

BULLETIN

Northwest Mining Association

APRIL 2004

Ballot Measure to Allow Miners to Use Cyanide, But Only After Meeting Stringent Criteria That Protects the Environment, Water, Fish, Wildlife and People

IN THIS ISSUE:

President's Corner	2
New Corporate Members	2
Anti-Mining Group	
Updates	2, 3
NNRI Teacher Workshop	3
Forest Service Mineral/Geology	
Program Updates	4
Members in the News	5 - 8
Committee Reports	9 - 11
State Reports	11 - 13
International Reports	13 - 14
2004 Exhibitors	15
Calendar of Events	16

The Montana Mining Association, in an effort to bolster Montana's economy, provide good-paying jobs and enhance the state's tax base while protecting the environment, filed a ballot initiative to reform Montana's mining laws on March 2.

"This presents an opportunity to say 'Yes' to responsible mining while improving our economy at the same time," said Angie Janacaro, executive director of the Montana Mining Association. If passed, the law would allow the use of cyanide — but only under a series of new statutory restrictions designed to ensure it is used safely and properly.

"We've done a lot of listening recently to hear what the public has to say about our business and our practices," Janacaro said. "Montanans have told us that they want a healthy mining industry, but only if it is well-regulated and it doesn't pose a threat — to the environment, fish and wildlife, or people. This measure does that."

Tammy Johnson, vice president of NWMA corporate member **Environomics**, will lead the campaign. "We recognize that there are those who simply oppose any mining in the state, and that they will criticize us no matter what we do. But we've also learned that the vast majority of Montanans want mining to be part of a diverse economy, provided it's done responsibly and with concern for the environment and communities," Johnson said.

Specifically, the proposed initiative (I-147), would allow the use of cyanide in gold and silver mining, but only if stringent new criteria are met. Among the new requirements:

- All leach pads and ponds that hold cyanide must be designed to withstand 100-year storm events. If the operation is near a stream or river, state regulators can require an additional, redundant containment system to ensure the water is protected.
- Tailings impoundments, leach pads and ponds that hold cyanide must first have a synthetic liner backed up with a secondary liner and a leak-detection system.
- The new Initiative also requires a contingency system so that if there is a leak, that cyanide solution is recovered.
- To address groundwater concerns, mine operators must have an approved program to monitor groundwater and surface water that could be affected by the cyanide and the mines must have sufficient bonding or financial assurance posted with the State of Montana to reclaim the mine.

In addition, the ballot initiative states that mines using cyanide must comply with state and federal water quality and air quality regulations. The initiative language has been approved by the Secretary of State and Attorney General. Now, proponents must gather a minimum of 20,510 signatures from voters across the state. If the signatures are gathered, the measure will be on the Nov. 2 election ballot *continued on page 3*



10 North Post Street, Ste. 220
Spokane, WA 99201
Tel: 509/624-1158
Fax: 509/623-1241

website: www.nwma.org

Laura Skaer, Executive Director
Pat Heywood, Layout & Design

Vol. 110, No. 3

© 2004

(Published six times a year)



PRESIDENT'S CORNER

Lyle Taylor, Geotemps, Inc.

This year is starting with activity everywhere and positive attitudes abound. Your Association needs your help to keep that same level of excitement sweeping through the NWMA.

You're a member of a unique Association, in that any member has a voice in our decisions. As your President, I urge you to call the Executive Director, staff, Board of Directors, and officers and share your views. We especially need to remain the vital group that we have become, by involving new members and getting members who have dropped out to "Re-up."

I am especially honored to be the President this year and encourage all of you to increase your level of participation. There are hardly any opportunities like membership in the NWMA that have a direct impact on your industry. Join with us and make this a year to be proud of by taking a moment and sharing your thoughts with us and asking someone you know to join the Association.

NWMA Welcomes New Corporate Members

Carlson Software
Ferguson Enterprises, Inc.
Hunter Dickinson, Inc.
Medi-Rub Corporation
Metallic Ventures Gold Inc.
Newmont Capital Ltd.
Spectral International/Asterimages

NWMA thanks these mining industry leaders and looks forward to working with them to promote a healthy domestic exploration and mining industry.

Investment in Minerals Development Crucial to Economic Development, Stanford Study Says

Mining and minerals development has been a catalyst to wealth and broad-based economic development for both industrialized and developing nations, according to a new study by Stanford University economists, featured on Mineweb.

The research paper, written by Gavin Wright and Jesse Czelusta, "Mineral Resources and Economic Development," also notes that mining "is one of the high-tech industries of the global economy Our position is that investment in minerals-related knowledge is a legitimate component of a forward-looking economic development program." As a nation encourages investments in mineral exploration, new techniques and mining education, other domestic industries receive spillover benefits from new technologies, lower-cost natural resources and a technically-trained labor force, the authors said.

The study reveals mineral reserves are rarely exhausted as rapidly as expected, and that many resources are extended through exploration, technology, and advances in country-specific knowledge. "New deposits were continually discovered and production of nearly all major minerals continued to rise well into the 20th century – for the country as a whole, if not for every region."

The authors point out the United States has benefited from an abundance of natural resources, which played a significant role in propelling the nation toward world leadership in manufacturing. "It is fair to say that the minerals sector constituted a leading edge of the knowledge economy in U.S. history." In addition, infrastructure in developing nations in the 19th and 20th centuries were created by massive investments by American mining conglomerates.

The study says Latin America is now the world's fastest growing mining region, and that Australia is an example that "expansion of a country's mineral base can go hand-in-hand with economic growth and technological progress."

ANTI-MINING GROUP UPDATES

Mineral Policy Center Changes it's Name to EARTHWORKS

Effective March 1, 2004, anti-mining group, the Mineral Policy Center, changed its name to EARTHWORKS. The new website is www.earthworksaction.org.

In a February 27, 2004 "Dear Colleague" letter, EARTHWORKS president and executive director, Stephen D'Esposito said, "Our new name clarifies who we are and what we stand for" NWMA wonders if Mr. D'Esposito is aware of Webster's definition of earthworks: ". . . the operations connected with excavation and embankments of the earth . . ." Does this mean that EARTHWORKS will want to bid on moving dirt at mine sites?

D'Esposito also announced that as part of the name change, EARTHWORKS is forming "a strategic partnership" with the Center for Science and Public Participation. EARTHWORKS intends to rely on the Center for "scientific, engineering and technical information."

D'Esposito announced that the scope of EARTHWORKS has expanded to include an international program, a campaign to promote consumer awareness, a campaign to engage retailers, investors and insurers to create incentives for responsible practice, a campaign to promote recycling and re-use of metals, and an intent to engage with leaders in the mining sector.

EARTHWORKS first campaign entitled "No Dirty Gold" attempts to influence jewelers to join their anti-mining crusade.

Tom Myers Resigns from Great Basin Mine Watch

Tom Meyers, executive director of Great Basin Mine Watch (GBMW), recently resigned his position. He plans to be a consultant in hydrology and water resources, primarily working for non-profits and tribal governments. It looks like he won't be straying far from GBMW as they will be "one of my most important clients."



EXPLORATION, OPERATIONS & RECLAMATION - KEYS TO A VIBRANT MINERAL INDUSTRY

NORTHWEST MINING ASSOCIATION'S 110TH
ANNUAL MEETING, EXPOSITION & SHORT COURSES
DECEMBER 6-10, 2004
RED LION HOTEL AT THE PARK
SPOKANE, WASHINGTON

This is one you won't want to miss. Program Chairman Opal Adams., Enviroscientists, Inc., Reno, NV, and Ann Carpenter, Domestic & International Mineral Development, Reno, NV are in the midst of putting together this years Technical Session line up.

We still have openings for session chairs and speakers. Please email your abstracts to Pat Heywood - pheywood@nwma.org.

SESSION TOPICS

Mineral Deposits , Geology & Exploration
Business & Finance , Operations
Enviromental & Permitting
Health & Safety
Mining & Communities
Industrial Minerals &
Legislative & Public Affairs

SHORT COURSES

Spokane Floods & Wenatchee Gold (off-site)
Acid Mine Drainage- Perspectives and Case Studies
BLM/US Forest Service Permitting Course

Contact NWMA for details

*Ballot Measure to Allow Miners to Use Cyanide, ...continued
from page 1*

If passed, I-147 would revise I-137, an initiative that passed in 1998 by a 52-48 margin. I-147 would not repeal I-137 and would restore any contractual interest or right in a mineral estate that was lost due to I-137.

