USDA United States Department of Agriculture Forest Service Ouray Ranger District

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970-240-5300
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COMMENTS FROM USFS
RE: ORE/TAILINGS REMOVAL IN GOVERNOR BASIN

File Code: 2810
Date: April 20, 2015

DIANNA STOOPNIKOFF
ENVIRONMENTAL RELATIONSHIPS MGR
FORTUNE MINERALS LIMITED
2653 SUNSET DR
KAMLOOPS BC V2C 4K4

Dear Dianna,

This letter is to document our review of the draft Plan of Operations (POO) submitted by email on March 10, 2105 for low grade ore and tailings removal in Governor Basin on National Forest System (NFS) land. During our meeting on March 25, 2015, you provided Liz Mauch of my staff with electronic copies of the application amendment submitted to DRMS, as supporting documentation to the POO. Liz has completed her review of these documents, and we have some follow up comments and questions to share with you.

We have determined that the POO cannot be approved until an Environmental Analysis (EA) is conducted for ore/tailings removal occurring on NFS land. Accordingly, we have updated the draft EA schedule that we shared with you during the March meeting (enclosed). As the timeline shows , the earliest we foresee having a decision is October 12, 2015.

Please let us know when you decide whether or not to include ore/tailings removal on NFS lands on unpatented claim RV-13 with your project on Revenue Mine patented land. If you would like to include NFS land, we will need to discuss who would prepare the EA and what specialists should be involved in the analysis. We would also send you more detailed questions and comments from Liz's review of the POO and DRMS amendment documentation. If you decide not to remove the ore/tailings from NFS land, please explain and show on a map, how you will identify the FS boundary and what measures you would take at the boundary, so as not to leave a steep cut on the remaining ore/tailings.

We have a couple of immediate questions based upon Liz's review:

a. Duration of the ore/tailings removal and reclamation: the POO in section 1 states a total project duration of two years, but shows three years including final reclamation. We presume that reclamation is concurrent with ore/tailings removal, but that there is an expectation of some final reclamation to be done in year three. Exhibit D, Mining Plan section 21 states 5-6 years. Exhibit E Reclamation Plan Table E-1 shows ore removal occurring for 42.1 + 26.1 months. Please clarify what the most likely scenario would be for ore removal, concurrent reclamation, and final reclamation.

b. Diverting water sources: the Environmental Protection Plan page T-106 discusses SW-10 sample location for the Humbolt Mine discharge, and SW-9 location for Saint Sophia's Basin runoff. The Plan states those waters will be re-routed. The sampling locations appear to be on NFS land (on the Waverly claim for SW-10, and on Public Domain land for SW-9). Please explain and show on a map the point at which the water would be diverted, and for what purpose since the drainage appears to join the main drainage below the ore/tailings piles.

Road use, Governor Basin: We have submitted the traffic table that you provided with the POO to our roads engineer for comment, and will get back to you after he has reviewed it. The information will be used for either a revised Road Use Permit for the hauling, or will be incorporated into the approved Plan of Operations, depending upon whether the mine chooses to continue the EA process for removing ore/ tailings from NFS land.

As a reminder, during our meeting in March we discussed the need for a site visit with our roads engineer. I would like to schedule a site visit of the haul route as soon as conditions are favorable to do so. Topics to discuss would be any questions we have about the traffic table, areas with soft shoulders, drainage structure maintenance, and the remaining chiseling work that is proposed on the overhang section.

If you have any concerns or questions, please contact Liz at 970-240-5405 or lmauch@fs.fed.us

Sincerely,

for TAMERA RANDALL-PARKER
District Ranger

Enclosure: EA timeline, 4/20/15 revision

Cc: Bob Oswald, DRMS
Doug Marah, GMUG NF

DRAFT Governor Basin project schedule, for illustration purposes only

Revised April 20, 2015 by Liz Mauch

Brief summary: Proposal will require an Environmental Analysis (EA), and as such, the decision is subject to an Objections and Objection Resolution process. The analysis chiefly includes resource clearances for wildlife, archeologic clearance, and hydrology/wetlands, with input also from engineering (roads) and recreation. Would work closely with DRMS and use any reports that have been prepared to the extent possible.

After the Decision Notice/Finding of No Significant Impact is signed, the Company revises the POO to include the findings under the DN/FONSI, posts any additional bonding, and may proceed.

Rough Draft of Schedule: Scenario assumes Company prepares their own EA or pays the FS to prepare the EA under a Collection Agreement. Assume the Company provides 3rd party archeology and wildlife specialists. Assume that SHPO concurrence will be needed, but no FWS consultation. Also **assumes a very aggressive schedule, and a streamlined environmental analysis process.**

Activity	Best Case Dates	Worst Case Dates
POO is complete	5/8	
Write scoping and draft EA Chp 1 & 2 (Purpose & Need, Description of Alternatives). Either FS or Company writes document. Important: If prepared by someone outside the FS, need to talk to FS specialists early on to get shapefiles or data, and be apprised of any known concerns. 3rd party wildlife biologist and archeologist should talk to FS specialists early on.	5/11-5/29	
FS reviews, revises document (if prepared by Company)	6/1-6/5	
FS releases scoping/Chp 1 & 2 for 30day public comment	6/8-7/8	
Field work: Archeologic and other specialist field work, maybe hydrologist or use existing hydro studies.	6/15-6/19	
Archeologist submits report to FS archeologist to review.	6/25	
Archeologist submits report to SHPO with recommendation on eligibility. *SHPO has 90 days to respond.*	6/30	
FS or Company works on Chp 3 and 4 of EA (Affected Environment and Environmental Consequences). Sidenote: this is aggressive scheduling since we are still in the public comment period and therefore, new information could result in going back and revising some sections of the EA.	6/22-7/20	
FS reviews and considers public comments and provides additional input for items to address in Chp 1-4 of EA	7/9-7/14	
FS or Company finishes final EA	7/23-7/31	
FS reviews, revises document and drafts the decision	8/1-8/15	
FS releases final EA and draft decision for 45 day public comment (Public Objection Period)	8/20-10/5	
SHPO response rec'd	9/30	9/30

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Best case: If only supportive comments received, FS releases final DN/FONSI. Worst case: If objections received, FS has 45 days to resolve, with possible 30 additional days extension and would release the final DN/FONSI at that point.	10/12	10/5-11/20ish or extended to 12/20ish
Mine submits revised POO and any additional bonding	10/16	11/25 or 12/25
FS reviews and approves final POO	10/20	