

BULLETIN

Northwest Mining Association

AUG / SEPT 2004

I-147 Qualifies for November Ballot

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On July 14, Montana Secretary of State Bob Brown certified that Initiative 147 (I-147), which would modify Montana's current ban on the use of cyanide in open-pit gold and silver mining, but only if new stringent environmental requirements are met, had qualified for the November ballot. I-147 is the first initiative to qualify in all 56 Montana counties as it gathered more than 30,000 signatures. "When we hit the streets and county roads, we quickly found that Montanans in every county wanted the opportunity to sign the I-147 petition," said Rhonda Carpenter of Great Falls, who marshaled the signature-gathering effort. "That was even despite the fact that in some locations, environmental obstructionists confronted signature-gatherers and attempted to dissuade Montanans from signing these petitions."

"I-147 strikes the balance by encouraging good-paying jobs while at the same time ensuring our water, environment, and taxpayers are protected. That's a big step toward the day when Montanans can have a quality of life that includes clean streams and well-funded schools, and good jobs and lower taxes," said Representative Scott Mendenhall, R-Whitehall.

In late July, a Lincoln, MT area resident, Mark Gerlach and the Helena-based environmental obstructionist group, the Montana Environmental Information Center (MEIC), petitioned the Montana State Supreme Court to bar the Initiative from appearing on the November ballot. The basis of the lawsuit is that I-147 violates the State constitution prohibition on ballot initiatives containing more than one subject. The petition claims that the fact that I-147 would modify I-137 to allow the use of cyanide under certain conditions and also restore mining rights that existed before I-137 was passed violates the one subject requirement. The Montana Supreme Court ordered the State Attorney General to respond and the I-147 Steering Committee filed an *amicus* brief in support of the ballot initiative language and in opposition to MEIC's lawsuit.

On August 26, the Montana Supreme Court issued an order denying MEIC's petition without prejudice. The court reasoned that the electorate should vote on the issue before MEIC's challenge is heard on the merits. The decision leaves open the possibility of MEIC raising the issue after the election if the voters approve I-147.

NWMA congratulates Tammy Johnson and the entire I-147 campaign committee for qualifying this important measure and giving Montanans an opportunity to have good jobs, a strong economy, and a clean environment.

The campaign to secure voter support for the Initiative is well underway with appearances throughout the State at all of the county fairs and at major events. The campaign also is running some radio spots and will be keying up television spots soon.

The campaign will be expensive and it is critical that the mining industry step up to the plate and provide the financial resources necessary to run an effective campaign. Corporations may donate and there is no limit on the amount a company or a person may donate.

Whether you have interests in Montana or not, you should support the effort to pass I-147. **THE MINING INDUSTRY CANNOT AFFORD TO LOSE THIS ISSUE AGAIN.** (More on I-147 on Page 5.)



President's Corner.....

*R. Lee Chapman,
Apollo Gold, Inc.*

As we prepare to celebrate our 110th Annual Meeting and an equal number of years at the Northwest Mining Association, we have many challenges and many things to do.

First, I would like to thank all of my fellow members and Trustees who have given me the privilege to serve in the capacity of President. As you are aware, I am following in the footsteps of my dear friend and colleague Lyle Taylor, who passed away a short time ago. I sincerely hope that I can fill Lyle's large shoes and that we can keep our Association going in a direction that will distinguish us from the others and leave no doubt in your mind what the Northwest Mining Association stands for.

We are in the middle of what looks to be a very close presidential election. It is our duty and responsibility to get our members, our employees and our family and friends out to vote. Democracy is carried by those that participate and there is no harder place to find you than in the 49% minority discussing issues that are very important to our industry.

We have many, many of our young people in Iraq, reminding us that the cost of freedom is not free and in fact can be very costly. Let's all pray for their safe return in a speedy manner.

Closer to home, our industry is on the rebound. This is thanks to strong metal prices, solid investments and a favorable equity raising environment. We have more new projects and things going on now than we have had in a while.

So what do we need to do? First and foremost, let's get our membership involved. Our issues need to be solved now while we are strong. We need to get Mining Law Reform behind us once and for all; we need to get back to multiple-use concepts and access to public lands. In Montana, we have an opportunity to eliminate an anti-mining initiative. Nationwide, we need to add a level of accountability and timing to our permitting process. Finally, we need to put Americans to work in America and bring exploration dollars back home.

Of course, we have a great opportunity to bring our membership together and define what we want to be, what course we want to be on and how we plan to get there. Our membership is quite diverse. We have large companies, new start up companies, and as always, the exploration arm of the industry. We will always be on the lookout to bring the goals and objectives of our large members into sync with our individual members. Because it is really quite simple, our long term goals and objectives will be the same. Our discussions will center on how to get there in the short term. It is my hope that the Northwest Mining Association will be the catalyst to bring people together, have meaningful discussions and solve issues.

I am looking forward to working with you all in the upcoming months. I'll see you in December.

NWMA Expands Current Exhibit Hall Space.....



We are pleased to announce that we have expanded our Exhibit Hall to create an additional 12 booth spaces in the main floor area, and 6 table top displays in the registration area.

If you have not reserved your space for the December show, be sure to contact Mike Heywood at (509) 624-1158 x 10, or Email: mheywood@nwma.org to reserve your space.



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To the many friends of Lyle Taylor, and Geotemps, Inc.,

It is with humbled and grateful hearts that the Geotemps family extends its gratitude for the many demonstrations of support during this most difficult period, including the newly named Lyle Taylor Starter's Award. Lyle Taylor strongly believed in the potential of the industry and community that we each represent, and was proud to be a member of that community. Thank you for contributing to the latest positive trend, and thanks for supporting a man who sincerely believed in our collective ability to do great things.

Sincerely,
Lance Taylor
President
Geotemps, Inc.

Kerry Proposes to Increase National Parks Funding on the Backs of the Hardrock Mining Industry

Democratic Presidential Candidate John Kerry recently announced a plan to increase the National Park Service budget by \$600 million per year to improve maintenance, upgrade facilities, etc. He proposes to pay for it through a royalty and fees on the hardrock mining industry. Kerry's staff is obviously practicing voodoo economics or they need a lesson in basic math. According to the Bureau of Land Management, the total value of metal mining production from unpatented public lands is about \$800 million per year. That means Kerry's royalty would have to be in the 75% NSR range to raise \$600 million per year for parks.

No industry could operate under such a scheme. Senator Kerry's proposal would be devastating to western rural communities, eliminate thousands of jobs, make the U.S. more dependent on foreign production of mineral resources, and, in the end, raise no money for our National Parks.

National Mining Hall of Fame to Induct Five September 25, 2004

The National Mining Hall of Fame (Leadville, CO) will hold ceremonies to induct five mining pioneers on September 25 at the Las Vegas Hilton. This 17th annual induction banquet will begin at 6 p.m. with a reception, followed by dinner at 7 p.m. The inductees are:

Georgius Agricola (1494-1555), author of *De Re Metallica* which discussed everything known about mining in the first half of the sixteenth century. In *De Re Metallica*, Agricola reviewed practical means of finding ores, methods of surveying and mining, the assaying of ores, types and uses of mining machinery, smelting, mine administration and more.

David William Brunton (1849-1927) is best known for inventing the Brunton 'Pocket Transit', a staple for geological and engineering work even today. He also invented practical process sampling devices and, with a partner, erected sampling mills.

Herbert E. Goodman (1862-1917) founded the world famous Goodman Equipment Corporation. Throughout the 20th Century, Goodman Equipment was the leading fabricator of mine locomotives and other mining equipment for both coal and hard rock mining.

David Ray Mitchell (1898-1972) was widely known as the US principal professor of coal preparation engineering. Through his teachings and practice, Dave Mitchell had a greater impact on coal preparation than any other American.

Robert Peele (1858-1942) gained international renown for his monumental contributions to mining literature. He is best remembered for his *Mining Engineer's Handbook* which was published in 1918, 1927, and 1941. Collectively, these three editions sold more than 100,000 copies worldwide.

With these five inductees, the number of mining greats in the Hall of Fame is now 184. Information regarding the National Mining Hall of Fame and Museum and the Induction Banquet is available from Sam McGeorge at (719)-486-1229 or director@amigo.net.

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De Beers Pleads Guilty to Price Fixing

Under an agreement with the U.S. Department of Justice (DOJ), a division of the De Beers Diamond Group has pled guilty to charges of price fixing of certain classes of industrial diamonds with former partner General Electric, and agreed to pay a \$10 million fine. While De Beers was never brought to trial, GE was, and found not guilty in Federal court. The plea agreement ends 10 years of De Beers and Anglo American executives (Anglo owns 45% of De Beers) not setting foot on American soil for fear of arrest on the open charges. It also ends more than 60 years of ongoing anti-trust battles between the DOJ and De Beers.

The agreement opens the door for De Beers to more aggressively interact with the worlds' largest diamond market—the U.S., which accounts for 55% of the \$55 billion global trade in retail diamonds. In fact, De Beers (with partner LVMH, a purveyor of luxury goods) is opening a store on Fifth Ave. later this year, an opening that was postponed from early in 2004 presumably to allow Nicky Oppenheimer (Chairman) and Gary Ralfe (Managing Director) to attend.

Atlas Copco Buys Baker Hughes Mining Tools

Baker Hughes Inc. has agreed to sell Baker Hughes Mining Tools (part of the Hughes Christensen Division) to Atlas Copco North America. BHMT manufactures rotary drill bits and had 2003 revenues nearing \$40 million. The closing is subject to certain conditions, but is expected to close in the third quarter of 2004.

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Democrats Filibuster Myers Appointment to the 9th Circuit

On July 20, Senate Democrats filibustered and prevented an up or down vote on William Myers nomination to the 9th circuit court of appeals, accusing him of being anti-environment. Prior to being nominated by President Bush to the appeals court, Myers served as the Department of Interior's Solicitor for three years.