Critical to that 1998 vote was a law that was declared unconstitutional in a challenge brought by NWMA, MMA and Communities for a Great Northwest, just 12 days before the election. That law prohibited mining companies from campaigning on I-137 until the last minute.

"Montanans have told us they want ballot initiative campaigns to be open, honest discussions of the pros and cons of an issue," Johnson said. "And that's the kind of campaign we intend to present to the voters."

Added Janacaro, "With the restrictions it places on future gold and silver mines, this initiative strikes the right balance Montanans want, a balance that brings good-paying jobs and environmental protection. We believe we can all work together to this end and look forward to discussing it with the voters."

Prior to filing the ballot initiative language, MMA conducted extensive polling and focus group sessions across the state to determine how Montanans viewed mining and other natural resource industries.

For more information, go to the Yes on I-147 website at www.yeson147.com.

Minerals Teacher Workshop Scheduled

Northwest Natural Resources Institute (NNRI), is inviting K – 12 teachers from regional school districts to participate in a Minerals Teacher Workshop being held in Sandpoint, Idaho, April 20 & May 1, 2004. It is being offered by the NNRI, a 501(c)(3) educational organization . The NNRI is an affiliate of the Spokane Regional Chamber of Commerce and was founded twelve years ago to provide informative programs on our region's natural resources. Each year through our educational efforts, we reach approximately 3,000 students and more than 250 teachers. NNRI's mission is to cultivate a better understanding of the daily importance of our agricultural, mineral, forest and water resources by educating teachers and students about the science, economic and societal aspects of our region's natural resources.

Teachers will learn about the rock cycle, identifying the resources and mining techniques, extraction and uses of minerals, and we will hold a resource packet roundtable.

The price of the workshop is only \$60 and includes meals and snacks, rock and mineral kits, a hard hat, and lots of activities and materials for the teachers to take back to their classrooms. Credits will also be available. For more information, contact Diahne M. Gill, Program Director

Northwest Natural Resources Institute, Spokane Regional Chamber of Commerce, 801 W. Riverside, #100, Spokane, WA 99201, phone (509) 459-4121.

AUTHORITATIVE!
RELIABLE!
AFFORDABLE!



Subscribe today!

ON THE LEVEL SINCE 1915

<http://www.northernminer.com>

Forest Service to Reemphasize Mineral & Geology Program Objectives Based in the Mining & Minerals Policy Act of 1970

Over the last three years, NWMA has been working with Undersecretary of Agriculture for Natural Resources and Environment, Mark Rey, on the need to reestablish the USFS Minerals & Geology program. After eight years of Clinton-Gore, it is important that Forest Service line personnel understand that environmentally responsible mineral exploration and development are priority activities on National Forest lands.

The first goal was to fill the position of director of the Division of Minerals & Geology. Last year, Skip Underwood was selected to be the new director of the USFS Division of Minerals & Geology and Mike Burnside from Region 1 was selected to be the assistant director. At last December's convention, Skip Underwood told the Legislative and Regulatory Affairs session that minerals were a priority for the USFS and soon steps would be taken to elevate the importance of minerals within the Forest Service.

Those efforts came to fruition at the end of February, when Forest Service Chief Dale Bosworth sent a letter to regional foresters and other key Forest Service leaders strongly emphasizing his expectations in implementing the National Energy Policy and to affirm USFS' Minerals & Geology program objectives and policies based in the Mining and Minerals Policy Act of 1970. Skip Underwood has indicated that the Minerals & Geology division leaders would do all they could to help the agency and the personnel in the field be successful in meeting the direction and intent of the Chief's letter.

The chief's letter is dated February 20, 2004 and states, in part: "In October 2003, BLM Director Kathleen Clarke and I jointly signed a document which is enclosed and states our shared commitment to sustainable development of mineral resources. . . . This joint statement is significant because it affirms that the two land management agencies with the most vital roles in mining and reclamation activities on federal land agree to the concept of sustainable mineral development and continued implementation of the Mining and Minerals Policy Act of 1970."

The chief's letter also enclosed a copy of the Forest Service Minerals Program Policy issued in 1995 by former chief Jack Ward Thomas. The program policy statement issued by former chief Thomas is based on the Mining and Minerals Policy Act of 1970. In commenting on the policy, Chief Bosworth stated, "Management of minerals and geology resources is an integral part of our multiple-use mandate for national forest and grasslands. I encourage you to review the policies, plans and strategies described here and re-commit your leadership to continue to move us forward as good stewards of our minerals and geology resources in concert with other resource values of the public's land."

The chief's letter, the sustainable development policy and the Forest Service Minerals Program Policy statement issued by former chief Thomas are available on the NWMA website Issues link at <http://www.nwma.org/issues> under Public Lands.

Colorado Mining Association Files Suit Against Summit County Board of Commissioners

The Colorado Mining Association (CMA) has initiated a lawsuit against the Summit County Board of Commissioners over their decision to ban heap-leach mining that uses cyanide. The anti-cyanide resolution was adopted by Summit County January 26, 2004. The CMA lawsuit was filed in February 25, 2004 and asks the Court to declare the ban null and void because it is pre-empted by state law, is arbitrary and capricious, and abuse of discretion or otherwise contrary to law.

CMA argues that Colorado's Mined Land Reclamation Act prohibits counties from adopting reclamation standards different from those in the state statute. Colorado's Act provides for state regulation of "designated mining operations" using toxic or acid forming chemicals in metallurgical processes. Since state law allows the regulated use of cyanide, Summit County is prohibited from regulating it or banning its use.

NWMA fully supports CMA in this effort.

Atlas Copco to Acquire Ingersoll-Rand Drilling Solutions

Atlas Copco announced on February 19, 2004, that subject to various and normal approvals, it will acquire Ingersoll-Rand Drilling Solutions, a business within the Ingersoll-Rand family of companies for a cash purchase price of \$225 million. The acquisition will provide Atlas Copco with the products to expand into the open pit mining market which includes rotary blasthole drilling.

A new division will be created within the Construction and Mining Technique business area to be named Atlas Copco Drilling Solutions. Robert Fassl, with Atlas Copco since 1999, will be the president.

CALL FOR NEWS AND INFORMATION

NWMA is requesting news about our member companies and your activities. If you have not already done so, please put us on your e-mail list for press releases, product information, and all other news of interest that would interest our members.

The *Bulletin* will be adding more news about mining companies, suppliers, and service providers in order to keep our members informed on the latest in exploration, development, and technology in the mining industry.

For more information, (or to provide some!), please contact Mike Heywood at (509) 624-1158 ex 10 or e-mail mheywood@nwma.org.



MEMBERS IN THE NEWS...

Constellation Copper Corporation Finds Copper at Cashin

Constellation Copper Corporation reported encouraging copper grades from fan drilling on the western area of its' Cashin Deposit in Colorado. Six holes were drilled in two separate fan patterns and returned an average of 0.55% copper over 230 feet.

These holes were drilled east of three previously drilled holes that assayed 0.46-0.85% over 90-351 feet. Any core that remains will be sent to the Lisbon Valley processor for column leach testing.

The exploration effort is aimed at defining a resource south of La Sal Creek to boost the estimated resource. Drilling in 1994-95 indicated a total resource at Cashin of 13 million tons grading 0.5% copper. Studies indicate the project will be an open pit mine, with the ore most likely processed at the Lisbon Valley Project.

Following the decision of the Philippine Supreme Court that the 1995 Philippine Mining Law is unconstitutional, Constellation has called off its' planned acquisition of the Hinoba-an copper-gold-molybdenum deposit. The Company said it will monitor the on-going appeal, but at this point, the validity of the agreement is in question.

Coeur d'Alene Mines Corp. Granted Ten Licenses in Tanzania

Coeur d'Alene Mines Corporation announced on February 10 that the government of Tanzania granted ten prospecting covering ten mineral properties. Each license is valid for three years with options to renew. The area covered is 315 square miles in northwestern Tanzania near Lake Victoria in an emerging gold mining region. Several international companies have a presence in the area.

Dennis Wheeler, Chairman and CEO, said that Coeur is excited to establish a presence in an area that has been the focus of gold exploration in Africa for the last five years. He believes this is an excellent opportunity to add to the company's future production and reserves profile.

