FINDING OF NO SIGNIFICANT IMPACT
FOR
Fire Creek Exploration Project
Environmental Assessment Number NV063-EA05-57
Plan of Operations Number NVN-079769

After consideration of the environmental effects of the Bureau of Land Management's (BLM's) preferred alternative (Proposed Action with mitigation) described in the Environmental Assessment (EA) NV063-EA05-57 and supporting documentation, I have determined that the Proposed Action with the project design specifications identified in the EA is not a major federal action and 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 is not required.

I have determined the Proposed Action is in conformance with the approved Shoshone-Eureka Resource Management Plan and is consistent with the plans and policies of neighboring local, county, state, tribal, and federal agencies and governments. This finding and conclusion is based on my consideration of the Council on Environmental Quality's (CEQ's) criteria for significance (40 CFR 1508.27), both with regard to the context and the intensity of impacts described in the EA.

Context:

Klondex Mines, Ltd. (KML) proposes expanded mineral exploration at its Fire Creek Exploration Project (Project). The Project is located within the local drainage basin of Fire Creek, approximately six miles northwest of the town of Crescent Valley in Lander County, Nevada, specifically located in portions of Sections 14, 15, 22, and 23, Township 30 North, Range 47 East (T30N, R47E) Mount Diablo Base and Meridian (MDB&M) (Project Area). The Project Area includes portions of two sections (168 acres) of public land administered by the BLM and approximately one section (635 acres) of adjacent split estate land with private surface ownership and federal subsurface mineral ownership.

Under the Proposed Action, KML proposes to expand exploration activities, which would include construction of drill sites, construction of exploration roads, overland travel, bulk sampling in trenches, and exploration drilling. The exploration activities would occur in phases up to a total of 50 acres.

Intensity:

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

The EA considered both beneficial and adverse impacts of the Proposed Action.

Impacts of the Proposed Action include the following: wind and water erosion of disturbed soils; fugitive dust from travel on dirt roads; impacts to surface water resources by erosion of soils

resulting from surface disturbance; disturbance to vegetation; loss of range resources; possible introduction and invasion by undesirable plant species; possible temporary disturbance of wildlife (including special status species); impacts to cultural resources; beneficial impact from increased number of workers; a temporary impact to visual resources; nesting migratory birds; and release of hazardous or solid wastes. These impacts, which are described in detail in Chapter 4 of the EA, would be minimized by the environmental protection measures as part of the Proposed Action or mitigated by measures described in Chapter 4.

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

None of the environmental impacts disclosed above and discussed in detail in Chapter 4 of the EA and associated appendices are considered significant.

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

The adherence to environmental protection measures and Best Management Practices (BMPs) the Proposed Action will result in 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.*

The Project Area covers 803 acres of which 168 acres are on lands administered by the BLM and 635 are on lands that are private. The Project is located approximately 20 miles southeast of Battle Mountain on the east side of the Shoshone Range in Lander County, Nevada. The historic town site of Tenabo is located in the vicinity of the Project. In addition there are some prehistoric cultural sites; otherwise there are no park lands, prime farmlands, wild and scenic rivers, or ecologically critical areas in the vicinity.

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 be controversial. On March 29, 2005 letters were sent to tribal chairs and environmental coordinators. No reply to these letters were received. A second letter was sent on June 6, 2005 to members of the interested public, including tribal representatives. Four comments were received. One commentor simply wrote opposed, and the second simply requested a copy of the EA. The third comment was from the Nevada Division of Water Resources. The fourth comment was received from Elko County Board of Commissioners stating their support for the project. On July 6, 2005, a field tour of the project was facilitated by the BLM for interested members of the Battle Mountain Band, Te-Moak Tribe of the Western Shoshone.

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 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 Fire Creek Exploration Project will not establish a precedent for future actions with significant effects or represent a decision about future consideration.

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

The reasonably foreseeable future actions (RFFAs) have been considered in the cumulative impacts analysis within the EA. These actions include past work completed at the same site as the current Project, the Gold Acres mining operation, potential additional exploration activities by KML, current operation and expansion of the Pipeline/South Pipeline mine, development of the Pediment and Cortez Hills mining projects, the Cortez Underground Exploration project and potential discovery of adjacent mineralization, future dewatering operations, and refractory ore processing. There are numerous other exploration projects that may or may not turn into mines. Other RFFAs include future public land sales, improvements in the condition of grazing allotments, and installation of livestock and wildlife watering facilities. Additional agricultural development is reasonably expected to occur in the form of additional pivot irrigation. In addition, for any actions that might be proposed in the future, further environmental analysis, including assessment of cumulative impacts, would be required prior to surface disturbing activities.

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

Class III Cultural Resource surveys have been completed over the entire Project Area. All National Register eligible cultural resources would be avoided during implementation of the Proposed Action; therefore, there would be no adverse impacts to cultural resources.

