Decision Memo

Arizona Minerals Inc. –
Hardshell Mineral Exploration Project
USDA Forest Service
Sierra Vista Ranger District – Coronado National Forest
Santa Cruz County, Arizona
Township 23 South, Range 16 East, Section 4

The Coronado National Forest (CNF) received a request from Arizona Minerals Inc. a.k.a. Wildcat Silver (Proponent) for approval of a Plan of Operations (PoO) to implement a minerals exploration program on National Forest land at their Hardshell Mine project in the Patagonia Mountains. The project area is located within the Sierra Vista Ranger District in Santa Cruz County, Arizona, about 6 miles southeast of the town of Patagonia, Arizona.

Decision

It is my decision to approve mineral exploration, associated activities, and reclamation practices described in the Plan of Operations (PoO) dated 03/10/2011 submitted by Arizona Minerals Inc. for the Hardshell Project. The PoO and maps are available on the Coronado National Forest website. The exploration project will be a continuation of the currently ongoing drilling activity on their adjacent private land, which has been operating since the latter part of 2010 in the same manner as this current project described in the PoO. Drilling operations will be completed in less than 11 months from the date of this decision.

Access:

Access to the exploration area is from the town of Patagonia by way of Harshaw Road, a county road, also identified as National Forest System roads 49 and 58. Access within the project area is via Forest Roads (FR) 5521 and 4687 which run in and out of both the Proponent’s private land and on CNF land (see attached map). As described in the PoO approximately 3,900 feet of temporary low standard access road will be constructed on CNF land to provide vehicle access to the drill sites. The proponent may also conduct maintenance on approximately 7,500 feet of Forest System roads FR 5521 and 4687 within the project area.

Drilling:

Drilling operations on CNF land could be ongoing around the clock, in 12-hour shifts, seven days per week and could continue for up to 300 days. The drilling operations will be conducted using as many as four drill rigs, to complete up to fifteen holes on CNF land to maximum depths of 2500-ft deep with a maximum 8-inch surface collar diameter. Each drill site or pad will be approximately 40 ft x 50 ft in size, including a drilling mud pit or sump having the dimensions of up to 10 ft x 15 ft x 8 ft deep. A
maximum of four sites will be drilled at any one time. Obtained samples will be transported by truck to a work site on private land for testing and evaluation, and retained for future reference.

Reclamation:

Reclamation will be done in accordance with Arizona Department of Water Resources’ Regulations and be immediate. Drill sites and access roads will be reclaimed as per state and federal requirements, including the Coronado National Forest Land Management Plan, as amended. Reclamation practices will include, but not be limited to erosion control and native vegetation seeding.

Rationale

The proposed exploratory and associated activities meet the intent of the Regulations at 36 CFR 220.6(e)(8): "Short-term (one year or less) mineral, energy, or geophysical investigations and their incidental support activities that may require cross-country travel by vehicles and equipment, construction of less than one mile of low standard road (Service Level D, FSH 7709.56) or use and minor repair of existing roads."

Additionally, an Interdisciplinary Team of resource specialists was involved in the review and analysis of this exploration project. Analysis of potential extraordinary circumstances revealed the following determinations:

<table>
<thead>
<tr>
<th>Federally Listed/Proposed T &amp; E species or critical habitat; or FS Sensitive species</th>
<th>Floodplains, wetlands, municipal watersheds</th>
<th>Designated Areas (Wilderness, wilderness study areas, etc.)</th>
<th>IRA's</th>
<th>RNA's</th>
<th>American Indian or Alaska Native Religious Or Cultural sites</th>
<th>Archeological sites, etc. or historic properties or areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Determinations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>&quot;will not have an effect&quot; concurrence received 7/14/2011</td>
<td>A finding Of No Historic Properties Affected, signed 7/18/2011</td>
</tr>
<tr>
<td>“No Affect” Determinations In Biological Assessment/ Evaluation 5/27/2011</td>
<td>None present</td>
<td>None affected</td>
<td>None present</td>
<td>None present</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Inventoried Roadless Areas
** Research Natural Areas
Finding

The PoO’s activities meet the category of actions described above, and due to the lack of effects to resources associated with extraordinary circumstances, I find this analysis and decision is categorically excluded from further analysis in either an Environmental Assessment or Environmental Impact Statement. This Decision Memo constitutes compliance with Forest Service Handbook 1909.15 Chapter 30 and subsequent Regulations. A Project File does exist.

In addition to the requisite analysis listed above in the table, resource specialists analyzed for potential impacts, and provided input on the PoO’s design criteria to avoid or otherwise mitigate any other potential resource impacts.

Proposed activity concerns considered (cause and effect relationships, geographically and/or temporally) include:

- Air quality
- Water quality and quantity
- Solid wastes and their disposal
- Scenic values
- Management Indicator Species and Migratory Birds
- Noise
- Hazardous substances: transportation, storage, spillage prevention/treatment, and disposal
- Compatibility with the grazing program
- Invasive weeds
- Traffic

Public Involvement

A “Scoping Notice” of April 28, 2011 was sent to 378 people on the CNF mailing list. A copy of that mailing list is in the Project File. Upon a request an extension of the scoping comment period was granted through June 9, 2011. 148 comments were received. Content analysis of the replies received was conducted. Some comments were of opinion of whether or not they support the mining industry. Comments were received that were well beyond the scope of the proposed action; exploration, versus open pit or other forms of mining.

On May 27, 2011, this mineral exploration project was discussed at the Four Southern Tribes Cultural Resource Working Group Meeting. The letters from the Tribes expressing no concern are referred to above in the table at the ***, and are in the Project File.

All resource comments concerning cause and effect relationships of the proposed action were previously identified, and addressed through interdisciplinary analysis, and are listed above. No new direct/indirect effect concerns were identified, and no resources were identified to have accumulating effects over both time and space with this exploration project.
Findings Required by Other Laws

Compliance to other federal (e.g. Endangered Species Act) laws and state requirements is listed above. This project also is in full compliance with the Coronado National Forest Land and Resource Management Plan (1986, as amended), which means compliance with the National Forest Management Act.

Forest Service processes and procedures are hereby also in compliance with the General Mining Act of 1872.

Implementation Date

This project may be implemented immediately.

Administrative Review or Appeal Opportunities

This decision is not subject to legal notice and comment period, or appeal.

Under 36 CFR 215.4 “The procedures for legal notice (§215.5) and opportunity to comment (§215.6) do not apply to: (a) Projects and activities which are categorically excluded from documentation in an environmental impact statement (EIS) or environmental assessment (EA) pursuant to FSH 1909.15, Chapter 30, section 31.”

Under 36 CFR 215.12 (f) “Decisions for actions that have been categorically excluded from documentation in an EA or EIS “are not subject to appeal under this part.”

Contact

Further information about this decision can be obtained from Mr. Richard Ahern at (520) 388- 8327, or by email at rahem@fs.fed.us.

PHOEBE J. PATTERSON
Acting District Ranger
Sierra Vista Ranger District

Date

10/18/2011