Inferred Resource Estimate for El Morro

Noranda Inc. has released an inferred resource estimate for **Metallica Resources'** El Morro Project, 50 miles east of Vallenar in north central Chile. Based on 15 diamond and reverse-circulation holes, resources are estimated at 45 million tons of 0.5% copper and 0.006 ounces of gold per ton on a cut-off of 0.4% copper, mainly contained in supergene-enriched mineralization, with 10 million tons in primary sulphide mineralization.

The El Morro Project has two primary zones-El Morro and La Fortuna, 3 miles southeast of El Morro. The deposit at La Fortuna has an inferred resource estimate of 465 million tons of 0.61% copper and 0.016 ounces of gold per ton. Preliminary testing at La Fortuna has indicated recoveries of 80%-90% for copper and 66%-90% for gold.

Under the terms of the agreement, Noranda will earn a 70% interest in El Morro with the payment of \$10 million to Metallica by September, 2005. Noranda has already spent \$10 million on development and will be responsible for a completed bankable feasibility study by September 2007.

Queenstake Boosts Reserves at Jerritt Canyon

Queenstake Resources Ltd. announced that proven and probable reserves at its Jerritt Canyon mine in Elko County, Nevada have increased to 820,104 ounces within a newly calculated measured and indicated resource of 2.3 million ounces. Reserves have been calculated at a gold price of \$350 per ounce. The increase comes from consideration of the economics of mining previously established resources and from drilling in the past six months. Queenstake also is evaluating a development plan that would increase production from underground sources.

Development of the East Dash reserve and resource, some 3,000 feet east of the Smith portal, will begin during 2005. Northwest of SSX, a broad area of mineralization known as Steer and Saval has been partially converted to reserve. A new underground mine, to be known as Steer, will be developed from the Steer open pit at a point about 3,500 feet from the nearest SSX workings. Production is expected in 2005 at an initial rate of 500 tons per day.

Batu Hijau Production Expected To Rise

Newmont Mining Corp. has estimated production at Batu Hijau will rise between 2.5 and 10 percent this year. This translates to 650-700 million pounds of copper in concentrate versus 634.12 million pounds in 2003. The mine is operating at full capacity, but it is uncertain at this point if Newmont will sell any into the spot market, since most production is sold on a long-term contract basis.

The supply of copper concentrate is tight this year in Asia after production problems at some the regions largest mines. Freeport McMoRan Copper & Gold reduced its' 2004 output forecast by 400 million pounds to 1 billion pounds after a rock slide in December at Grasberg. Additionally, Ok Tedi Mining Ltd. is expecting to lose some 40% of production for 8-10 weeks after mechanical problems at one of its mills.

Newmont holds a 45% equity interest in Batu Hijau, with 56.25% of output attributable to Newmont, falling to 52.875% in 2004.

MEMBERS IN THE NEWS... (Continued)

Paul Jones Receives William Lawrence Saunders Gold Medal from AIME

The 2004 recipient of the William Lawrence Saunders Gold Medal is **Paul C. Jones**, Past President of NWMA and Life Member. Paul was recognized for his contributions to the industry, and specifically for his work in organizing and chairing The CMA (Colorado Mining Association) Summitville Task Force from 1993-1999. He was the industry representative on the Summitville Advisory Committee from 1993 through 1996. The committee represented local, state and federal agencies, the environmental coalition, the general public and the mining industry. Paul received NWMA's President's Award for his leadership on this issue.

The contributions that Paul has made to the industry are many, among them: NWMA Trustee from 1988-1991 and 1998-1999. He served as 2nd VP in 1998, 1st VP in 1999, and President in 2000; counselor to Mining and Metallurgical Society of America; past chair of the board, and director of the Executive Committee of the CMA; current member CMA Legislative Affairs and Hardrock Committees; founding member of the National Mining Hall of Fame; founder and director of the Colorado Mining Exhibit Foundation; executive director of the Minerals Exploration Coalition (MEC); and past section chair of SME.

NWMA congratulates Paul on this well deserved honor.

Coeur Rochester Receives Major Environmental Award ...

Coeur d'Alene Mines Corporation announced on March 2 that its Rochester Mine received the Habitat Restoration Award from the Nevada Division of Wildlife (NDOW). This is the sixth major award given to the mine since operations began in 1986, and the 21st national or international environmental award given to Coeur d'Alene Mines overall.

This recent honor is for work in developing additional bat habitat in the Nevada Packard project area and specifically emphasized the outstanding working relationship between Coeur Rochester and NDOW. Rochester was given the Nevada Excellence in Mining Reclamation-Wildlife Enhancement Award in 2000. Bat Conservation International recognized the mine in 2003 as the Corporate Conservationist of the Year-2003.

... Pours 100 Millionth Ounce of Silver

In January, 2004, **Coeur** Rochester reached another milestone with the pouring of its' historic 100 millionth ounce of silver. Rochester is number 7 on the list of the worlds' largest silver mines and produces significant amounts of gold as well (the 1 million ounce mark was surpassed in 2003). The most recent full year results (from 2002) show annual production of over 6 million ounces of silver and 72,000 ounces of gold.

NWMA congratulates Coeur d'Alene Mines Corporation on reaching this production milestone and practicing high environmental stewardship principles simultaneously.

Tiffany & Co. Attacks the Rock Creek Project in Washington Post Ad

In an unprecedented move, Michael J. Kowalski, Chairman of the Board and Chief Executive Officer of Tiffany & Co., published an open letter to Dale Bosworth, Chief, U.S. Forest Service, in the March 24 edition of The Washington Post. The letter opposes the Rock Creek project near Libby, Montana, and calls for reform of the Mining Law of 1872. The letter appeared in an ad purchased by Tiffany & Co. at a cost estimated to be approximately \$50,000. While Mr. Kowalski claimed to have written the letter, much of the letter parroted anti-mining rhetoric from groups opposed to the Rock Creek Mine. Not only was the letter factually inaccurate, it was written without consulting either the regulators who have spent 16 years reviewing and analyzing the project, or representatives of Revett Silver Company, the proponent of the project.

Why would a respected and successful businessman of Mr. Kowalski's stature and acumen sign his name to a factually inaccurate letter repeating anti-mining rhetoric? Why is he doing the bidding of anti-mining groups? On the surface it didn't make sense. But after a little "google searching" and cruising around the Tiffany & Co. website, the picture became clearer.

In June 2003, anti-mining activists demonstrated at Tiffany stores in Denver, Portland and Washington, DC, protesting Tiffany & Co.'s business arrangement with Rio Tinto (Tiffany buys diamonds, gold, and silver from Rio Tinto companies). Later, in the summer of 2003, the Tiffany & Co. Foundation (Mr. Kowalski is its president), gave \$25,000 to the Clark Fork Coalition, one of the anti-mining groups opposing the Rock Creek Project. And for more than one year, Mr. Kowalski has been meeting with Steve D'Esposito, President and CEO of Earthworks (formerly Mineral Policy Center).

On March 19, 2004, Mr. Kowalski was quoted in a Reuter's news service article appearing on Forbes.com: "Tiffany Chairman and Chief Executive Officer Michael Kowalski said his company is taking a number of initiatives, including funding an independent study to define responsible mining and supporting efforts to track which mines individual diamonds come from. '*For Tiffany, responsible mining is absolutely a part of our brand contract,*' Kowalski said. '*And if you haven't guessed it already, I'm close to being a radical environmentalist.*'"

Then, in what appears to be part of a well-orchestrated move by anti-mining groups, U.S. Representatives Nick J. Rahall, II (D-WV) and Jay Inslee (D-WA), co-signed a March 30 'Dear Colleague' letter referring to and quoting from the Kowalski letter published in the Washington Post and calling for congressional action to reform the 1872 Mining Law.

Is Mr. Kowalski being directed by Earthworks and other anti-mining groups? Is his Ad-Letter a *quid-pro-quo* for an agreement to stop protesting his jewelry stores? Why is he protesting a copper mine? Why didn't he talk to the regulators or the company proposing the mine before writing his letter? What about Tiffany & Co.'s code of business and ethical conduct, which requires officers to act in due care without misrepresenting material facts? Tiffany & Co. shareholders deserve answers to these questions.

Bill Orchow, President and CEO of Revett Silver Company, sent the following response to the editor of The Washington Post. Unfortunately, The Post, which has a history of attacking the domestic mining industry, chose not to print the letter.

