



STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Brian Sandoval, Governor

Leo M. Drozdoff, P.E., Director

Colleen Cripps, Ph.D., Administrator

NOTICE OF DECISION - Bureau of Mining Regulation and Reclamation

Web Posting: 12/16/2011

Deadline for Appeal: 12/26/2011

**327 Apex Project
Permit #NEV2001103**

Lake Mountain Mining, Inc.

The Nevada Division of Environmental Protection has decided to renew Water Pollution Control Permit (Permit) NEV2001103 to Target Minerals. This Permit authorizes the construction, operation, and closure of approved mining facilities in Washoe County. The Division has been provided with sufficient information, in accordance with Nevada Administrative Code (NAC) 445A.350 through NAC 445A.447, to assure the Division that the groundwater quality will not be degraded by this operation, and that public safety and health will be protected.

The permit will become effective December 31, 2011. The final determination of the Administrator may be appealed to the State Environmental Commission pursuant to Nevada Revised Statute (NRS) 445A.605 and NAC 445A.407. All requests for appeals must be filed by 5:00 PM, December 26, 2011, on Form 3, with the State Environmental Commission, 901 South Stewart Street, Suite 4001, Carson City, Nevada 89701-5249. For more information, contact Rob Kuczynski, P.E. at (775) 687-9441 or visit the Division website at www.ndep.nv.gov/bmrr/bmrr01.htm.

One comment letter was received during the public comment period from Mr. John Mosley, Environmental Director, Pyramid Lake Paiute Tribe (PLPT), Nixon, Nevada. Mr. Mosley's comments are as follows:

PLPT Comment #1: "This objection [to the Permit] is made on the basis of several factors....[No Bureau of Land Management] "Approved Surface Management Plan of Operation" exists on file for the mining project. This needs to be rectified before continuing any mine development at the site. We would like to request any information regarding the project's NEPA compliance, due to its potential impacts to federal lands."

Division Response: The NAC 445A regulations and water pollution control permitting process are independent of the NEPA process. Please contact the Bureau of Land Management with any questions regarding the 327 APEX Project's NEPA compliance.

PLPT Comment #2: “[T]he project's water pollution control permit should not be approved until additional background work and design is prepared and deemed satisfactory.”...“The 305 Minor Modification in Section 2Acdd describes Water Management and Erosion Control but only addresses areas upslope of the portal and waste rock pile, not downslope.”

Division Response: Storm waters flowing down slope from the area north of the mine (only upslope area) are diverted around the mine facilities using berms and ditches. Storm waters flowing within the mine site are confined to the basin within which the mine facilities and the waste rock dumps are located.

PLPT Comment #3: “In all the plan documents reviewed in the NDEP record, there was no stormwater management plan nor fully addressed section which discussed the following: calculations for storm events, BMP measures planned for use, or description of a process for inspection and repair of erosion.”...“Site plans provided to the tribe only show existing historic basins on the site, and no special earthwork is indicated for purposes of capturing and treating sediment- and, /or mineral-laden storm water.”... “Olinghouse creek is identified as being located within 2800 feet away, and the terrain in this region is extremely steep.”

Division Response: A “Stormwater Pollution Prevention Plan” was submitted to the Division's Bureau of Water Pollution Control (BWPC) and approved on January 25, 2010. Review and approval of stormwater management plans are the responsibility of BWPC and are therefore not the purview of the 327 APEX Permit renewal. Olinghouse Creek is located approximately 2,200 feet south of the mine facilities as stated in the mine plan. The average slope is 9 percent down to the creek.

PLPT Comment #4: “We are not confident that enough evidence has been provided to justify the site has low acid generating potential (AGP). The basis for this determination was test bores and evaluation of rock from a mine which was originally proposed as open pit.”...“This tunneling mine may encounter rock not evaluated and cannot be confidentially evaluated with the same data as the nature of the mining material has changed.”

Division Response: The Permit requires quarterly characterization of representative samples of waste rock. Although a minimal amount of waste rock has been generated over the past several years, a review of the waste rock characterization results has indicated the material to be non-acid generating. This has also been confirmed by the Division's review of the wealth of waste rock data collected by previous operators.