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

There have not been any focused biological surveys conducted within the Project Area. A data search conducted by the Nevada Natural Heritage Program (NNHP) in 2005 indicated that no federally listed threatened, endangered, or candidate animal species are known to occur in the Project Area; however, there may be habitat for pygmy rabbits. The pygmy rabbit has been listed as endangered in a part of its range outside of the Great Basin. Since it is also declining in other parts of its range, the Nevada BLM State Director has directed all field offices to begin to survey for pygmy rabbits in relation to all proposed ground disturbing activities in suitable habitat.

Pygmy rabbits are sagebrush obligates and require healthy, intact, native sagebrush communities for food and cover. The species is most often found within the 4,500 to 7,000 feet above mean sea level (amsl) elevation range in dense clumps of basin big sagebrush, and alternatively, stands of large individuals of Wyoming big sagebrush that are often associated with riparian areas. The Fire Creek Project area has recently burned in a wildland fire. Sagebrush is sparse, generally only a foot high, and not mature enough to provide habitat for either sage grouse or pygmy rabbits. The predominant vegetation types consist of nonnative cheatgrass and other bunch grasses.

The Proposed Action could provide long term benefits to special status wildlife species habitat. When areas are disturbed and reclaimed, native plant species would be used for reseeding thereby replacing cheatgrass and other undesirable plant species.

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.

DECISION:

As a result of the analysis presented in the EA, it is my decision to approve the Proposed Action with mitigation for the Fire Creek Exploration Project (Environmental Assessment: Fire Creek Exploration Project, Lander County, Nevada). This management decision for the Fire Creek Exploration Project is issued under **43 CFR 3809** and is effective immediately upon signing of this Decision Record (DR).

The preceding rationale for the Finding of No Significant Impact (FONSI) supports this decision. The Proposed Action coupled with design features, mitigation measures, and environmental protection detailed in the EA and FONSI have led to my decision that all practicable means to avoid or minimize environmental harm have been adopted and that unnecessary or undue degradation of the public lands will not result. This decision is consistent with the Shoshone-Eureka Resource Management Plan and Record of Decision (1986), as amended.

All resource values impacted by the Proposed Action have been evaluated for cumulative impacts. It has been determined that cumulative impacts would be negligible for all resources.

RATIONALE FOR FULL FORCE AND EFFECT DECISION

The reasons for issuing the decision for the Fire Creek Exploration Project under **43 CFR 3809** are as follows: 1) the Proposed Action is in conformance with the Shoshone-Eureka Resource Management Plan Record of Decision (ROD) which states: "Make available and encourage development of mineral resources to meet national, regional, and local needs consistent with national objectives for an adequate supply of minerals," 2) the ROD also states "All public lands in the planning area will be open for mining and prospecting unless withdrawn from mineral

entry," 3) the Proposed Action is in conformance with the President's National Energy Policy as put forth in Executive Order 13212 and will not have an adverse impact on energy development, production, supply, and/or distribution, 4) Final reclamation will ensure public safety and the return of the exploration disturbance to its pre-exploration land uses of grazing, wildlife habitat, and mineral exploration. Final reclamation will reduce visual contrast created during the mining operation.

I am making this minerals management decision effective on the date this document is signed per the **43 CFR 3809.**

APPEAL AND PETITION FOR STAY

If you do not agree and are adversely affected by this decision, in accordance with 43 CFR 3809.804, you may have the BLM State Director in Nevada review this decision. If you request a State Director review, the request must be received in the BLM Nevada State Office, 1340 Financial Blvd. 89502, P.O. Box 12000, Reno, Nevada 80520-0006, no later than 30 calendar days after you receive this decision. A copy of the request must also be sent to this office. The request must be in accordance with the provisions provided in 43 CRF 3809.805. If a State Director review is requested, this decision will remain in effect while the State Director review is pending, unless a stay is granted by the State Director.

If the Nevada State Director does not make a decision on whether to accept 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 Interior Board of Land Appeals (IBLA). You then have 30 days in which to file your notice of appeal with the IBLA (see procedures below).

If you wish to bypass the State Director review, this decision may be appealed directly to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR 4 and Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (Battle Mountain Field Office, 50 Bastian Road, Battle Mountain, Nevada 89820) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

United States Department of the Interior
Office of the Secretary
Board of Land Appeals
4015 Wilson Blvd., Arlington, Virginia 22203

If you wish to file a petition pursuant to regulation 43 CFR 4.21 for a stay of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, 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 the notice of appeal and petition for a stay must also be submitted to each party named on this decision and to the Interior Board of Land Appeals 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.

WHERE TO FILE NOTICE OF APPEAL	U.S. Department of the Interior Bureau of Land Management Battle Mountain Field Office 50 Bastian Road Battle Mountain, NV 89820
SOLICITOR ALSO COPY TO	U.S. Department of the Interior Office of the Field Solicitor 6201 Federal Building 125 S. State Street Salt Lake City, UT 84138-1180

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 the 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, and
4. Whether the public interest favors granting the stay.

Roberta McGonagle
Acting Assistant Field Manager
Nonrenewable Resources
Battle Mountain Field Office

8/17/05
Date