On March 24, 2004, your newspaper printed a Tiffany & Co. advertisement that included a letter from its CEO, Mr. Michael J. Kowalski, to the head of the U.S. Forest Service criticizing the approval of the Rock Creek copper and silver mining project near Noxon, Montana. On March 25, 2004, a column by your reporter, Judy Sarasohn, also included comments from Mr. Kowalski on the same subject. As the CEO of Revett Silver Company, the owner of Rock Creek, I was surprised to know of Mr. Kowalski's comments since I've not ever met or communicated with Mr. Kowalski or anyone else from Tiffany's about the project. To the best of my knowledge, Mr. Kowalski has never even visited the project site.

Although Mr. Kowalski claims the ad was written by Tiffany's, it includes predictable, misleading and incorrect accusations made by some of the leading antimining and antijobs in America groups. These groups may profess their desire for responsible mining, but their agenda is no mining, period.

The antimining groups just refuse to accept the findings after 15 years of exhaustive study on the Rock Creek project by state and federal agencies as mandated by law. The final Environmental Impact Statement issued in 2001 shows the proposed underground mine will be safe, legal and have limited effects on the environment. Apparently, Mr. Kowalski also wants to turn a blind eye to this and to a truly important impact from the project, employment, with good paying jobs in communities currently experiencing double-digit unemployment rates.

Mr. Kowalski states the mine will discharge millions of gallons of wastewater conveying pollutants to surrounding rivers and lakes. Not true! There will be a discharge of treated excess mine water, not wastewater, after it has gone through a sophisticated treatment system that includes both a biological component and an ion exchange system for added protection. The discharged water will be of a quality that will not be detrimental to fish or human health. Water quality will be in compliance with both Montana and Idaho's nondegradation requirements and metal content has been calculated in the final EIS to be so miniscule as to be unmeasurable. The water treatment process is proven technology and has been used for many years. This information is part of the public record.

Mr. Kowalski states that mine tailings, a toxic sludge, would be stored in a facility of questionable durability. Not true. Because of the geology and mineralogy of the Rock Creek deposit, and of processing protocols, the tailings produced is a benign quartz sand that is nontoxic. There is a similar mine in the area called the Troy Mine that has safely stored similar tailings for over 20 years a few hundred feet from a creek. Water from the Troy Mine portal is of neutral PH and meets drinking water standards also, this is where the term "mine wastewater" becomes misleading. The Rock Creek mine will include even more state-of-the-art designs, including partially dried or "paste" technology to add to its safety. This is in the public record.

Mr. Kowalski states that wildlife struggling to survive would face new perils. Not true. The Endangered Species Act stringently regulates potential effects on grizzly bears and bull trout. Revett Silver Company is required to provide millions of dollars in mitigation to assure there will be no significant effects on the protected species. The mitigation will include everything from bear-proof garbage containers to purchasing land for protected key habitat areas near the mine to having on staff a full-time wildlife biologist and also a compliance person. The U.S. Fish and Wildlife Service has given this project a favorable non-jeopardy biological opinion. This is all in the public record.

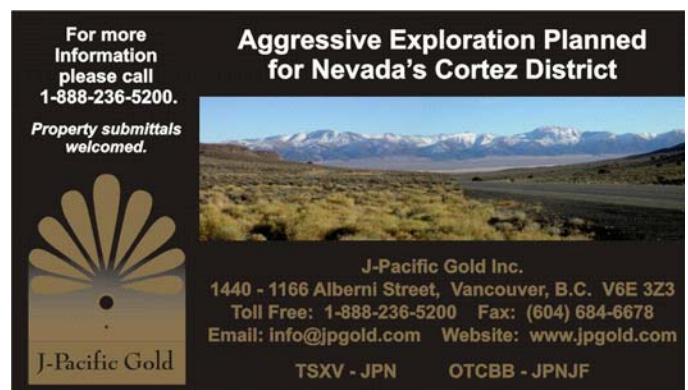
Revett understands the sensitive association with this project and the Cabinet Mountains Wilderness and commits to conduct its activities in a responsible manner. The mine itself is more than a thousand feet below the Wilderness. Access will be entered from outside the Wilderness and all surface facilities, buildings and processing facilities will be well outside of the Wilderness. The risks to water resources, wildlife and even noise pollution in the Wilderness have been carefully analyzed and determined to be minimal. All of the public uses and activities in the Wilderness that Mr. Kowalski fears are in jeopardy will, in fact, continue to be available.

It is true, as Mr. Kowalski states, there is opposition to the mine by various groups. However, he fails to state that there is significant support for the project from technical and environmental experts who have studied it, from the local, state and federal agencies, from local business in the surrounding communities, from outdoor enthusiasts, and as he says, just ordinary citizens. Because these proponents cannot afford the cost of an advertisement in the Washington Post, their support, understanding, and commitment to this project should not be minimized or discounted. It is as strong as ever.

We at Revett respect Tiffany's and Mr. Kowalski's concern for the environment and his right to voice it, we just would have more respect if he had the courtesy to discuss his concerns with us and to also listen to our point of view. It could possibly make for a better outcome.

*William Orchow, President and CEO
Revett Silver Company*

NWMA wishes Mr. Kowalski would have had the courtesy to contact Mr. Orchow before paying The Washington Post \$50,000 to publish his letter. He would have improved the dialogue and saved his shareholders \$50,000.



For more information please call 1-888-236-5200. Property submissions welcomed.

Aggressive Exploration Planned for Nevada's Cortez District

J-Pacific Gold Inc.
1440 - 1166 Alberni Street, Vancouver, B.C. V6E 3Z3
Toll Free: 1-888-236-5200 Fax: (604) 684-6678
Email: info@jgold.com Website: www.jgold.com

TSXV - JPN OTCBB - JPNJF

You Might Be A Geologist If....

- You own more pieces of quartz than underwear.
- Your rock collection weighs more than you do.
- Your rock garden is inside your house.
- You can pronounce 'molybdenite' correctly on the first try.
- You don't think of 'cleavage' the same way everyone else does.
- You have ever uttered the phrase 'have you tried licking it?' with no sexual connotations involved.
- You think the primary purpose of road cuts is tourist attractions.
- You find yourself compelled to examine individual rocks in driveway gravel.
- You're planning on using a pickax and shovel on your vacation.
- Your home page has pictures of your rocks.
- You will walk across eight lanes of highway traffic to see if the outcrop on the other side is the same type of rock as the side you're parked on.
- You can point out where Tsumeb is on a world map.
- The baggage handlers at the airport know you by name and refuse to help you with your luggage.
- You have ever found yourself explaining to airport security that your Estwing is not really a weapon.
- You never throw anything away.
- You have ever taken a 22-passenger van over 'roads' that were really only intended for cattle.
- You consider a 'recent event' to be anything that happened in the last hundred thousand years...
- You have responded 'yes' to the question, "What have you got in there, rocks?"
- You have more pictures of your rock hammer than of your spouse.

First Gold Dore at Esmeralda Project

Metallic Ventures Gold Inc. announced that the first gold dore pour at the Esmeralda Project occurred on February 16. Start-up of the 350 ton per day CIL mill occurred in January and was initially processing low-grade development ore. The company also expects to process higher grade stockpiled ore and mined ore from underground operations.

Over 1200 feet of new workings were completed in January, breaking previous mine records. Eight sill drifts are underway at the Prospectus, and cross-cuts have been completed that will allow the development of four additional sill drifts. Additionally, two raises have been initiated to allow the development of high-grade resources on multiple levels. At Martinez, a cross-cut has been completed that cuts the Morning Glory vein. Two sill drifts are on the books to further develop the vein.

Western Mine Engineering Receives Community Service Award

NWMA corporate member, **Western Mine Engineering**, recently received Spokane Community College, Geology Lecture Series annual community service award. The award was presented by Andy Buddington, earth science instructor at Spokane Community College, to Otto Schumacher, president of Western Mine Engineering. Otto is an NWMA life member and past president. NWMA congratulates Otto and his team at Western Mine Engineering.

Mines Management, Inc. Listed on American Stock Exchange

Mines Management, Inc. was listed on the American Stock Exchange on March 24, 2004 (MGN). The company is based in Spokane, WA. In 2002, it acquired the Montanore Project located near the Troy Mine in Sanders County, MT. Over \$100 million has been spent over 20 years by various mining companies on drilling, engineering and feasibility studies, environmental assessment, and approved Environmental Impact Statement, and a 14,000 foot evaluation adit. Previous studies have indicated 260 million ounces of silver and 2 billion pounds of copper.

