expansion of 6 previously mined open pits and the development of a new pit in the southeast portion of the project area. The proposed surface disturbance consists of expansions of pit and waste rock facilities, construction of a new tailing storage facility (TSF), processing and support facilities, surface water diversions, yard areas, utilities, mine roads, and additional exploration. Most of the Taylor Mill equipment used in the historic operations remains on site and will be refurbished for use in the future operations.

The proposed POO will result in approximately 271 acres of disturbance, 125 acres of which are already disturbed by previous mining activities on both USFS and private land (Figure 2.2). The proposed POO includes the expansion of 6 previously mined open pits, including: Bishop, Argus, Northwest, Northeast, Monitor, and Southwest Pits, and construction of a new pit in the southeast corner of the project. Some of the waste rock generated by the operation will be used to construct the TSF embankment. The remainder of the waste rock will be stored in the Northwest Pit and the Bishop Pit and on an expanded waste rock facility located near the Southwest Pit. Mining will produce approximately 0.55 million tons of ore per year and 0.93 million tons of waste. The proposed POO includes 10.5 years of active mining.

The processing plant will require the use of most of the existing equipment after refurbishment. Crushed ore will be ground in a 2-stage grinding circuit consisting of an open circuit primary ball mill followed by a closed circuit secondary ball mill where the coarse and fine ore is separated by a cyclone classifier. Sodium cyanide solution is added to the grinding circuit to initiate the silver dissolution reaction. The silver will be recovered with a zinc precipitate and shipped off-site to a refiner for silver recovery. The tailing will be pumped to the tailing storage facility.

A new geosynthetic-lined TSF will be constructed north of the existing tailings facility in a staged approach. The entire basin will be stage-constructed with an underdrain blanket consisting of a network of pipes and filter drain material located above a geosynthetic liner. Along the upstream embankment face of the Stage 1 and Stage 2 facilities, geocomposite strip drains will be used to intercept underdrainage water. This system will also be connected to the

basin underdrain system which will allow the collected fluids to be conveyed to an external solution collection pond.

The solution collection pond for the new TSF has been designed to contain the 24-hour drain down volume and 100-year/24-hour storm event, while maintaining 2 feet of freeboard. As this pond will contain process solutions, it will be provided with both a primary and a secondary liner, and a leak collection and recovery system (LCRS) placed between the liners. The liner system for the recycle/storm water pond has been selected as per NAC 445A.435.

Diversion channels, both temporary and permanent, will be built around the open pits and the new and existing TSF's to limit the volume of surface water runoff entering the system during precipitation events. These diversion channels have been designed to safely convey the peak flow from the 100-year/24-hour storm event.

The site laboratory, administration, warehouse, and mill maintenance facilities will utilize the existing buildings that are centrally located near and within the mill facility. Some refurbishment will be required so that these buildings meet current building and fire codes. Additional spill containment will be provided where appropriate. Electrical power will be provided by a utility line that previously provided power to the project site.

Water supply is expected to come from 2 wells left by the previous mining operations. A raw water tank will be constructed near the process plant to hold the water that will be distributed to the potable water system, fire control system, and production areas.

At closure, land disturbances will be reclaimed in a manner that is compatible with the surrounding local land uses. The post-mining land use is expected to include domestic grazing and wildlife habitat, dispersed recreation, and allowance for future mineral exploration.

Project Time Frame: The decision resulting from this analysis is expected to be completed by the end of 2008. Project construction would be initiated in first quarter 2009, weather permitting. The proposed mine plan is approximately 10.5 years.

3.0 Other alternatives

The starting point for the EA is to not reopen the Taylor Mine. The No Action Alternative makes no change to the current land use. The Forest Service is required to address the No Action Alternative, even though it fails to meet the project purpose and need and results in the project area remaining unreclaimed.

4.0 Preliminary Issues

The Forest Interdisciplinary Team has identified the following potential issues related to the proposed action.