This is a sad commentary on the state of affairs in the United States Senate. Bill Myers had bi-partisan support, including Democrats like former Idaho governor and President Carter's Secretary of Interior, Cecil Andrus, former Wyoming governor Mike Sullivan and the Attorneys General of Colorado, Oklahoma and Wyoming. He also had the support of governors in the 9th circuit states, 15 state Attorneys Generals, the American Bar Association, the Senate Judiciary Committee, and the entire Idaho congressional delegation. Prior to his appointment as DOI's Solicitor (unanimously confirmed by the Senate in 2001), he practiced law in the Boise, Idaho office of Holland & Hart.

Bill was the sixth judicial nomination of President Bush to be filibustered by the Senate minority, preventing an up or down vote. Northwest Mining Association helped lead an effort to give him an up or down vote in the Senate, but in the end, partisan politics prevailed over judicial integrity.

International Job Opportunity Owner's Agent – Construction Monitoring – Project Engineer

Behre Dolbear & Company (USA), Inc. is seeking two or three experienced engineering and construction personnel to function as Owner's Representatives for full-time on-site work in Jordan. The successful candidates will have a demonstrated history of project management and project engineering services in support of large-scale beneficiation plant construction and/or refurbishment. At least ten years of site management and site engineering experience in senior-level on-site positions is required. The assignment will begin in September 2004 and be of approximately 6 to 10 months duration, with 10-day leave periods every 90 days. Please submit a detailed resume including references and salary requirement electronically to Denver@dolbear.com - Attention: "Owner's Representative File", or fax to:

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NWMA extends an invitation for papers dealing with exploration, operations, management, economics, reclamation and other subjects pertinent to the mining industry .

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In Memoriam

On June 29, Mr. Dave Miller, Maintenance Supervisor and Senior Mechanic at **Golden Phoenix Minerals'** Mineral Ridge Mine, was killed when he presumably lost control of the water truck he was operating. Mining was voluntarily shut down until July 6, at which time full operations were resumed. The Mine Safety and Health Administration has investigated the site, dismantled the water truck, and interviewed employees. A final report has not yet been issued.

On August 28, NWMA Life Member and past president, Paul Jones, lost his dear wife June to a sudden heart attack. June was a wonderful person who loved her family very much and was always optimistic about life. She was one of the first to join NWMA as a member under our Spouse Membership category. She will be missed by all who were fortunate to know her. Contributions in her memory may be made to Christian Action Guild, 1401 Ford Street, Golden, CO 80401.

Diane Bryan, education coordinator for the Nevada Mining Association, passed away on August 23 after a 22 month battle with pancreatic cancer. Diane loved the mining industry and worked hard to enhance the overall knowledge and awareness of the mining industry through educator workshops, field trips, and community events. She earned the respect of everyone who met her.

The Diane K. Bryan Fund at the University of Nevada-Reno Foundation has been set up to recognize a single parent seeking educational opportunities at Mackay or other colleges at UNR who demonstrate a devoted interest in minerals education and outreach. Donations can be sent to Rachel Dolbier, Administrator, W.M. Keck, Earth Science and Engineering Museum, MS 168, University of Nevada, Reno, Nevada 89557.

Northwest Mining Association extends its sympathies to our colleagues at the Nevada Mining Association and to Dennis Bryan and all of Diane's family. She will be missed by all.

Why I-147 Needs Everyone's Support

In the aftermath of the May 28, 1998 cyanide spill at Kumtor mine in Kyrgyzstan, the messages environmental groups were conveying to the press were eerily similar to those being used in Montana, just as the I-137 campaign was heating up.

Welcome to the age of just-in-time, world-wide activism.

I-137, as you know, was the initiative that bans the use of cyanide at open-pit gold and silver mines in Montana. In fact, the Montana Environmental Information Center (MEIC) cited the Kumtor spill as an example of the need for I-137 during its campaign.

There's little doubt that activists in Montana and Kyrgyzstan were communicating, sharing notes and strategies. Moreover, not long after the cyanide ban was passed in Montana, the MEIC's executive director, Jim Jensen, was in Argentina, telling local people there that cyanide is so nasty that Montana – the state with “oro y plata” on the flag - had banned it.

The message was clear, pervasive and it has become insidious.

And it can be changed.

A group named Miners, Merchants and Montanans For Jobs and Economic Opportunity, FOI-147, has coalesced to put another initiative – I-147 – on Montana's ballot this November. We've cleared several hurdles, including gathering far more than the necessary 21,000 signatures of registered voters, and a recent challenge at the Montana Supreme Court to kick the initiative off the ballot. Many other hurdles remain, with the biggest obviously being the vote on Nov. 2.

I-147 is our opponents' most toxic arrow and it is time to detoxify it.

We believe the best way to defeat this spreading anti-mining cancer is to deal with it at its core. And that's in Montana. As you all know, thanks largely to the 1998 Montana debacle, Colorado is constantly fighting cyanide ban efforts at both the state and county levels. Wisconsin had a similar battle, as has New Zealand and Turkey. Go to the website of the “No Dirty Gold” campaign sponsored by Earthworks and Oxfam and see how many references there are to cyanide. While you're there, notice that groups from Romania to Peru, and from Greece to Australia – are signed on to the No Dirty Gold Campaign – along with the Tree of Life in Kyrgyzstan, and the Montana Environmental Information Center.

Thus it's clear; the Montana ban must be dealt with. I-147 does that, and in a manner that would again allow miners to use cyanide, while simultaneously addressing the environmental concerns expressed when Montanans approved the ban in 1998. (To learn more about I-147, including the entire text of how the law would read if passed, go to <http://www.yeson147.com>).

In order to ensure passage of I-147, and to begin to turn the tide internationally, we need your help. And, the best way you can assist us is by contributing money.

Make no mistake, the opponents of mining have already tried to make an issue out of the fact that much of the money for the I-147 campaign is coming from miners. They yell particularly loud about the fact that the largest contributor to date is **Canyon Resources**. As a co-worker says, “Who do they expect to pay for it, the cosmetologists?”

It is absolutely the mining industry that should pick up a big share of the tab. At the same time, we've received contributions from grandmothers and utility company workers, timber industry employees, golf-cart salesmen, people in the medical profession and more. The treasurer of the Yes on I-147 committee is a rancher.

But again, we hold our heads high when we say that the mining industry will pay most of the freight. In fact, a rancher friend of mine told me the other day that “With all the money the mining companies saved by not being able to fight I-137, they should really be able to pony up for I-147.” Don't worry, that rancher is a supporter, and had his tongue firmly in his cheek.

But he brings up an important point. Due to another law – that was declared unconstitutional – mining companies were almost completely precluded from participating in the I-137 campaign in 1998. A judge declared that law invalid, but only days before the election and far too late for mining to mount an effective campaign. Thus I-137 passed, by a 52-48 percent margin, largely because we weren't allowed to tell our side of the story.

But it's different this time. Miners are allowed to tell our side of the story, and we're doing so proudly. Individual miners have written checks, and so have several companies. We ask you to do what you can to help.

Because, if the anti-mining groups win again, they'll redouble their efforts to take the ban elsewhere - pick your state, pick your country. The best way to ensure that that won't happen is to pick up your pen and your checkbook, and help us to victory.

Make your check out to “Miners, Merchants and Montanans.” A couple of points of information. Contributions are not tax-deductible. There is no limit to the size of a contribution. Contributions are a matter of public record. Corporate, business and trade association and Political Action Committee (PAC) contributions are allowed and encouraged.

Note that under Montana's campaign finance laws, any business or organization that contributes, automatically becomes what's called an “Incidental Political Committee” and must comply with certain reporting requirements.

Miners, Merchants and Montanans for Jobs and Economic Opportunity, FOR I-147 will be happy to assist you in preparing paperwork and filling out periodic forms. We will contact you when your contribution has been received to go through any necessary paperwork.

Thank you.

Tammy Johnson
Campaign Manager

Miners, Merchants and Montanans For Jobs and Economic Opportunity, For I-147



Board of Trustees Tour ARCO, Inc. and Placer Dome Reclamation Sites

The July Board of Trustees Meeting was held at the Fairmount Hot Springs Resort near Butte, MT. On the preceding day, a tour of the reclamation efforts by **ARCO, Inc.** in Butte was given by David McCarthy of ARCO in the morning. Transportation was provided by Corby Anderson of Montana Tech. Several people in the group who had been past residents of the Butte area were amazed at the amount of reclamation and the tremendous success in helping Butte retain its heritage while improving the environment.

The afternoon tour was at **Placer Dome's** Golden Sunlight Mine near Whitehall. Participants were shown a presentation of the geology and engineering of the pit, and were driven to a remarkable example of waste dump reclamation. Little did most of the participants know that a hill, appearing to be natural and visible from the highway, was actually a waste area reclaimed by the company.

NWMA thanks ARCO and Placer Dome for their hospitality, and congratulates them on their outstanding efforts in the arena of environmental stewardship.



The tour group from left: Corby Anderson, *The Center for Advanced Mineral & Metallurgical Processing, Butte, MT.*, Grant Newport, *Weyerhaeuser Company, Federal Way, WA*, Jim Maronick, *Solitario Resources Corp., Wheat Ridge, CO*, Laura Skaer, *NWMA, Spokane, WA*, Jim Chavis, *Placer Dome America, Denver, Co.*, Ann Carpenter, *Domestic & International Mineral Development, Reno, NV*, Opal Adams, *Enviroscientists, Inc., Reno, NV* and Ann's mother Joan Shonnard. Not shown in photo, Mike Heywood, *NWMA photographer for this trip, Spokane, WA.*



Reclaimed mine dumps at Golden Sunlight Mine, Whitehall, MT

Golden Sunlight Mine, Whitehall, MT



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Members in the News ...

Apollo Gold To Double Drilling Program At Black Fox

Due to the positive numbers from drilling on strike and down dip from existing ore bodies at **Apollo Gold Corporation's** Black Fox project near Timmons, Ontario, the current drilling program originally planned for 102,000 feet of core drilling at a cost of \$1.5 million has been doubled to 204,000 feet for a cost of \$3 million. Recent drilling has sampled the vein structures below the existing open pit mine reserves. Notable intercepts are 17 feet of 0.203 opt gold, 3 feet of 0.472 opt gold, 25 feet of 0.268 opt gold, and 11 feet of 0.385 opt gold. New underground reserve calculations are scheduled for the end of 2004.