Hecla's Hollister Receives Final BLM Permits

Hecla Mining Company announced it has received notification of approval of the federal permits needed for the Hollister Development Block in northern Nevada subject to a public comment period scheduled to end May 3, 2004. The Bureau of Land Management (BLM) gave Hecla Mining a "Finding of No Significant Impact" and "Decision Record" on the project. Authorization from the BLM is expected after the BLM has reviewed bonding calculations and the bond is approved. Approval is expected within the next month.

The project is an earn-in to a joint venture with **Great Basin Gold**. Anticipated 2004 exploration expenditures are \$6-\$8 million. Monies will be spent on 5,600 feet of decline access to the mineralized structures, including associated cross-cuts and diamond drill stations, 55,000 feet of underground diamond drilling, and 5,000 tons of bulk sample material taken from different veins within the system. The exploration program will take place out of the existing east Hollister pit.

*Thank you for
your business!*

RED LION HOTELS®

SPOKANE

RED LION HOTEL AT THE PARK

RED LION RIVER INN

GUESTAWARDS™ redlion.com 800-Red Lion ©WMC 800-0165-18/0304

COMMITTEE REPORTS

ENVIRONMENTAL

Chair: Joe Baird, Baird-Hanson-Williams LLP
208/388-0110 or email jhbaird@bhwlaw.net

Ninth Circuit Sets Precedent for Science in Landmark ESA Case

In late February, the ninth circuit court of appeals confirmed a lower court's decision that scientific contributions to species recovery must be incorporated in Endangered Species Act (ESA) decision making. The case centered on how the National Marine Fisheries Service (NMFS) counted Oregon Coast coho salmon in determining the species' status. NMFS had counted only naturally spawned salmon while disregarding hatchery spawned salmon. This kept fish counts artificially low and triggered protection under the ESA.

The Pacific Legal Foundation (PLF) filed suit in U.S. district court challenging the practice. The district court agreed with PLF and ordered NMFS to include hatchery spawned salmon in its count. Environmental extremists appealed the case to the ninth circuit, which confirmed the lower court's decision. U.S. House Resources Committee Chairman Richard W. Pombo (R-CA), praised the ninth circuit decision stating, "This could be the best precedent ever set in Endangered Species Act case law." Chairman Pombo added, "To be successful in our stewardship role we have to use all the tools at our disposal, especially advanced science. Hopefully, this case will serve as a catalyst for the use of 21st century science and American ingenuity in species recovery."

PLF attorney Russ Brooks stated, "With the ninth circuit's dismissal of this appeal, the 'sky is falling' rhetoric of hard-core environmental activists has been debunked and their true agenda exposed. Chalk up a win for people with today's decision."

According to Brooks, the biggest impact of the decision is the fact that it reinstates the district court's order invalidating and setting aside the coho listing, which had been postponed during the appeal. Consequently, the Oregon Coast coho listing no longer exists and may not be enforced.

This decision could have huge implications for land stewards and natural resource providers, as well as local governments and citizens struggling with infrastructure development of schools, hospitals, and highways.

MINING LAW

Chair: Steve Alfors, NewWest Gold, Inc.
303/425-7042 or email s.alfors@newwestgold.com

BLM Issues Instruction Memorandum on MPC v. Norton

On March 11, the Bureau of Land Management (BLM) issued Instruction Memorandum (IM) 2004-133 implementing the court's decision in *Mineral Policy Center v. Norton*. Judge Kennedy's decision, although upholding Secretary Norton's

revisions to Secretary Babbitt's onerous 3809 Surface Management Rules, has created a great deal of uncertainty for both BLM and the mining industry. In addition to rejecting Solicitor Myers' opinion on Substantial Irreparable Harm (SIH) and remanding the rule to BLM to implement the Federal Land Policy and Management Act (FLPMA) requirement that BLM collect "fair market value for the public lands and their resources unless otherwise provided for by statute," language in Judge Kennedy's decision raised serious issues with respect to claim validity. As long as activities are conducted pursuant to the General Mining Laws, FLPMA does not require BLM to collect fair market value for those activities. Judge Kennedy's decision raises the issue of whether or not BLM must collect fair market value for activities on unclaimed or "invalidly claimed" lands. The IM is BLM's attempt to provide implementation guidance to its employees and to clarify when activities are conducted "pursuant to the General Mining Laws." The IM is available on the NWMA website at www.nwma.org/issues.asp under Mining Law.

The IM is a mixed bag for industry. The IM clarifies and reaffirms that if a proposed Plan of Operations or Exploration Notice conducted pursuant to rights under the Mining Law of 1872 satisfies all 3809 standards and other applicable federal and state laws relating to environmental protection, BLM should conclude that the Plan of Operations or exploration notice will not result in unnecessary or undue degradation.

The IM further reaffirms Instruction Memorandum 2003-242, which stated that BLM field offices are not required to perform mineral validity examinations of unpatented mining claims or millsites in the Plan of Operations approval process, unless the operation is located on segregated or withdrawn lands.

With respect to the court's remand for determining an appropriate policy for collecting fair market value for operations on unclaimed lands and on lands with mining claims or millsites determined to be invalid, BLM indicated that "to comply with the court's ruling, and assure bureau-wide consistency, and establish an administrative record that will be sufficient to allow the agency to perform a fair balancing of congressional policies set forth in [FLPMA], BLM intends to engage in a rulemaking proceeding to develop a nationwide policy on the issue." The IM tells the BLM field offices not to modify previous procedures nor attempt to collect fair market value for locatable mineral mining operations until the rulemaking is completed.

Unfortunately, the IM's language on mining operations on unclaimed lands or on lands with mining claims or millsites determined to be invalid is just as muddled as Judge Kennedy's decision. Hopefully, the proposed rulemaking discussed in this IM will be an opportunity to provide much needed clarification.

BLM Changes Approach on Cost Recovery Rule

In the last *Bulletin*, we reported that the White House Office of Management and Budget (OMB) was pressuring BLM to issue a final Cost Recovery Rule that would apply to hardrock mining activities under the General Mining Laws on public land. The process began in 2000 during the Clinton administration.

COMMITTEE REPORTS ... (continued)

MINING LAW ... (continued)

The proposed rule would have required project proponents to pay BLM for environmental studies, monitoring activities, etc. Although a final decision has not been made, it now appears BLM will not be issuing a final rule. Instead, BLM will issue a new proposed rule within the next 2 months. The new proposal will incorporate more recent cost data and the comments received on the Clinton era proposed rule.

PUBLIC LANDS

NWMA Members Testify at Oversight Hearing on Outsourcing Mining Jobs Overseas

NWMA members **Dale Alberts**, Innovative Business Strategies, and Donald K. Cooper, president of **Behre Dolbear & Company**, testified on March 3 at an Oversight Hearing held by the House Subcommittee on Energy and Mineral Resources. The focus of the Oversight Hearing was how federal agency policy and a broken permitting system are driving investment capital and mining jobs out of the United States.

Mr. Cooper testified that Behre Dolbear publishes an annual survey entitled "Ranking Countries for Mineral Investments." This survey ranks the 25 countries with the largest mining industries and/or the most significant mining industry potential. To establish the annual rankings, the survey considers seven criteria that influence investments by the mining industry. These criteria are: Economic Systems; Political Systems; Social Issues; Permit Issues; Corruption; Currency Stability; and Tax Regimes. Mr. Cooper's testimony focused on the ranking of the United States in the category of "Permit Issues." In this category, permitability rankings are based on the time and expense required to get permits, not on the stringency of regulations. Currently, the United States scores 4 on a 1 to 10 scale, which ranks at 19th out of the 25 countries studied.

The United States ranks high in other important categories such as Economic Systems and Political Systems, Corruption, Currency Stability and Tax Regimes. The U.S. ranking for Social Issues, which reflects environmental policy and other regulatory constraints, is mediocre.

In terms of expeditious and inexpensive procurements of mining permits, the top 4 countries are Mexico, Australia, Tanzania, and Chile. The U.S. ranks lower than Peru, South Africa, Argentina, Canada, Brazil, Venezuela and China, among others. The United States score of 4 is a marked improvement attributable to efforts of the Bush Administration to bring balance to the regulatory regime. At the end of the Clinton Administration, the United States scored 2 and was tied for 24th out of 25 countries.