1. The historic Taylor townsite, which was active in the late 1800's, is located within the project boundaries. The site has been evaluated by an archeologist and as part of the EA process, a Programmatic Agreement between the USFS, Nevada State Historical Preservation Office, and Anglo Nevada will be developed. The project has the potential to disturb archeological resources. If the development of the project has the potential to disturb any significant archeological resources a mitigation plan will be developed.
2. The project is located in the vicinity of two other mining projects, Molycor TKO and Ridgetop projects. As such, a cumulative impact assessment of the impacts due to the development of these two will be conducted as part of the EA analysis.
3. As the proposed action has the potential to impact air quality, the EA will need to include an assessment of potential impacts to the roadless and the High Schells Wilderness areas located 2 miles east of the project. In addition, the air quality impacts assessment will assess the potential cumulative impact due to the development of the Sierra Pacific Power projects.
4. As the Proposed Action has the potential to affect water resources in the area the EA will evaluate the engineering controls proposed as part of the design and if necessary propose additional measures if necessary to ensure safe operation of the facilities during operations and closure.
5. The current public access is located through a portion of the private land held by Anglo Nevada. As the development of the project will require an alternative access route the EA will include an alternative route and an assessment the potential impacts associated with this.
6. As the Proposed Action has the potential to affect biological resources in the area, a biological assessment/biological evaluation (BA/BE) will be conducted to identify any

threatened and endangered (T/E) or other species of concern that could be disturbed if the project is developed.

5.0 Analysis Process

5.1 Environmental Analysis

An environmental analysis of the proposed project will be conducted by comparing the existing physical, biological and social aspects of the project with proposed changes that may impact these existing conditions. The analysis is used to identify, predict, evaluate and mitigate potential impacts to physical, biological, social, and other relevant effects of development proposals prior to major decisions being taken and commitments made by the regulatory officials. The environmental analysis will include an evaluation of both the public and private lands. The process also gives the public a chance to identify potential concerns about the project and gives the proponent the ability to address those concerns in a cooperative manner such that all parties are confident that the project will operate and close in a manner that is environmentally protective.

5.2 Notice of Proposed Action

In accordance with Forest Service regulations at 36 CFR 215, the public would be provided with a 30-day public comment period. The responsible official has the discretion to select the appropriate time for inviting public comment. A Notice of Proposed Action document will be mailed to interested parties.

5.3 Decision framework

Based on the environmental analysis and disclosure documented in the EA the Forest Supervisor would determine if there are any significant impacts due to the development, operations and closure of the Taylor Mine. If no significant impacts are expected, then the Forest Supervisor would issue a Decision Notice and Finding of No Significant Impact. If it is determined that significant impacts may occur then additional studies would be undertaken and an environmental impact statement prepared. Following completion of the environmental impact statement, the Forest Supervisor would sign a Record of Decision.

6.0 Comment Process

To assist the Forest Service in identifying and considering issues and concerns on the proposed action, comments or suggestions should be as specific as possible. It is also helpful if comments refer to specific events, conditions, or practices, whenever possible.

Comments may also address the proposed action, issues, and alternatives described in this scoping document. Reviewers may wish to refer to the Council on Environmental Quality Regulations for implementing the procedural provisions of the National Environmental Policy Act at 40 CFR 1503.3 in addressing these points.

Comments received, including the names and addresses of those who comment, will be considered part of the public record on this proposal and will be available for public inspection.

Submit written comments to:

Patricia Irwin, Ely District Ranger
825 Avenue E
Ely, Nevada 89301
775 289-5120
775 289-3031

Electronic comments can be sent to:

comments-intermt-n-humboldt-toiyabe-ely@fs.fed.us

Please put “Taylor Mine” in subject line.

7.0 Contacts

For additional information, please contact:

Deanna Stever, Project Manager

825 Avenue E

Ely, Nevada 89301

775 289-5120