Kendall in Final Stages of Reclamation

CR Kendall Corporation (a wholly-owned subsidiary of **Canyon Resources Corporation**) is implementing one of the last remaining reclamation projects at the Kendall Mine in Montana. Three quarters of the site have already been reclaimed since the mine finished active operations in 1996. CR Kendall has spent over \$8 million on reclamation work, and this phase will cost an additional \$1.5 million. In addition, \$1.9 million has been given to Montana Department of Environmental Quality (DEQ) for reclamation purposes.

MK Weeden Construction of Lewiston has been contracted to re-contour the process pads, apply 36 inches of soil and revegetate with native plants. The work will continue through the fall season. This plan was approved in 2000 by the Montana DEQ following a series of public hearings. Nevertheless, the Montana DEQ is preparing an Environmental Impact Statement to further evaluate reclamation alternatives. Once reclamation is completed, CR Kendall will conduct long-term monitoring of the site to assess performance and make adjustments if necessary.

Decision Time for Canyon Resources at El Aguila

Canyon Resources Corporation was encouraged by the results of exploration drilling and preliminary engineering by third-party experts on the El Aguila gold-silver project 74 miles southeast of the city of Oaxaca, Mexico. Thirteen thousand feet of drilling in 69 holes showed the existence of a continuous zone of high-grade gold-silver mineralization in a shallow, massive quartz body. Twenty-three of the holes hit mineralization over 12 feet in thickness averaging over 0.10 opt gold. A Preliminary Resource Study by Ore Reserves Engineering indicates that the deposit contains 100,000 ounces of gold and over 1.3 million ounces of silver at a 0.032 opt cutoff.

Resource Development Inc. performed metallurgical tests indicating that medium/high-grade samples have recoveries over 90% for gold and 70-80% for silver. Because the mineralization

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Preston Gates is a full-service international law firm with offices up and down the North American Pacific Coast, throughout Greater China, and in Washington, DC. We provide an integrated approach to environmental, business, and policy matters for mining clients, domestically and abroad.

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MEMBERS IN THE NEWS... (Continued)

(Decision Time for Canyon Continued)...

is continuous and has a low angle dip, it is considered amenable to open-pit mining.

Canyon has the right to earn a 50% joint venture interest in El Aguila by funding \$3.5 million for exploration and development. Since September 2003, \$500,000 has been spent towards fulfillment. A decision to fund the remaining \$3 million or convert the previous funding into 600,000 shares of common stock of Gold Resource Corp. (36% owned by U.S. Gold Corporation) is due by August 31, 2004. Gold Resource has 5.35 million shares outstanding.

Reserves Increase At Brisas

Gold Reserve Inc. President Doug Belanger has released the results a mineral reserve analysis completed by **Pincock, Allen, & Holt, Inc.** PAH has concluded that, based on analysis of nearly 600,000 feet of drilling (including a recent drilling program of over 45,000 feet) in 803 holes, that gold reserves now stand at 9.1 million ounces (up 22%) and copper reserves at 1.15 billion pounds (up 6.5%). The study incorporated expected mining and milling costs for a 70,000 ton per day flotation plant and anticipated smelter and refining charges. Metal prices are assumed at \$350 per ounce gold and \$0.90 per pound copper. The Final Feasibility Study is expected to be completed this year with a production decision before year end.

Monte Cristo Drilling Supports Earlier Results

Gold Summit Corporation has drilled four reverse circulation drill holes under the Maclean Pit at the Monte Cristo project 24 miles northwest of Tonopah, NV. All holes intersected a massive quartz vein 12 feet in true width over a strike length of 590 feet. Results included a 15 feet interval of 0.16 opt gold; 10 feet of 0.116 opt gold; 5 feet of 0.55 opt gold; and 15 feet of 0.074 opt gold. The vein was intersected between 330 and 495 feet. Data retrieved from the drill holes indicates that the northeast striking vein is open at both ends.

These results match shallower intersections from tiers of vertical holes drilled by previous exploration companies. Previous intersections number 30, all with minimum true widths of 5 feet with assays up to 0.128 opt gold. Nine of them had assays up to 0.256 opt gold.

Golden Phoenix Acquires Mill to Process Higher Grade Ores

Golden Phoenix Minerals, Inc. has entered into two option agreements that will bring it a mill with production capacity of 1,350 tons per day. This move allows Golden Phoenix to fulfill its Phase 2 plans to increase gold production at the Mineral Ridge mine. Two option-to-purchase agreements were signed with the owner of the land and the owner of the mill. The mill was originally



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constructed in 1981 at a reported cost of \$7 million. Current plans call for using a majority of the mill as currently designed, but with the addition of a gravity and primary crushing circuit. This reconditioning, along with obtaining the necessary permits, may take up to a year to complete.

Upon completion, plans call for ore to be trucked 43 miles from the mine to the mill. Cut-off grades are in the range of 0.1 opt gold. Lower grade ores will be leached. Proven and probable reserves are stated at 2.66 million tons at 0.079 opt gold for a total of 209,000 ounces.

High Grade Found at Huevos Verdes

Minera Andes Inc. reports that the ongoing development of the Huevos Verdes vein at the San José Project in Santa Cruz Province, Argentina has discovered high-grade mineralization of approximately 1 foot of 8.46 opt gold and 399 opt silver contained within a larger 7 ½ feet interval averaging 1.91 opt gold and 98 opt silver.

Development has shown the vein to be generally thicker and of a higher-grade than surface drilling had indicated. Two areas of the vein are in development, being accessed by the north and south inclined shafts. Drifts are being developed in both shafts with a winze in development in the south shaft. The vein has several splits including separate parallel mineralized veins that may add to the grade and tonnage.

MEMBERS IN THE NEWS... (Continued)

High Grade Found (Continued)

The San José Project is being developed by Minera Santa Cruz which is 51% owned by Mauricio Hochschild & Cia. Ltda. and 49% by Minera Andes. An increase in the work force and equipment is in process to complete the underground workings at an increased pace.

Gold and Aluminum to Mix?

Newmont Mining Company and Alcoa World Alumina LLC have signed a joint venture agreement for Newmont to examine the gold potential of some 240,000 acres of concessions in Suriname held by Suralco (Alcoa's subsidiary in Suriname). (Suriname is on the north coast of South America, bordered on the west by Guyana).

Suralco has had a presence in Suriname since 1916 when the business focused on mining bauxite, the ore that carries aluminum. In 1958, Suralco began to develop hydropower and subsequently to manufacture aluminum in the country. As part of its ongoing efforts to discover bauxite on the concessions, gold anomalies were discovered.

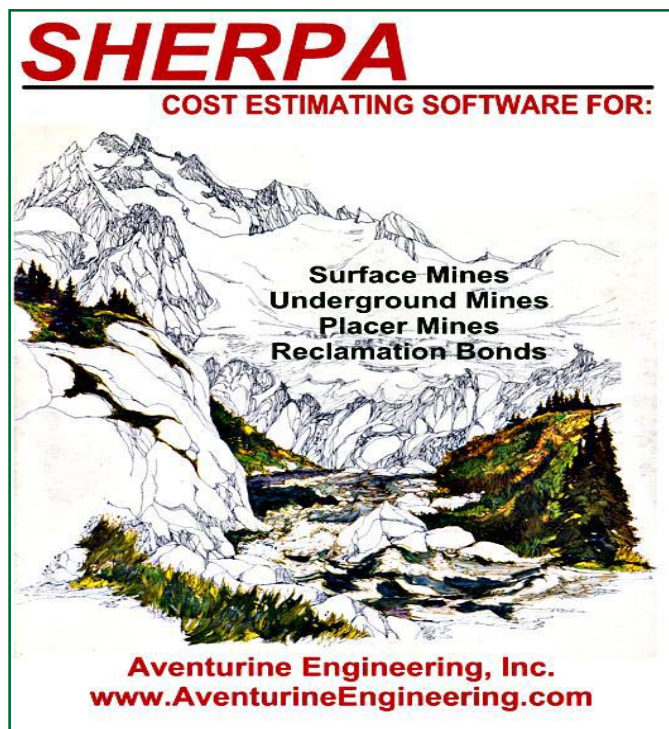
The agreement with Newmont calls for investment, exploration and operational management to be handled by Newmont in exchange for an equity interest in any gold operation. The agreement allows Newmont up to six years to conduct its work.

Bema and Arizona Star Contemplate Arbitration for Cerro Casale

Bema Gold Corp. and affiliated Arizona Star Resources Corp. are threatening to go to arbitration to force **Placer Dome Inc.** either to arrange financing to place Cerro Casale in northern Chile into production, or to give back the 51% of the property that Placer earned when it delivered a bankable feasibility study in 2000. Placer Dome has issued a certificate to the joint owners stating that the mine cannot be financed under the existing shareholders' accord. Bema and Arizona Star have informed Placer that they consider the company in default of the agreement. Financial consultants have indicated the mine could be financed (estimated cost: \$1.65 billion) if production is hedged. The current shareholders' agreement does not allow for parent companies to back such hedges. Bema and Arizona Star claim that Placer has not looked at other means of financing.

The bankable feasibility study would have the mine produce 975,000 ounces of gold and 130,000 tons of copper per year for 18 years. Reserves are stated at 23 million ounces of gold and 6 billion pounds of copper. Total production costs are estimated to be \$225 per ounce of gold with copper credits at \$0.95 per pound and silver at \$5.50 per ounce.

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Peter Tomsett New Placer Dome President and CEO

Placer Dome Inc. has appointed Peter Tomsett as the company's new President and Chief Executive Officer effective September 15, 2004. Peter replaces Jay Taylor who announced his retirement in March. Jay will continue with Placer Dome in an advisory role though March 2005.

Peter has been with Placer Dome for 18 years, most recently as Executive Vice-President of Placer Dome Asia Pacific and Africa. Under his leadership, the Asia Pacific Region grew to become the company's largest operating unit through successful exploration, development and acquisition.