Mr. Cooper testified there is ample evidence that mining industry investors have, for some time, been avoiding the U.S. as a target for new mining projects. Fifteen years ago, 70% to 80% of Behre Dolbear's revenues were related to consulting assignments for mining projects within the United States. Last year (2003), approximately 70% of Behre Dolbear's revenues

were associated with projects outside the U.S. Mr. Cooper emphasized that this was not because there is a lack of good mining projects in the United States. He testified that the bureaucratic process and the mechanisms currently in place have become a never ending story that has dramatically extended the time required to navigate the permitting process. This phenomena has generated a simple and undeniable result: investment dollars are being spent in countries other than the United States.

Dale Alberts testified about his attempts as president of Nicolet Minerals to permit the Crandon Mining Project in Northern

Wisconsin. The Crandon Project would have been an underground mine producing from one of the largest undeveloped zinc resources in North America. The project would have provided approximately \$5 billion in direct and indirect economic benefits to the second poorest county in Wisconsin and would have employed 400 people with a wage of \$22 per hour for nearly 30 years. Mr. Alberts went into detail to recount some of the intentional, obstructionist, and even criminal activity of the EPA staff at Region V in Chicago during the Clinton Administration. Mr. Alberts recounted how EPA, in concert with tribal governments and other project opponents, recommended using the "Treatment as State" provision of the Clean Water Act. The EPA Region V Administrator approved an application by three tribes over the objection of the State of Wisconsin, local governments, business groups, and property owners in and around the mining project.

Wisconsin filed suit challenging the designation. During the discovery process incredible facts came to light regarding the tribal programs at Region V, and how the program related to stopping the Crandon Mining Project.

Key documents in the administrative record for the "Treatment as State" delegations were found to be missing. One of the key missing documents was a factual analysis in which EPA assesses the environmental impact of non-reservation landowners on reservation waters. EPA's answer to this problem was to manufacture and back-date these documents, and place them into the administrative record. When one EPA employee cried foul and blew the whistle, a scandal ensued. Indictments were ultimately handed down for two EPA Region V employees, senior attorney Marc Radell and senior staff Claudia Johnson Shultz. The regional administrator resigned.

It was discovered that EPA employees wrote grant proposals and then provided testimony to support those proposals for various tribes. The tribes then used those funds to directly oppose the Crandon Project. Internal EPA memos also revealed an inner circle of EPA employees at Region V who met regularly in the administrator's office to strategize on stopping the mining project. These e-mails revealed an agreement between the tribe and EPA to protect documents from FOIA requests. The sad conclusion is that the Crandon Mining Project was ultimately sold and permits withdrawn after 9 years of permitting and an investment of more than \$75 million.

COMMITTEE REPORTS ... (Cont.)

PUBLIC LANDS (continued)

Ray Tesoro Selected to Lead Region One's Locatable Minerals Group

Congratulations to Ray Tesoro on being selected to replace Mike Burnside as the USFS's Region One Locatable Minerals Group leader. Ray is very knowledgeable and will do a great job with the locatable minerals program in Region One. Ray's predecessor, Mike Burnside, is now the Assistant Director of Minerals & Geology in the Washington office.

STATE REPORTS

ALASKA

Alaska Department of Natural Resources Reports Preliminary Results for 2003

The Alaska Department of Natural Resources (DNR) reports that the value of metal production in Alaska increased in 2003 by 2% over 2002. The rise is attributed to the rise in the price of almost all metals. The total value of Alaska's mineral industry is expected to exceed \$1 billion for the eighth straight year.

Exploration investment of \$20.9 million in 2003 was significantly less than the \$26.5 million invested in 2002. The decrease is attributed to late season availability of venture capital, the continued weakness of the Canadian dollar, and the considerable tax incentives for investors in Canadian-based projects. Exploration in 2003 occurred across the state, but the majority of funds were spent in southwestern and eastern Alaska. The three major projects were Pebble, Fairbanks, and Union Bay projects.

Development spending decreased largely due to a shift to feasibility studies and permitting at advanced stage exploration projects. Deferred development spending at Red Dog and an emphasis on exploration for new resources at Ft. Knox contributed to the decline. Pogo, Rock Creek, Donlin Creek, and Kensington are expected to see major development in 2004.

Total mineral industry jobs were reported at 2,496, a drop of 328 from 2002. The decline was mainly in the development, exploration, and industrial minerals areas.

Information Circular 50, Alaska's *Mineral Industry 2003: A Summary* will be superseded by DGGs Special Report 58 available in late 2004. The summary is available at <http://www.dggs.dnr.state.ak.us>.

BULLETIN ADVERTISING RATES

1/8 pg = 3-1/2" x 2"	\$100
1/4 pg = 3-1/2 x 4-1/2"	\$180
1/2 pg = 7" x 4-1/2"	\$300
Full pg = 7" x 10"	\$500

Contact Mike Heywood for details - (509) 624-1158
fax (509) 623-1241 e-mail mheywood@nwma.org

University Of Alaska-Fairbanks Proposes to Close School of Mineral Engineering

The University of Alaska-Fairbanks has announced plans to close the School of Mineral Engineering. If approved by the Board of Regents at its April meeting in Sitka, the School would close and its three departments (mining, petroleum and geologic engineering) would be incorporated into a new College of Engineering and Mining. The new College would also incorporate the College of Science, Engineering, and Mathematics (minus the civil, chemical, and mechanical engineering programs). The University hopes to foster an interdisciplinary approach to engineering by combining these two schools.

Steve Borell, Executive Director of the Alaska Miners Association, has come out strongly against the plan. In a letter, he noted that this decision sends a bad message to the many mining companies that have started investing in Alaska. It comes at a time when metal prices are booming, fostering numerous large-scale mining developments throughout the state. Citing Alaska's unique environment, Borell stated that the potential exists for the School to be a world-class mining institute with the expertise, the research labs, and the Arctic conditions to provide a learning environment like no other. The experience with other institutions that adopted such a course suggests that geological and petroleum programs survive, but that mining programs do not.

If adopted, the plan would save little money and cost no faculty jobs. The proposed College of Engineering and Mining would remain in Fairbanks.

NovaGold Resources And Rio Tinto Form Strategic Alliance To Further Ambler Project In Alaska

NovaGold Resources Inc. announced it has entered into an agreement with **Kennecott Exploration Company** and Kennecott Arctic Company (subsidiaries of Rio Tinto plc.) to acquire a 51% interest in the Ambler Property 150 miles east of Kotzebue Sound in NW Alaska.

The 35,000 acre property hosts several targets in the volcanogenic massive sulphide district, the most advanced of which is the Arctic deposit. It has a historic Inferred Resource of 817,000 ounces of gold, 62 million ounces of silver, 3 billion pounds of copper, 4 billion pounds of zinc, and 640 million pounds of lead. This resource is calculated using \$350 gold, \$6 silver, \$0.90 copper, \$0.45 zinc, and \$0.35 lead. Estimates are based on 70 widely spaced drill holes as reported by the Alaska Division of Geological and Geophysical Surveys.

NovaGold Resources can earn the 51% by matching Kennecott's expenditures on the property (totaling \$20 million) before 2016. Phase 1 spending must equal \$5 million during the first 5 years, and NovaGold must obtain memorandums of understanding with land owners to provide access for mine development. The remainder must be spent during Phase 2 (the

STATE REPORTS... (Continued)

ALASKA ... (continued)

remaining 7 years) and the company must complete a positive pre-Feasibility study resulting in a positive rate of return using a 10% discount rate. NovaGold is expected to be the manager of the project through to the completion of the pre-Feasibility study. At that point, Kennecott has a one-time option to acquire a further 2% interest and take over as manager by paying to NovaGold the equivalent of 4% of the projected Net Present Value at a 12.5% discount rate.

Exploration work is slated to begin in this summer with a re-evaluation of existing data and a 6,000 foot core drilling program. A minimum of \$1 million is budgeted for this program.

ARIZONA

Grupo Mexico to Ramp up Ray and Mission

Grupo Mexico, the world's third largest copper producer, announced on March 2 that its U.S. mining unit Asarco Inc., plans to boost output at Ray from 70% of capacity to 100%. The Company plans to reach 100% operating capacity in 2004, but it could take longer to ramp up Mission.

Currently, Mission is at 15% production capacity. The slower rate of increase is because stripping activities will consume more time. No concrete timeframe or estimated capital expenditures were given, and no estimate as to how much more copper will be added was offered.