Queenstake Pays Down Debt at Jerritt Canyon

Queenstake Resources Ltd. has closed a private placement of 34,254,000 special warrants for C\$17,127,000. Each warrant is one common share and one half common share purchase warrant. One whole common share purchase warrant entitles the holder to purchase one common share for C\$0.65 for a period of 18 months.

Funds will be used to settle material obligations with AngloGold Ashanti Inc. and Meridian Gold Inc., the former owners of the Jerritt Canyon Mine. AngloGold Ashanti will receive \$7,057,000 and Meridian will receive \$2,715,000. A \$20 million debt facility with Amaranth had already been paid down to \$565,000, and the remainder will be paid from this private placement financing.

MEMBERS IN THE NEWS...(Continued)

Randy L. Parcel New Royal Gold Company VP and General Council

Randy L. Parcel has joined **Royal Gold Company** as Vice President and General Council. Randy will have primary legal responsibility for preparation of royalty acquisition and royalty financing documents, and will also work with other company officers in negotiating and structuring royalty transactions. Prior to accepting his position at Royal Gold, Randy was a managing partner of the Denver office of NWMA member **Perkins Coie, LLP**, a Seattle-based law firm with offices in Boise, Spokane, and Washington, D.C., among other locations.

Week Long Strike at Stillwater Ends

A 3-year contract approved by union representatives failed by a 70-30 vote at the Stillwater Mine in Montana, and a strike was set for July 12 at noon. **Stillwater Mining Company** decided to instigate shut-down procedures on Sunday, July 11, in order to facilitate an orderly transition.

Negotiations during the ensuing week produced a new contract which provides for a 3% annual increase for the life of the contract, more favorable terms regarding unpaid sick leave, and the retention of a traditional pension plan in addition to a 401(K). The average hourly wage at the mine is \$20. Nine hundred members of the Paper, Allied Industrial, Chemical and Energy Workers International were involved in the dispute.

The mine produces 428,000 ounces of platinum and palladium annually, an amount that equals 73% of the company total and approximately 75% of total U.S. production.

Colville Confederated Tribes File Suit in U.S. Federal Court

The Colville Confederated Tribes filed suit on July 21 in U.S. Federal Court to enforce an administrative order issued in January by the EPA to **Teck Cominco Ltd.** to submit to U.S. Superfund Law (CERCLA) regarding Lake Roosevelt in northeastern Washington. This is an attempt to enforce U.S. domestic environmental law across the Canadian border, an unprecedented attempt that the Canadian government has gone on record opposing.

The focus of the Tribes' lawsuit and EPA's administrative order are historic discharges into the Columbia River from Teck's Trail, B.C. smelter operations. The filing of the lawsuit clearly indicates that the Colville Tribe is far more interested in seeking natural resource damages under CERCLA than they are in the ecological health of Lake Roosevelt.

On August 31, the State of Washington joined the lawsuit to support the Tribe's position. The announcement was made by Washington's Attorney General, Christine Gregoire, who is seeking the Democratic nomination for governor.

Teck has offered \$13 million to fund independent human health and ecological studies of metals in Lake Roosevelt, an offer still on the table. The offer includes metal contamination clean-up

attributable to historic Trail Smelter operations. Improvements at the smelter have reduced air emissions by 90% and annual discharges to water have been cut by more than 99%. Teck has spent more than \$1 billion on improving environment performance at the Trail Smelter. It should be noted that the suit refers to past practices and not current operations.

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Vista Gold And Pintail Environmental To Bug Hycroft

Vista Gold Corp. and **Pintail Environmental Solutions, LLC.** have reached an agreement whereby Pintail can earn a 50% interest in a joint venture to develop a commercial gold operation from the existing heap leach piles at Hycroft in Nevada. The pads have been previously leached, but are believed to contain approximately 600,000 ounces of gold. Pintail has spent 17 years developing technology which employs various natural microbial processes to assist in gold recovery and which it believes may facilitate the recovery of significant amounts of gold.

Pintail will spend one year and \$500,000 on a study to determine if the process will work on the Hycroft pads. If the study demonstrates gold can be recovered for a total cost (capital and operating) of less than one half of the then prevailing gold price per recovered ounce of gold, then Pintail will earn a 50% interest in the venture.

Vista Gold is not currently selling the Hycroft Mine, but is looking for joint venture partners to explore and develop existing proven and probable reserves.

Vista also reported that Luzon Minerals Ltd. has completed its initial due diligence on the Amayapampa Project in Bolivia. They have modified the original purchase agreement which called for \$1 million in cash and an additional 2 million common shares. Now Luzon will issue 200,000 shares, assume all holding costs, and on January 15, 2005 transfer \$900,000 in cash and issue 2 million shares to Vista. Luzon has paid \$50,000 and issued 50,000 shares to date. Upon commencement of construction (or January 15, 2006), Vista will receive \$4 million or a combination of shares and cash equaling \$4 million at Vistas' choice. There is also a 3-4% NSR dependent on gold being less or more than \$450 per ounce.

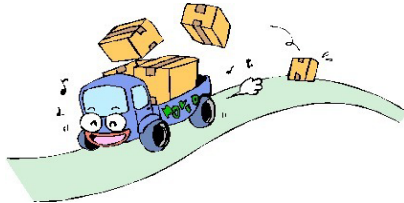
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MEMBERS ON THE MOVE ...



David A. Litvin Named President of the Utah Mining Association

Former NWMA Trustee, **David A. Litvin** has been named president of the Utah Mining Association. David was selected from a number of highly qualified candidates after an extensive search. As UMA president, David will be the spokesperson for mining interests in the State of Utah. He brings to the UMA more than 35 years of mining and governmental affairs experience, including 24 years in various capacities with **Kennecott Minerals Company**.

NWMA congratulates David and looks forward to working with him.

NMA Hires New Grassroots and Constituent Relations Director

The National Mining Association has selected Marc A. Ross to serve as its new Director of Grassroots and Constituent Relations. Marc has spent his professional career in managing

and directing campaign operations, communications, development and government affairs programs for non-profits, corporate clients, and political campaigns.

Most recently, he worked for the American International Automobile Dealers Association, where he directed the association's grassroots and advocacy efforts. Marc previously worked for the DCI Group where he oversaw national grassroots and field programs for technology, telecommunications and healthcare organizations. Additionally, he has served the United Kingdom's Conservative Party in a number of roles both in Washington, D.C. and London, including Traveling Press Secretary for William Hague's national campaign against Prime Minister Tony Blair in June 2001.

Prior to his experience at DCI Group, Ross served as the Deputy Director of Advance for the Steve Forbes 2000 Presidential campaign and assisted the development efforts of the Business Coalition for U.S.-China Trade and the NATO 50th Anniversary Host Committee.

NWMA welcomes Marc to the mining industry and looks forward to working with him in his new role.

NWMA WELCOMES NEW CORPORATE MEMBERS



De Coria, Maichel & Teague

Dywidag Systems Int'l.

GSE Lining Technologies, Inc.

Idaho General Mines, Inc.

Marathon PGM Corp.

Miners News

ROCKLABS Ltd.

Western Goldfields, Inc.

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

NWMA GOES TO MINEXPO

WHEN YOU'RE IN THE NORTH HALL BE SURE TO LOOK US UP. BOOTH # 1934





Developed by the National Mining Association, **Mine the Vote** is a simple grassroots program for mining industry stakeholders (businesses, trade associations, employees, retirees, suppliers, vendors and investors), to use to ensure that mining interests are fully engaged in the democratic process this election year.

Mine the Vote and www.minethevote.org, allow users to register to vote, apply for absentee ballots, determine if they can vote early at local election offices, find polling locations, research candidates at all levels of government, read the latest news from the campaign trail and learn more about the public policy issues important to America's mining industry.

Providing voter information and encouraging mining stakeholders to be a part of the democratic process is an easy way to promote full civic participation and educate the industry on the policy debates that govern this vital industry.

By promoting this simple website and valuable resource to stakeholders of the mining industry, our industry will be able to make an impact. Besides, you are already communicating with association members, employees, retirees, suppliers, vendors, and investors on a daily basis – why not add a little more to the dialogue and discuss **Mine the Vote**.

It is easy, it is rewarding, it is timely, and it is legal.

Here are the ways your organization can make an impact:

- Encourage voter registration
- Promote absentee ballots, voting by email and early voting in person
- Sponsor Get-Out-The-Vote (GOTV) drives
- Promote **Mine the Vote** in newsletters, emails, letters, payroll stuffers, websites, break room posters, bumper stickers
- Conduct a "Meet and Greet" event with candidates and elected officials
- Support candidate debates in your community and state
- Educate mining stakeholders by publishing voting records of elected officials, develop voter guides and candidate questionnaires

Remember, there is no limit on the amount of company resources you can devote to the activities described above—and no reporting requirement—when your efforts are not specific to a candidate or party. You can educate and encourage civic participation all you want!

Frequently asked question – can I talk to employees about candidates, issues and elections?

Simple answer - YES!

- You can get advice, assistance, information and materials from NWMA, NMA and the various state mining associations and **Mine the Vote**, but not from candidates, political parties and/or their agents.

- You can use unlimited company resources to prepare and distribute **Mine the Vote** materials or communications you design, but you can not distribute materials provided by any candidates, political parties and/or their agents.
- You can say almost anything to executives, managers, and shareholders of the mining industry - even ask them to vote for your chosen candidate, but you may not advocate the election or defeat of a candidate to other employees.

Every vote counts – consider these elections:

- George Bush was elected president after winning Florida by a mere 537 votes out of 6 million votes cast in the state.
- In the 1968 presidential race, Richard Nixon defeated Hubert Humphrey by fewer than three votes per precinct.
- In the 1960 presidential race, John Kennedy defeated Richard Nixon by two-tenths of one percent of the vote. That averages out to less than one vote per precinct nationwide.
- John Kennedy would have lost the 1960 presidential election if one more person in ten Cook County (Illinois) precincts voted for Nixon.
- In 2002, Bob Beauprez won his congressional race in Colorado by just 121 votes.
- In 1994, Sam Gedge won his congressional race in Connecticut by a margin of just 21 votes.
- In 1996, Jon Fox won his congressional race in Pennsylvania by just a 84 votes

Employees want to hear about government and politics:

Organizations have the necessary credibility to educate and motivate their employees and stakeholders to make informed choices at the polls.