An eight year high in the price has prompted copper mining companies to expand production capacity. Phelps Dodge announced that it was restarting mines in Arizona and New Mexico in January, and followed up by reporting that Minera Ojos de Salados in Chile will restart in April.

NEVADA

Pacific Ridge Exploration to Option Sno Property, Elko City, NV

Pacific Ridge Exploration LTD has announced the optioning of a 60% interest in the Sno Property in Elko County, 6 miles east of the Ken Snyder Mine in the Midas District. The 60% interest may be earned by the expenditure of \$2 million on exploration, the issuance of 1 million common shares, and advance royalty payments of \$180,000.

Prior sampling of quartz vein mineralization from pits and dumps assayed up to 0.56 ounces gold per ton. A drilling program is planned for the first quarter 2004 to explore for potential at depth.

Wayne Roberts, VP Exploration, Pacific Ridge, was a speaker at the 2003 Annual Meeting in the New Discoveries Dot Com session. He spoke on the Company's Golden Arrow Project in the Tonopah Gold District in Nevada.

Tone Resources Ltd. and Teck Cominco American Inc. in Strategic Alliance

Tone Resources Ltd. recently announced it has entered into a strategic alliance with **Teck Cominco American, Inc.** covering a region of north central Nevada where Tone controls eight projects. This alliance includes a private placement of 1 million units at C\$0.50 per unit. Each unit is comprised of one common share and one warrant exercisable for one additional common share at C\$0.75 for a period of two years. Funds will be used for Tone's Nevada exploration program and for working capital.

The Agreement gives Teck Cominco the right to earn interests from 51% to 75% in a total of two projects (of the eight controlled by Tone), and any other properties acquired by Tone in the same defined area of interest in north central Nevada for a period of up to two years. This includes the right of first refusal on Red Ridge. Earning of these interests may be by expenditure requirements, a final feasibility report, and arranging debt financing. There are certain requirements concerning the designation of the property as development or exploration and the timing of said designation. Tone has completed drilling on two of the projects and expects to begin drilling on a third in the near future.

Aberdene Mines Ltd. to Acquire 75% in Tuscarora Gold Project

Aberdene Mines Ltd. announced it has entered into a letter of intent to acquire a 75% joint venture interest in the Tuscarora Gold Project in the northern Carlin Trend. The project includes approximately 2,920 acres located 50 miles northwest of Elko, NV and 5 miles west of **Queenstake's** Jerritt Canyon mine.

The project is situated in Carlin type mineralization similar in age to Jerritt Canyon, Getchell, and the Battle Mountain-Eureka trend. Previous exploration has identified areas of strongly argillized volcanics hosting numerous silicified breccia zones.

Terms of the proposed transaction will be released upon completion of the definitive agreement which in turn is dependent upon acceptance and due diligence by Aberdene.

Nevada Star Resource Announces Anglo American to Proceed with Exploration on MAN Property, Alaska

Nevada Star Resource Corporation announced it has received formal notification from Anglo American Exploration (Canada) Ltd. that after completion of due diligence, Anglo will proceed to a formal option/joint venture agreement with plans for a spring field exploration program.

The proposed agreement would allow Anglo to earn a 51% interest in the property by spending \$12 million over five years. This could be increased to 75% by completing a feasibility study and arranging production financing for both companies.

The MAN Project is five distinct project areas over 269 square miles, located 164 miles southeast of Fairbanks and 248 miles northeast of Anchorage. This region is characterized by anomalously high nickel and PGE concentrations.

STATE REPORTS... (Continued)

NEVADA ... *continued*

J-Pacific Gold Inc. To Explore For Gold In Nevada

Dually listed J-Pacific Gold Inc. (OTC BB and TSX) has announced a joint venture with Jipangu Inc. of Tokyo, a private Japanese company and the largest shareholder of J-Pacific Gold (34.7%). Under the terms of the agreement (subject to regulatory approvals), Jipangu can earn a 50% interest in J-Pacific Golds' Golden Trend and HC properties in Nevada.

Exploration funding provided by Jipangu is budgeted at \$2.75 million at Golden Trend and \$1.75 million at HC over a four year period. Both properties are on the south side of the Cortez mountain range in the Cortez Gold District. J-Pacific plans an exploration program that will include geological modeling, geophysical surveys, and drilling.

High Grade Gold Intercepts Reported at Hog Ranch, Nevada by Romarco Minerals

Results from Phase 1 drilling at the Hog Ranch Project in northern Washoe County, Nevada (115 miles north of Reno) have returned some high grade gold intercepts. This drilling was comprised of three rotary-reverse circulation drill holes totaling 2,380 feet and was designed to test bonanza gold targets below and around a previously mined pit. Romarco Minerals Inc. reported a 70 foot interval averaging 0.152 ounces per ton which includes a 20 foot intercept of 0.382 ounces per ton, and two five foot intercepts of 0.837 and 0.502 ounces per ton. The 70 foot intercept started at 200 feet down.

Hog Ranch produced 200,000 ounces of gold from 1986-1993. The production was from near surface, bulk tonnage deposits with little exploration for bonanza type targets. Since the Ken Snyder mine began commercial production of these types of deposits, interest has grown regarding the potential for deeper vein targets near lower grade deposits such as Hog Ranch.

Phase 2 drilling is scheduled for May, weather conditions permitting. Core drilling is planned to follow up on mineralization already discovered and to test a high priority target not drilled during Phase 1. Additional reverse circulation drilling will test other target areas near already mined pits.

OREGON

State Bond Pool for Mining

During the last session of the Oregon legislature, a state bond pool for small mining operations was approved. The Division of Geology and Mineral Industries (DOGAMI) is responsible for implementation. The State Insurance Commission is currently doing a risk assessment on the bond pool and a business model is being submitted to a board representing the hardrock mining industry, aggregates and government for their review and approval. Draft regulations should be completed by May 1, 2004.

It is anticipated that both the state BLM and USFS offices will be meeting with DOGAMI to discuss MOUs to allow the bond pool to be used for mining operations on BLM and USFS administered lands.

The bond pool is a step in the right direction for Oregon and welcome news to the mining community.

WASHINGTON

Small Miners Help Baby Fish In Washington

The Seattle Post-Intelligencer has reported that the Washington State Department of Fish and Wildlife (WDFW) sought the help of small dredge miners to uncover sand in the largest chum salmon spawning area between Beacon Rock, WA and Astoria, OR along the Columbia River. On March 13-14, volunteers used pontoon mounted small dredges to move sand up to 18 inches deep from the rare stretch of the chum salmon nesting area.

The sand, of unknown origin, was moved out to the main channel of the river over the course of the week-end. Live fish counts taken before the operation, numbered 75. During the uncovering process, witnesses reported seeing the young fish emerging from the egg nests. Counts taken a week after the volunteer effort revealed a dramatic increase to 571, reportedly the highest count ever seen at that particular stretch. About 4,000 cubic yards of the sediment were removed to upland disposal sites as well.

Congratulations to the small miners who helped demonstrate that miners are environmentally responsible. Hopefully, WDFW will recognize that small suction dredging is beneficial to habitat and will not harm fish, and stop trying to ban suction dredging in Washington rivers, creeks, and streams.

PS. The Seattle Post-Intelligencer did not report any recovered gold.

INTERNATIONAL REPORTS

Las Cristinas Feasibility Study Approved

Crystellex International Corp. announced March 8 that the Corporacion Venezolana de Guayana ("CVG") approved the full Feasibility Study for the Las Cristinas properties in Bolivar State, Venezuela. The company was granted the exclusive right to develop the gold resource in September, 2002. In the Feasibility Study, **Mine Development Associates** estimated proven and probable reserves at 10 million ounces of gold. The full Feasibility Study, prepared by SNC-Lavalin Engineers & Constructors, was presented to CVG in September, 2003. This study, just accepted, addresses and confirms the economic and technical viability of the deposit and is the foundation for construction and operating plans.

The company expects the formal granting of the Engineering, Procurement, and Construction Management ("EPCM")

INTERNATIONAL REPORTS ...*(continued)*

Las Cristinas Feasibility Study Approved ... *(cont.)*

contract in the near future. Once awarded, final approval for the Environmental Impact Statement and the subsequent securing of the Land Use Permit and Permit to Impact the Environment will be required. The CVG stated that it hopes to see production in early 2006.