A recent survey by the Tarrance Group revealed the following:

- 78% of respondents either wished their company would provide information on government and politics, or were open to receiving such information. In swing congressional districts, the number jumped to 84%, while in congressional districts with an open seat, it leaped to 88%.
- Only 7% of the American workforce heard about the 2000 elections from an employer. In contrast, labor unions reached 17% - yet only 13% of the workforce is unionized.
- Among working women, employers were identified as the most credible source of campaign information by a nearly two-to-one margin over labor unions.
- Business outranked labor unions, media and campaign advertising in terms of credibility as a campaign information resource.
- Voter registration and voter turn-out increases by 14% when employers encourage their workers and stakeholders to learn more about the issues and fully participate on Election Day.

You can access Mine the Vote from the NWMA website. For more information or to find out how your company can participate, contact Marc Ross at (202) 463-2664 or mross@nma.org.

NORTHWEST MINING ASSOCIATION'S
110TH ANNUAL MEETING, EXPOSITION AND SHORT COURSES PRE-REGISTRATION FORM
 DECEMBER 6-10, 2004

On-line registration at www.nwma.org

Fax (509) 623-1241 or mail completed form to Northwest Mining Association
 10 N. Post Street, Ste. 220, Spokane, WA 99201-0772 USA

Please type or print your name, as you would like it to appear on your badge. One registration per form.
 Preregistration forms must be received on or before November 30 to qualify for preregistration prices.
 On-site registration rates for the Technical Sessions are \$50 higher

Last Name _____ First Name _____
 Title _____
 Organization _____
 Mailing Address _____
 City _____ State or Province _____ Postal Code _____
 Country _____
 Phone _____ Fax _____ E-mail _____
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INDIVIDUAL MEMBERSHIP DUES

Individual Active \$ 95.00
 Individual Retired \$ 25.00
 Full-Time Student (ID required) \$ 20.00 _____

TECHNICAL SESSION & EXPOSITION

	Member/Government	Non-Member
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<input type="checkbox"/> Senior (65 & older)	\$ 125.00	\$ 250.00
<input type="checkbox"/> Full Time Student (ID required)	\$ N/C	\$ 50.00
<input type="checkbox"/> Press Pass	\$ N/C	\$ N/C
<input type="checkbox"/> Session Chairman/Speaker (please fill in Session Name) (Session _____)	\$ N/C	\$ N/C

FIELD TRIP & SHORT COURSES (Monday and Tuesday)

Spokane Floods & Wenatchee Gold \$ 225.00
 Avoiding Permitting Pitfalls & Delays on Federal Lands \$ 100.00
 Practical Geoscience Ethics (CEU Credit-add \$10.00) \$ 195.00/\$205.00
 Acid Mine Drainage-Perspectives & Studies \$ 195.00
 Course Organizer/Speaker (please fill in Session Name)
(Course _____) \$ N/C _____

EXPOSITION ONLY REGISTRATION

Wed - Fri \$40.00 Thurs - Fri \$25.00 _____

TICKETS (NONREFUNDABLE)

Guest Speaker Luncheons

Wednesday Welcoming Luncheon _____ @ \$30.00 \$ _____
 Thursday Industry Outlook Luncheon _____ @ \$30.00 \$ _____

Exhibit Hall Lunches

Wednesday Exhibit Hall Sandwich Lunch _____ @ \$ 10.00 \$ _____
 Thursday Exhibit Hall Sandwich Lunch _____ @ \$ 10.00 \$ _____

Drink Tickets

Wednesday Welcoming Reception Drink Tickets _____ @ \$ 5.00 \$ _____
 Thursday Afternoon Reception Drink Tickets _____ @ \$ 5.00 \$ _____

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**NORTHWEST MINING ASSOCIATION'S
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DECEMBER 6 - 10, 2004 - SPOKANE, WASHINGTON**

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This signed form reserves your booth space for the 2004 Exposition.

Booth Rates - Please check one

Standard Booth

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 Non-member: \$1,500
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 School: \$500

Table Top

- Member: \$500
 Non-member: \$750

Membership

- Please send corporate membership information

Yes, please reserve Space # _____ (List 3 or 4 choices please)
Please send a current floor plan, we would prefer a different space. _____

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Company _____

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Cancellation Policy: Your booth fee less \$200 will be refunded if notice is made in writing and received by NWMA prior to September 30, 2004. If you have any questions please contact: Pat Heywood, NWMA, (509) 624-1158 ext. 11, or e-mail: pheywood@nwma.org.

PAYMENT INFORMATION - (U.S. Funds)

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NORTHWEST MINING ASSOCIATION

110TH ANNUAL MEETING

EXHIBITOR LISTING

AS OF SEPTEMBER 1, 2004



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 American Assay Laboratories
Apollo Gold

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Bitterroot Restoration, Inc.
Boart Longyear Products USA

Carlson Software
Casualty & Surety Inc.
 CDA Metals
 Christensen Products
 Coeur Products LLC
 Colorado Mining Association
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DSI Ground Support
 Dyno Nobel

Energy Laboratories, Inc.
 Envirocon
Enviroscientists, Inc.

Ferguson Enterprises, Inc.
 Foam Concepts, Inc.

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 Gemu Valves, Inc.
 Geological Society of Nevada (GSN)
Geotemps, Inc.
 GLOBALSTAR
Godwin Pumps
Gold Summit Corporation
Golden Phoenix Minerals, Inc.
Golder Associates, Inc.

Hagby USA, Inc.
 Harrington Industrial Plastics
Hecla Mining Company

ICMJ's Prospecting & Mining Journal
 Idaho Silver by JC

JCH Insurance
Kinross Gold Corp.

Land Management Services
 Lang Exploratory Drilling / Boart
 Longyear Contracting Svcs.
 Lawrence Berkeley National Laboratory

Mackay School of Earth Sciences &
 Engineering - Univ. of Nevada-Reno
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Medi-Rub Corp.
Mill Man Steel, Inc.
 Mine Safety and Health Admin.
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*To add your name to this list of exhibitors, contact Pat or Mike Heywood at (509) 624-1158, or Email
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COMMITTEE REPORTS

ENVIRONMENTAL

EPA Announces Final Clean Air Non-Road Diesel Rule

On May 11, EPA Administrator Mike Leavitt signed the Clean Air Non-Road Diesel Rule that is designed to reduce emission levels from diesel-powered equipment and remove 99% of the sulfur in diesel fuel by 2010. The rules are known as Tier IV level of emissions regulations and require exhaust after treatment devices applicable to off-road diesel-powered equipment. The sulfur content of diesel fuel will be cut to 500 ppm in 2007 and 15 ppm by 2010.

The final rule along with the preamble is available on the EPA website at <http://www.epa.gov/nonroad-diesel>.

EPA's Region 10 Administrator John Iani Resigns

After three years as EPA's Regional Administrator, John Iani has resigned to resume his law practice in the Seattle area. John was a breath of fresh air at Region 10 and will be missed.

House Resources Committee Votes to Modernize ESA

On July 21, the U.S. House Committee on Resources passed two bills integral to the effort of modernizing the Endangered Species Act (ESA). Specifically, the Committee approved H.R. 2933, the Critical Habitat Reform Act and H.R. 1662, the Sound Science for ESA Planning Act.

Although the ESA was signed into law more than 30 years ago with the good intention of conserving and recovering species identified as threatened or endangered, the law has been a dismal failure. After 30 years, only 12 of 1,300 listed species have recovered for a cumulative success rate of .01%

In commenting on the legislation passed by the Resources Committee, Chairman Richard W. Pombo (R-CA) said, "Despite this law's noble intent, the ESA has recovered less than 1% of the species on its list in the last 30 years. Unintended consequences have rendered it a failed managed-care program that checks species in, but never checks them out."

Representative Jim Gibbons (R-NV) stated, "I realize there are special interest groups who want to blindly protect any government program no matter the success-fail rate, but I challenge anybody to state in all seriousness that the Endangered Species Act has achieved its goal. Common sense reform to the ESA is necessary to better protect and recover our species and the reforms discussed today are long-overdue."

H.R. 2933 adjusts the arbitrary and now-untenable deadline under which the Fish and Wildlife Service (FWS) is required to designate critical habitat, giving the agency more time to collect usable data. This legislation also will reduce the overwhelming volume of frivolous litigation filed under the ESA. It corrects the dysfunctional critical habitat designation process, linking it to the species recovery planning process and integrating the data accumulated in that process.

H.R. 1662 will strengthen the scientific foundation of species recovery efforts by integrating a peer-review tool into ESA decision-making processes.

In this important breakthrough for much-needed ESA reform, H.R. 2933 was sponsored by Representative Dennis Cardoza (D-CA) and H.R. 1662 by Representative Greg Walden (R-OR). The fact that Democrats and Republicans have joined together in an effort to improve the ESA is huge. House Resources Committee Chairman Richard Pombo deserves high praises for his work in putting the bipartisan coalition together.

PUBLIC LANDS

ACHP Publishes Final Rule in Response to NMA's Legal Victories

The Advisory Council on Historic Preservation (ACHP) published its final rule titled: *Protection of Historic Properties* in the Federal Register at 69 Fed. Reg. 40544-55 on July 6, 2004. The rule modifies ACHP's existing regulations implementing § 106 of the National Historic Preservation Act (NHPA), as a result of two successful lawsuits brought by the National Mining Association (NMA).

In the first case, the U.S. District Court for the District of Columbia held that two of the original regulations illegally imposed substantive requirements on federal agency decision-makers. In the second, the D.C. circuit held that § 106 of the NHPA does not apply to undertakings that are merely subject to state or local regulation administered pursuant to delegation or approval by a federal agency.

In line with the court decisions, the new regulations now provide that the ACHP may not veto the decision of a federal agency regarding a finding of "No Historic Properties Affected" or "No Adverse Effect." The new regulations also clarify that the NHPA does not apply to state-issued permits in primacy states pursuant to delegation or approval by a federal agency. Examples are state permits issued pursuant to the Clean Water Act, the Clean Air Act, the Resource Conservation and Recovery Act, and SMCRA.

Congratulations to NMA on these important victories.

President Bush Proposes New Roadless Policy

On July 12, the Bush administration proposed a new Roadless Rule to replace the illegal Clinton Roadless Rule which was thrown out by a federal district court judge in Wyoming. President Bush's proposal will have Roadless protection determined at the state and local level and crafted to meet the unique and diverse needs of each National Forest, rather than a command and control, one-size-fits-all approach from Washington, D.C.

The new rule will establish a collaborative process in which governors will work with the U.S. Forest Service and all interested local parties to make state-specific rulemakings for



COMMITTEE REPORTS (Continued)...

Resources Committee Votes (Continued)

both conservation and management of Roadless areas. This approach will give local communities the ability to identify areas for inclusion, set up local management plans, protect local resources, and assure citizens access to private property.

Specifically, states would petition areas for inclusion into Roadless area protection and these would be reviewed by the Forest Service and public before being accepted. Petitions would have to be submitted within 18 months of the effective date of the final rule. There is a 60 day public comment period on the proposed rule and comments are due September 14. The proposed rule is available at www.fs.fed.us.

The Bush administration also reinstated an interim directive to conserve Roadless areas that were afforded protection by the illegal 2001 rule, and any activities in those areas could only be authorized by the chief of the Forest Service. The interim directive will remain in effect for a period of 18 months after finalization of the new Roadless rule, which is expected this fall.

Partnership for the West Humiliates Enviro Radicals with Counter Demonstration and Support of the Bush Administration Roadless Rule

On July 23, a group of enviro radicals organized a “21-chain saw” salute to President Bush and Interior Secretary Gale Norton in protest over the President’s recently unveiled Roadless Rule. With a lot of help from its Denver area members, Partnership for the West helped to organize a quick counter-demonstration in support of the Roadless Rule.

The pro-growth forces outnumbered the protesters and overwhelmed their protest attempt. It isn’t often that pro-growth forces out-protest the professional protesters. Congratulations to Jim Sims and everyone who participated.

Partnership for the West Leads the Effort to Oppose Listing the Greater Sage Grouse under the Endangered Species Act (ESA)

An unusual coalition of conservationists, biologists, governors, ranchers, miners, oil & gas producers, businesses, and renewable advocates, organized and led by Partnership for the West, has formed to oppose listing the Greater Sage Grouse under the ESA. Thanks to the efforts of Jim Sims and his staff at Partnership for the West, opponents of the listing outnumbered proponents by a margin of 14 to 1.

“The West has spoken to the Fish and Wildlife Service, and the message is clear: Let State and local experts in the West manage the recovery of the Greater Sage Grouse,” said Jim Sims, executive vice president of the Partnership for the West. “Leading Sage Grouse biologists, such as those in the highly regarded North American Sage Grouse Partnership, are saying that collaborative conservation efforts led by state and local leaders are better for the sage grouse than a federal takeover of the ESA. Even the National Wildlife Federation did not feel compelled to request a listing.”

NWMA and many of its members filed comments in opposition to the listing. A summary of the comments and links to the full text is available at:

http://partnershipforthewest.org/rouse_comments_summary.asp.

Senator Reid Responds to NWMA Action Alert—Asks BLM to Phase-in the Claim Maintenance Fee Increase Over 5 Years

U.S. Senator Harry Reid (D-NV) has written a letter to BLM Director Kathleen Clarke asking her to phase-in the 25% increase in mining claim and maintenance fees over the next 5 years. In his letter, Senator Reid stated, “Mining is the backbone of Nevada’s rural economy, and a 25% increase all at once would be a large blow to the industry. I am offering a balanced and fair solution to this problem that will bring the fees to their statutorily required level in a reasonable amount of time.” Senator Reid cited the adverse impact the fee increase would have on 250,000 direct mining jobs in the U.S. and more than 12,000 in Nevada.

NWMA has contacted the Bush administration and Kathleen Clarke’s office asking them to favorably respond to Senator Reid’s request. It is believed that because the claim fee statute mandates the inflation adjustment, it will take authorization from Congress before the Bush administration will be able to phase-in the increase. NWMA is working closely with BLM, encouraging them to respond favorably to Senator Reid’s request and to specifically ask Congress to provide the necessary authorization before they adjourn for election year activities.

It is clear that Senator Reid responded to the letters his office received from NWMA members in response to our recent Action Alert. Your letters made a difference and helped Senator Reid and his staff understand that the exploration and early development sectors of the mining industry, the very life blood of our industry, lack the cash flow to absorb a 25% increase in what is already the third highest claim fee in the world.

NWMA thanks its members for taking the time to contact Senator Reid and others, and thanks Senator Reid for his prompt response on behalf of an important segment of the U.S. mining industry.

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Contact Mike Heywood for details

Phone: (509) 624-1158 or

Email: mheywood@nwma.org

STATE REPORTS

ALASKA

Fish Creek Property to be Drilled - Partners to Test Buried Placer Channel

Teryl Resources Corp. and Linux Gold Corp. have received a drilling permit from the State of Alaska to sink 25 holes, divided along 2 lines, to test the placer potential of the Fish Creek property. Each line will have 10-15 holes, 45-75 feet deep, spaced 50-200 feet apart and be 45-75 feet deep. The goal of this drilling is to test two anomalies located in 2003 by a magnetic survey. Anomalies such as these have proven indicative of buried placer gold channel formations in other locales. The impetus for the exploration was the discovery of very high-grade placer gold immediately upstream of the Fish Creek property during excavation of the Fort Knox Mine fresh water dam.

The partners also plan to drill 40 augur holes on a 200 foot grid and 2 reverse circulation holes up to 300 feet deep along the east flank of the Fish Creek valley to examine the mineral potential of an intrusive formation.

Teryl can earn a 50% interest subject to a 5% net revenue interest and Linux can back in for a 25% working interest after \$500,000 is expended.

Nevada Star Signs Agreement With Anglo American on MAN Property, AK

Nevada Star Resource Corp. and Anglo American Exploration (Canada) Ltd. have signed an agreement for Anglo American to acquire an initial 51% interest in one of the five separate areas that make up the MAN Property. Anglo will spend a total of \$12 million on the Dunite/Fish Lake area by year end 2008 to earn that interest. A prefeasibility study will garner an additional 9%, a complete feasibility study will bring an additional 10%, with a further 5% contingent upon construction financing for both companies being arranged by Anglo.

The MAN project is 271 square miles 164 miles southeast of Fairbanks. The project, begun by Nevada Star in 1995, is characterized by anomalous high nickel and PGE concentrations. Nevada Star is actively seeking partners to develop the other four areas that make up the project.

Phase I Drilling Extends Cleary Hill Vein System at Golden Summit

Freegold Ventures Ltd and joint venture partner, Meridian Gold Inc., have reported results from the 2004 Phase I drilling program designed to test the projection of the Cleary Hill vein system at the Golden Summit project in the Fairbanks Mining District in Alaska. Six holes were drilled above and below the projection of the system and have results that indicate the presence of additional mineralized areas above and below the vein.

Results confirm that the old mine longitudinal sections from the 1940s accurately portray the trend of high grade mineralization associated with the Bankers Stope chute on the

Cleary Hill vein. Drilling below the old workings on a 700 feet strike length (underground workings extend over 2,400 feet of strike), encountered a number of veins and structures in the hanging wall (south). Freegold states that additional drilling is required to test the extent and potential of intercepts above the Cleary Vein. Assays returned up to 0.968 opt gold over 2 feet on the Cleary Hill vein and up to 0.452 opt gold over 1 foot on an unknown vein.

Gold is present as fine-grained and visible free gold associated with quartz veins, stockworks and quartz-rich shear zones. Some coarse gold was observed in drill core suggesting a nugget effect. Freegold is testing some selected samples for metallic screen analysis to determine the extent of such an effect.

Phase II exploration work has commenced on the Tolovana prospect adjacent to and 2,250 feet west of the Cleary Hill mine area. Permit applications for trenching and drilling have been submitted to the usual state and federal regulatory agencies.

Rimfire and AngloGold Sign Third Property Agreement in Alaska

Rimfire Minerals Corporation and AngloGold (USA) Exploration have signed an agreement on a third property on the Pogo Trend. Under the terms of the Agreement, Anglo Gold may earn a 50% interest in the Beverly claim group (202 Alaska state mining claims), by spending \$1 million on the property and making a cash payment to Rimfire of \$200,000, staged over four years. This interest may increase to 70% by spending an additional \$600,000 on exploration. AngloGold will also pay Rimfire CDN \$75,000 (\$57,000 at an exchange rate of 0.76) in accordance with an underlying purchase agreement.

Previous exploration work on the Beverly group consisted of reconnaissance mapping, airborne geophysics, and soil sampling. A 0.4 square mile area was identified by anomalous gold and indicator soil geochemistry and anomalous silt samples (1020 ppb and 890 ppb gold) and by float boulders that assayed up to 0.075 opt gold. No immediate exploration programs were announced at this time.

ARIZONA

Africans Acquire Arizona Mining Property!!!

In a move that normally goes the other way, West Africa Gold Inc. has acquired gold mining interests in Arizona. For those of us used to seeing mining money going to, say, Mali, it is refreshing to see West Africa Gold, which has a primary focus on its five concessions in Mali, decide to acquire Golden Sierra Ltd. and its properties in Arizona.

West Africa Gold was formed in January, 2004 when Adven bought 70% of three privately held companies that together held exploration and mining rights to 5 predominantly gold mining properties in Mali, West Africa. The company then changed its name and NASDAQ OTC trading symbol. (*Continued on next page.*)



STATE REPORTS (Continued)...