Las Cristinas has proven and probable reserves of 10 million ounces (246 million tons at 1.29 g/t) at a gold price of \$325/oz. It has a strip ratio of 1.34:1. The anticipated recovery is 89%. The mining rate could be expanded to 20,000 tons per day-and internal study has been initiated to examine this possible scenario as outlined in the Feasibility Study.

Marathon PGM Corporation Completes Technical Report

Marathon PGM Corporation has announced the completion of a technical report on its' wholly-owned Marathon PGM-Cu Property 6 miles from Marathon, Ontario and approximately 185 miles east of Thunder Bay. The technical report was prepared by Roscoe Postle Associates Inc. (RPA) in accordance with Canada's national Instrument 43-101.

RPA describes the property as an advanced stage exploration project. Prior operators of the property had emphasized evaluating the feasibility of production from the known PGM-Cu Marathon deposit. Marathon will concentrate on several exploration targets with the objective of increasing the Mineral Resource to determine the size and scope of the project prior to commencing feasibility studies. The Measured Mineral Resource, as reported by RPA, shows 325,000 oz palladium, 79,000 oz platinum, 29,000 oz gold, and 71 million pounds of copper at a cut-off of 0.15% copper.

Marathon also announced that it has signed an engagement letter with Northern Securities Inc. in which Northern has agreed to certain terms and conditions to be the lead agent in connection with an IPO of Marathons' common shares. The amount and price of the offering has not been determined, and is subject to several regulatory, due diligence, and market conditions.

MEMBERS ON THE MOVE

Paul Dircksen, former Trustee and 2002 Convention Chairperson, has joined Brett Resources Inc. as President and Chief Operating Officer. The Company's' address is Suite 900-475 Howe Street, Vancouver, BC V6C 2B3. Paul can be reached at 208/667-1772. Congratulations on your new appointment Paul.



2004 NWMA Service Directory

The 2004 NWMA Service is scheduled for publication in June, 2004. Initial mailings for display advertising and listings have been sent, and responses are coming in. NWMA encourages all members to send in updated information regarding Company, address, phone number, and e-mail if these have changed in the past year.

Advertising space reservations and listing reservations will be closing April 30; ad copy is required by May 14.

Display advertising is open to members and non-members (at a higher rate); the Professional Services listings are open to members only.

Please call or e-mail Mike Heywood (509 624-1158 ex 10, mheywood@nwma.org) for more information.

NWMA WELCOMES ITS 2004 ANNUAL MEETING EXHIBITORS

ACZ Laboratories Inc., 62
Alaska Marine Lines, 59
Alaska Pacific Powder, 3
ALS Chemex, 68
American Assay Laboratories, 85
Apollo Gold, 67
Barrick Goldstrike Mine, 28
Bitterroot Restoration, 78
Boart Longyear Products USA, 53
Carlson Software, 9
Casualty & Surety Inc., 49
CDA Metals, 74
Christensen Products, 79
Coeur Products LLC, 72
Colorado Mining Association, 6
Connors Drilling LLC, 76
Energy Laboratories, Inc., 48
Envirocon, 61
Enviroscientists, Inc., 70
Ferguson (Familian NW), 43
Geological Society of Nevada (GSN), 42
Geotemps, Inc., 54-55
GLOBALSTAR, 50
Godwin Pumps, 27
Golden Phoenix Minerals, 66
Golder Associates Inc., 52
Hagby USA, Inc., 37,38,39
Harrington Industrial Plastics, 81
Hecla Mining Company, 60
Idaho Silver by JC, 71
Lang Exploratory Drilling /Boart Longyear Contracting Svcs, 63
Lawrence Berkeley National Library, 45
Mackay School of Mines - U of NV, 40
MAXIM Technologies Inc., 29
Medi-Rub Corp., 1
Mill Man Steel Inc., 58
Mine Safety and Health Admin, 5 TT
Mine-Seal LLC, 84
Mining Record, The, 56-57
Montana Tech, 80
National Mining Association, 86
Nevada Mineral & Book Company, 44
NIOSH-Spokane Research Laboratory, 33-34
Sierra Environmental Monitoring, 35
Smith Barney, 82



Society of Economic Geologists (SEG), 65
Society for Mining, Met & Expl. Inc. (SME), 51
Solitario Resources, 77
Spectral International, Inc., 69
SRK Consulting, 73
State of Nevada
NV Bureau of Mines & Geology, 41
The Northern Miner, 30
The Prospector Newspaper, 8
Tire Distribution Systems, 75
United Central Industrial Supply, 31
US Army Corps of Engineers, 47
US Bureau of Indian Affairs, 10,11,12
US Bureau of Land Management, 26
US Geological Survey, 83
USDA Forest Service, 15,16
WDC Exploration & Wells, 64
Women's Mining Coalition, 87

It's Not Too Late Sign Up Today!!!

2004 BOOTH RATES:

STANDARD 8 X 10 BOOTH

MEMBER - \$ 1,000

NON-MEMBER - \$ 1,500

NON-PROFIT - \$ 750

SCHOOL - \$ 500

TABLE TOP SPACE:

MEMBER - \$ 500

NON-MEMBER - \$ 750

For a reservation form and current space map contact Pat Heywood at NWMA
Phone (509) 624-1158
Fax (509) 623-1241
e-mail pheywood@nwma.org

Northwest Mining Association

10 North Post Street Suite 220
Spokane, WA 99201-0772

Return Service Requested

NON-PROFIT
U.S. POSTAGE
PAID
PERMIT NO. 250
SPOKANE, WA

CALENDAR OF UPCOMING EVENTS

MAY 2004

Canadian Institute of Mining and Metallurgy Annual Meeting, May 9-12, 2004, Edmonton, AB. Contact: CIMM, Montreal Quebec, 514 939-2710, Fax 514 939-2714, E-mail: cim@cim.org

7th Annual Mine & Quarry Blasting Short Course, May 10 - 12, 2004, Kellogg Hotel & Conference Center, Michigan State University, East Lansing, MI. Presented by Golder Associates. Contact Cheryl Luter at Golder. 775/828-9604, Fax 775/828-9645, Email clutter@golder.com.

NWMA Board of Trustees Meeting, May 14, 2004, Reno, NV. 8:30 am Members welcome. Contact Kathy 509/624-1158 Email:kwilson@nwma.org

California Mining Association Annual Meeting, May 26-28, 2004, Napa Valley Marriot Hotel and Spa. Contact Stephanie Pridmore, 916 447-1977
E-mail:spridmore@calmining.org

JUNE 2004

Elko Mining Expo, June 9-11, 2004, Elko, NV. Contact: Elko Convention and Visitors Authority, 800 248-3556. Website: www.elkocva.com.

AUGUST 2004

Utah Mining Association Annual Meeting, Aug. 26-27, Grand Summit Hotel, Park City, UT. Contact: Utah Mining Association, 801 364-1874. Email: mining@xmission.com

SEPTEMBER 2004

Nevada Mining Association Annual Meeting, Sep. 17-18, Hyatt Tahoe, Lake Tahoe, NV. Contact: Nevada Mining Association, 775 829-2121. E-mail: amiller@nevadamining.org

17th Annual National Mining Hall of Fame Banquet, September 25, 2004, Las Vegas Hilton, NV. Tickets - contact Sam McGeorge, The National Mining Hall of Fame & Museum, 719/486-1229, Fax : 719/486-3927

MINEexpo 2004, Sep. 27-30, Las Vegas Convention Center, Las Vegas, NV. Contact: National Mining Association, 202 463-2600, Fax 202 463-2666. Website: www.minepo.com

OCTOBER 2004

SEG International Exposition & 74th Annual Meeting, Denver, Co. Contact Debbi Hyer, 8801 S. Yale, Tulsa, OK 74137, phone 918/497-5500. Email: dhyer@seg.org. Website: <http://meeting.seg.org>.

NOVEMBER 2004

Alaska Miners Association Annual Meeting, Nov. 1-6, Sheraton Hotel, Anchorage, AK. Contact: Alaska Miners Association, 907 563-9229, Fax 907 563-9225. E-mail: ama@alaskaminers.org

DECEMBER 2004

Northwest Mining Association's 110th Annual Meeting, Exposition & Short Courses, December 6-10, 2004, Spokane, Washington

For more information contact
Pat Heywood, Email:
pheywood@nwma.org, phone
509/624-1158, fax: 509/623-1241,
NWMA, 10 N. Post Street,
Ste. 220, Spokane, WA
99201-0772 or visit us on the
web: www.nwma.org.