ARIZONA (Continued)...

Arizona Mining Property (Continued)

With the acquisition of Golden Sierra (an all restricted common stock deal, price not divulged), West Africa Gold has secured the rights to the Mockingbird and Great West Gold projects in Arizona. Mockingbird is a historic producer (15,000 ounces) in the eponymous district 50 miles southeast of Las Vegas. The project is comprised of 2,500 acres and has been explored by Anaconda, Western States, Santa Fe Gold, Gulf Mineral Resources and Chevron. Previous studies had estimated an Inferred Resource of 10 million tons grading 0.5-1.0 opt gold. The estimate has been supported by the USGS and the State of Arizona.

West Africa Gold has also acquired, in an all restricted stock transaction, the rights to 12 placer claims from Western Gold Ltd. called the Bourse Property in La Paz County. Past district production was 5,000 ounces of gold, with 3,300 ounces attributable to the Little Butte Mine (located on the property). Previous drilling by Tenneco, US Borax, and Homestake found gold intercepts in the breccias and high-angle structures. The project is conceptualized as a detachment fault deposit, two well known examples being Copperstone and Mesquite.

West Africa Gold has offices in New York and London.

Phelps Dodge gets Favorable ROD in Arizona, and Adds 600 Workers in New Mexico

Phelps Dodge received a favorable Record of Decision (ROD) from the BLM supporting a land exchange of environmentally sensitive Phelps Dodge land for land next to the project. There was a 45 day public comment period that ended on August 14. This land exchange will allow the Dos Pobres and San Juan copper ore bodies to be developed at the project eight miles from Safford, AZ. A feasibility study is being completed and the 10-year effort to secure permits continues. The area being exchanged is adjacent to the property and will serve as a buffer zone and for support facilities.

Phelps Dodge also announced that mining will resume at Santa Rita in New Mexico. In connection with this reopening, Phelps Dodge held a job fair in June to fill 600 positions. This number is in addition to the more than 13,500 Phelps Dodge employees in 27 countries.

IDAHO

Friday/Petsite Project in Central Idaho

Beartooth Platinum Corporation received assays confirming high-grade mineralization from four diamond drills completed on the Friday/Petsite project in north central Idaho (Elk City district). Notable intercepts were 10 feet of 0.30 opt gold, 43 feet of 0.27 opt gold, and 0.11 opt gold over 83 feet. The project has a historical resource (as determined by Kinross Gold Corporation in 1999) of 540,000 ounces of gold in both oxide and sulphide mineralization. The current program is to challenge the potential for a higher grade core in the Friday zone mineralization.

Beartooth is evaluating the results with a view to further exploration drilling.

Sterling Leases 380 Acres in Silver Valley Expedites Due Diligence on San Acacio

Sterling Mining Company, controller of the Sunshine Mine in the Silver Valley in northern Idaho, has leased 380 acres between the Sunshine Mine and the East-West Property (currently being explored by **Coeur d'Alene Mines, Inc.**) from Merger Mines, Inc. Sterling has committed to spend \$25,000 during the first 18 months, \$100,000 in the next 18 months, and \$25,000-\$100,000 each year thereafter. Merger Mines retains a 5% NSR as well.

Sterling has used a regional remote sensing program to identify a number of circular features that could be indicative of commercial mineralization at depth. Surface exploration has concentrated on the Silver Summit and Big Creek fault zones and has identified several target areas. Physical work is expected to begin this year.

In a separate release, Sterling announced that it has expedited Due Diligence on its San Acacio Silver Project four miles from Zacatecas, Mexico. Historic district production (since 1546) is estimated at 180 million ounces of silver. The mine is reported to have a drill-inferred resource of 14.4 million ounces with a possible extension of another 5 million ounces. Previous operators have estimated that potential for an additional 10 million ounces exists. Sterling has not independently verified this potential. The Due Diligence study is scheduled for completion by mid-September with exploration to begin the following month.

Acquisition costs are \$150,000 per year and a NSR ranging from 2.5% to 5% depending on silver prices. There is also a 5 year option to buy the property at any time for \$3.5 million.

MINNESOTA

PolyMet to Submit EAW for NorthMet Minnesota's First Major Non-Ferrous Mine

PolyMet Mining Corp will submit a detailed state-required Environmental Assessment Worksheet (EAW) to the State of Minnesota in September. This filing will set in motion the permitting process for the NorthMet Project near Babitt (*how ironic!*), and the development of the subsequent Environmental Impact Statement. The plan envisions receiving permits by October, 2006, with production beginning in 2007. Agencies involved are the Minnesota Department of Natural Resources, Minnesota Pollution Control Agency, and the U.S. Army Corps of Engineers.

Plans call for a 30,000 ton per day operation utilizing idled facilities of Cliffs-Erie as previously announced. Production of copper, nickel, cobalt, and a PGM will require a construction force of 1,000 with a full production operating staff of 400.

STATE REPORTS *(Continued)*...

NEVADA

Drilling Assay Results Announced at Hog Ranch

Aberdene Raises \$5 Million in Europe

Aberdene Mines Limited has raised \$5 million from a private European investment company. The issuance of Aberdene restricted convertible preferred shares (convertible after 2 years at \$1.25 per share) will complete the funding. The funds are to be used to further the ongoing development of the New York Canyon copper project in west central Nevada. Work is expected to commence in October, 2004. Two specific targets will be the focus: Longshot Ridge, a copper oxide deposit with estimated reserves of 17.7 million tons of 0.57% copper; and Copper Queen Occurrence, a combined oxide/sulphide deposit.

Cantex Reports on Nevada Projects

Cantex Mine Development Corp. has detected anomalous gold, arsenic and antimony values on 10 properties in Nevada. These 80 samples were heavy mineral and BLEG (Bulk-Leachable-Extractable-Gold), stream sediment samples. Of the 80 heavy mineral samples collected from the 10 properties, 44 reported anomalous gold values from 108 to 607,500 ppb. Anomalous arsenic from 42-2,048 ppm was found in 31 samples, and antimony was present in 14 with values between 23-188 ppm. BLEG results for 32 samples were anomalous up to 1,395 ppb.

Four properties in particular have proven encouraging. Two are on the northwest strike extension of the Carlin Trend. A third is 15 miles west of Cortez Hills and the fourth is on the Aurora-Santa Fe- Paradise Peak trend. This fourth property (Ellsworth) provided 8 (out of 10) anomalous gold heavy mineral samples with assays between 54,040 and 607,500 ppb.

High Silver Mineralization Encountered at West Wood Zone at Sleeper Project

Sleeper Project (Humboldt County, NV) joint venture partners, New Sleeper Corp. and X-Cal Resources Ltd. (each 50%), have released the remaining assay results for holes previously announced June 1. The diamond holes were drilled in the West Wood breccia zone and explored the ore body at depth. When using a 0.09 opt gold cut-off, the gold mineralized intervals appear to be fairly consistent and are at depths of approximately 600 feet to 800 feet and extend from 100 to 180 feet. While some gold values were high (up to 0.856 opt gold over 27 feet at 825 feet), the surprise was the high grade silver mineralization found.

The partnership recovered samples that graded as high as 78 opt silver over 2.5 feet at depths of around 900 feet. This new high-grade silver zone appears to be associated with breccia that is more intensely silicified and sulphidized than those in the upper levels at West Wood. Further drilling is under way to define the dimensions and orientation of this zone.

Romarco Minerals Inc. has completed Phase II drilling at Hog Ranch in Washoe County, NV. The program consisted of over 4,500 feet in six diamond drill holes. As previously announced, the purpose of the program is to test bonanza gold vein targets below and around previously mined areas, and to expand on mineralization encountered in a previous Romarco drill hole.

Phase II drilling intercepted 35 feet of 0.032 opt gold with a separate interval of 0.012 opt gold at 240 feet. Romarco believes this may indicate that broad zones of lower grade mineralization may exist and be amenable to open pit mining. Bonanza type potential is buoyed by a 5 foot intercept at 150 feet that assayed at 0.446 opt gold which was part of a larger 25 foot intercept that averaged 0.118 opt gold. The testing of another target encountered two 5 foot intercepts that averaged 0.837 opt gold and 0.502 opt gold. Both were in a 70 foot intercept that averaged 0.152 opt gold.

Romarco intends to analyze the data and perform follow-up drilling in late 2004-early 2005 depending on permitting, weather, and drill rig availability.

Nevada Division of Minerals Releases Results of 2003 Exploration Survey

The 10th annual survey conducted by the Nevada Division of Minerals of companies engaged in mineral exploration in Nevada was released in August 2004. Thirty companies responded to the survey and reported spending \$69.2 million on Nevada exploration activities in 2003, and project spending \$89.1 million in 2004, a 29% increase. \$39.6 million was spent on mine expansion and \$29.6 million was spent on grassroots efforts.

Those responding to the survey reported their worldwide exploration expenditures in 2003 were \$397.6 million and are projecting a worldwide increase to \$449.4 million in 2004. Respondents spent 80% of their budgets on actual exploration costs, 9% on land holding costs, 6% on corporate overhead, and 5% on permitting and compliance.

The 30 respondents hold 50,760 mining claims on federal public land in Nevada and 54,188 in the U.S. as a whole.

Existence of favorable geology remained the most important factor influencing the level of exploration activities, followed by commodity prices.

The time required to obtain approval of an exploration Plan of Operations varied from 1 to 24 months with the average being 9 ½ months, a slight increase over the 9 month average in 2002.

81% of the respondents indicated they were optimistic about domestic exploration, while 19% were neutral.

The full report is available on the Nevada Division of Minerals website at <http://www.minerals.state.nv.us>.

STATE REPORTS (Continued)...

NEVADA (Continued)

Phase 1 At Fire Creek Prompts Klondex To Initiate Phase 2

Klondex Mines Ltd. has completed and received final results of the Phase 1 drilling program at the Fire Creek property in Lander County, Nevada. Over 8,900 feet of reverse circulation and 7,600 of core drilling in 16 holes were punched into the property. Gold intercepts up to 2.46 opt gold were recovered. Summary results presented by Klondex indicate that gold mineralization occurs below 550 feet and can extend down to 1,000 feet.

The previous owner, North Mining (now Rio Tinto), had located several structures. This phase of drilling was designed to test for gold mineralization in them. The early success has prompted management to begin the permitting process for a second round of drilling commencing in 2004.

Update: Barrick to Produce Power

As reported in the last *Bulletin*, Barrick Goldstrike Mines had applied to the Nevada Public Utilities Commission to go off the Sierra Pacific Power Co. grid and develop its own power source. A conditional permit was issued on July 21 to allow the construction of a 118-megawatt natural gas power plant to supply the mine near Carlin. The plant is expected to be online by September, 2005. Public Utility Commissioners expressed satisfaction that Sierra Pacific would realize cost savings since Barrick had a below-market price contract for power.

NEW MEXICO

Nord Resources Successful Bidder for Mimbres Copper Porphyry at New Mexico State Mineral Lease Auction

Nord Resources Corporation has acquired the Mimbres Property (4.6 square miles) near Silver City, NM. The property was acquired at a recent New Mexico Mineral Lease auction. Payment was a combination of cash, stock and options, future work commitments, future cash or additional stock, and a future production royalty. The price was not disclosed.

Mimbres is a large tonnage, buried copper porphyry drilled by Kennecott Copper Corporation in the 1970s. Virtually all 16 holes encountered copper mineralization and strong porphyry and skarn alteration. The deposit is covered by post mineralization volcanic cover which is shallow to the north, increasing to 600-1,600 feet to the southwest. Drilling outlined alteration and mineralization around a quartz monzonite porphyry stock and flat-lying diorite porphyry sills. Assaying on selected holes by Kennecott returned values of up to 10% pyrite and up to 1.0% copper in some altered sediments and porphyry intrusions.

Examination of the data has given Nord seven exploration targets to extend mineralization and explore for near surface

leachable copper oxide/chalocite mineralization. These targets will be further refined by field mapping and sampling to determine further exploration drilling.

OREGON

Oregon Grants Drilling Permits for Quartz Mountain

Quincy Gold Inc. has, after what can only be described as a lengthy and involved regulatory process, received approval of its Plan of Operations for the Quartz Mountain Project, to conduct exploratory drilling in the Fremont-Winema National Forest in Oregon. Quincy also received permits from the Oregon Department of Mineral Industries, as well as mandatory approvals and miscellaneous permits. Drilling is to start immediately.

Quartz Mountain is in Lake County, 30 miles northwest of Lakeview. Previous work on the project concentrated on open-pit potential despite the intervals of high-grade core samples. These feeder veins are the focus of the current drilling program in the hopes of developing a bonanza style ore body. Prior drilling hit intercepts with grades of 1 opt gold (5 feet intervals in most cases).

Waldo Miner's Lawsuit Update

The Waldo Mining District (WMD) scored two important procedural wins in its lawsuit against the Siskiyou National Forest (SNF) and in the anti-mining obstructionist group, The Siskiyou Regional Education Project (SREP), lawsuit against the SNF.

Magistrate Judge Cooney granted the WMD's motion for consolidation and separate motion for stay. A consolidation means the WMD's suit against the SNF will be heard at the same time and in front of the same judge as SREP's suit against the SNF.

After the magistrate granted the motion for consolidation, he then granted WMD's motion for stay. This puts both WMD's suit against the SNF and SREP's suit against the SNF on hold until a previously filed lawsuit over delisting of the Northern California/Southern Oregon Coho Salmon is decided. This lawsuit was filed by the Pacific Legal Foundation on behalf of Klamath farmers and water users.

Those who have followed these proceedings know that SREP's lawsuit against the SNF is over the alleged failure to obtain a biological opinion from the National Marine Fisheries Service (NMFS) for in-stream mining operations in respect to two species of Coho Salmon that were listed as threatened or endangered. WMD's lawsuit against NMFS claims that the two species of Coho Salmon were illegally listed, therefore no consultation or biological opinion is required.

SREP's lawsuit alleges that Minerals Management 1 (MM-1) of the 1994 Northwest Forest Plan supersedes the existing mining regulations at 36 CFR 228. The Forest Service has long taken the position that the 228 regulations govern mining operations on National Forest lands, not the MM-1 of the NWFP.

For more information, contact Tom Kitchar at the Waldo Mining District, mythicalmining@cavenet.com.

INTERNATIONAL REPORTS

BRITISH COLUMBIA

British Columbia to Implement Internet-Based Claim Filing By 2005

The government of British Columbia is planning to replace the old paper-based system of filing claims with a more accurate, real-time map-based Geographic Information System (GIS) scheduled to be fully operational by January, 2005. The program is known as Mineral Titles Online (MTO). The goal is to allow quicker decision-making, lower location costs, and greater interaction with the government. It is expected that overlapping titles will be greatly reduced or eliminated resulting in fewer land conflicts.

In development for 2 years, MTO is timely since BC has seen a 78% increase in claims recording for the first five months of 2004 compared to the same period in 2003 (24,059 and 13,535 respectively).

CHILE

Dorada Vein at El Penon Expanded by Meridian Gold

Meridian Gold Inc. is reporting that it has increased the strike length of the recently discovered Dorada vein by 50%. The 'blind' discovery of the vein at El Penon (100 miles southeast of Antofagasta in Chile) occurred in the first quarter of 2004. Meridian reported the discovery in mid-May with the results of 34 drill holes that had outlined some 2,400 feet of strike along the vein. This recent announcement comes on the heels of 43 holes that have extended the length to approximately 4,800 feet at depth.

Dorada is immediately south of Cerro Martillo, half a mile east and on the same elevation as existing underground workings at Quebrada Colorada. The current weighted average uncut grade is about 10 horizontal feet at 0.37 opt gold and 19.6 opt silver. The horizontal width is approximately 50% greater than current mining widths. Current metal prices and the grades so far suggest a value of \$250 per ton.

Drilling is scheduled for the north part of the deposit with hopes of extending the mineralization. In the south, Meridian has encountered mineral bearing hydrothermal breccias and massive quartz veins at depths exceeding 1,000 feet. In-house metallurgical testing has indicated recoveries of 94.2% for gold and 94.9% for silver. Meridian believes that these 77 drill holes have added a resource to El Penon that will extend mine life and contribute to a lower cost production. Expansion plans will be evaluated during the second half of 2004.

Escondida Awards \$700 Million Contract to Fluor

Minera Escondida, operator of the Escondida Mine in Chile (the world's largest operating copper mine), has awarded Fluor Corporation a \$700 million+ contract to provide engineering

procurement and construction management services. The project will use a proprietary leaching process on marginal run-of-mine sulphide ore from the existing pit. Resulting leachate will be treated by project-supplied SXEW facilities to produce copper cathode. A seawater desalination plant at the port facilities of the mine near Antofagasta and a 100 mile pipeline for transporting the process water to the mine is included in the contract. Production is expected to begin in the second half of 2006. Fluor was the original designer and builder of the mine and processing plant in 1988.

Proposed Mine Royalty in Chile Defeated for Now

A popular issue, which would have created a royalty on mining, has failed to gain the force of law in Chile. It is reported that a mining royalty of some kind has gathered strength with the voters who feel that exacting a royalty on the country's single largest export is highly desirable. The pro-government forces had proposed one mining royalty method while the opposition party objected to the proposed legislation because it did not go far enough.

The Chamber of Deputies in Chile failed to garner enough votes to pass Article 1 of an overall general bill in July, 2004. This article would have introduced a 3% charge on net sales of metallic minerals for companies with at least a 15% profit margin. It also specified how the royalties would be applied. The bill then went to the Senate where Article 1 was reintroduced into the overall general legislation and was expected to be approved due to the popularity of the measure in Chile. However, the bill failed to gain the necessary two-thirds majority in the Senate by five votes.

The opposition party in the Senate was able to defeat the measure, which cannot be introduced by the government again for one year. The counter-proposal floated in the Chamber by the opposition also cannot be reintroduced for a year. That proposal would have raised twice the money in less time and included raising the cost of mining patents, a 3% profit tax, and would have forced companies to report financial results to local authorities. What is most likely to occur is a royalty in 2005 as both the pro-government and opposition sides view this as a critical issue in municipal and Presidential elections.

Vanessa Abandons Lawsuit Regarding Las Cristinas Seeks Arbitration Instead

Vanessa Ventures Ltd. has formally withdrawn its action in the Venezuelan Supreme Court against Crystallex International Corp. to overturn the Mining Operation agreement that was awarded by the Coporacion Venezolna de Guayana (CVG) to Crystallex. Four other actions were also abandoned. Instead, Vanessa has appealed to the International Centre for Settlement of Investment Disputes in Washington D.C. These withdrawals are seen as consistent with the Canada Venezuela Bilateral Investment Treaty and clear the way for such application for International Arbitration.

Northwest Mining Association

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CALENDAR OF UPCOMING EVENTS

SEPTEMBER 2004

Nevada Mining Association Annual Meeting, Sep. 17-18, Hyatt Tahoe, Lake Tahoe, NV. Contact: Nevada Mining Association, 775 829-2121. Email: 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

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

OCTOBER 2004

SEG International Exposition & 74th Annual Meeting, October 10 - 15, 2004, Denver, Co. Contact Debbi Hyer, 8801 S. Yale, Tulsa, OK 74137, phone 918/497-5500. Email: dhyer@seg.org. Website: <http://www.meeting.seg.org>.

Sampling of Gold Theory & Practice, Oct. 19-21, 2004, Colorado School of Mines. Program and registration information at www.mines.edu/outreach/cont_ed

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. Email: ama@alaskaminers.org

DECEMBER 2004

NWMA Board of Trustees Meeting, Dec. 7, 1:30 pm. Members welcome. Contact Kathy 509/624-1158, or Email kwilson@nwma.org for details.

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

For more information contact Pat Heywood, Email: phewood@nwma.org, phone 509/624-1158, fax: 509/623-1241 website: www.nwma.org