

BULLETIN

Northwest Mining Association

JUNE 2004

In Memory of Lyle Taylor

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This issue of the *Bulletin* is dedicated to T. Lyle Taylor. Lyle died on Friday, June 18, 2004 in a tragic automobile accident while en route from northern California to his home in Reno. Lyle was founder, president and CEO of Geotemps, Inc. and was currently serving as NWMA's president. He was a graduate of White Pine High School, the University of Nevada-Reno, and served in the U.S. Air Force. He was 59 years old.

NWMA has been blessed to have Lyle as one of its biggest boosters. During Trustee meetings, Lyle was always proactive, positive and enthusiastic. He was always pushing the envelope and challenging us to think outside of the box and reach beyond ourselves. Lyle served NWMA, as a Trustee from 1997 to 1999, 2nd V.P. in 2002, 1st V.P. in 2003, and as president in 2004. In addition, Lyle was a longtime corporate member, sponsored many luncheons at NWMA conventions, and his company has been a longtime exhibitor.

Lyle loved NWMA and we loved him. Lyle also loved the mining industry and the people who worked in it and they loved him in return.

Lyle gave of himself and his resources without restriction. He was generous beyond belief. There wasn't a selfish bone in his body. Whether it was sponsoring busses for a GSN field trip, the bar at GSN meetings, lunches at NWMA conventions, or buying lunch and drink tickets to give away to people who couldn't afford them, Lyle just didn't know how to say no.

Lyle had a bigger than life presence, like a revival preacher's presence. When he walked into a room, you took notice. He had that rare ability of a man to command respect. Whenever he spoke, he always had something relevant to say. When Lyle pounded his cane, you took notice, came to attention, and the meeting would come to order.

Loyalty, integrity and generosity were his trademarks. He was a no BS kind of guy, and he didn't tolerate any either. He also had a great sense of humor and always had a joke to tell.

In addition to Lyle's service to NWMA, he was an avid supporter of just about every mining industry organization imaginable. When Lyle became involved in an organization, he treated it like family. Lyle was fortunate to have many industry families, but, without a doubt, all of us were far more fortunate to have Lyle as part of ours. In addition to his NWMA family, he had his Geotemps family, his Geologic Society of Nevada family, his Mackay School of Mines family, and the thousands of geologists and engineers Geotemps placed with mining companies throughout the years.

In 2000, Lyle was presented with NWMA's Life Member Award, the Association's highest and most prestigious award. In addition, he received NWMA's Starters Award for



10 N. Post St., Ste.220
Spokane, WA 99201
Tel: 509/624-1158
Fax: 509/623-1241
website: www.nwma.org

Laura Skaer, Executive Director
Pat Heywood, Layout & Design
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(Continued on page 2)

Lyle Taylor (continued...)

his innovative efforts as membership chair in 1997, and in 1998, Geotemps received NWMA's Platinum Award for Corporate Excellence. In May 2004, GSN awarded Lyle a lifetime membership.

Lyle had an unmatched passion for the mining industry and, most importantly, its people. He also loved America and the freedoms our country stands for. He was always telling the industry to get active and call their Senators and Congressmen to protect their jobs and the Mining Law our industry is built around. And, in typical Lyle fashion, he always put his money where his mouth was and provided the role model.

One of the best testaments to Lyle and what he meant to those of us who knew and loved him is what several of his fellow NWMA Trustees had to say upon learning of his tragic death.

- ◆ "He was such a gentleman and a great friend to so many who had the good fortune to meet and get to know him. What a sad day for mining to lose one of its most creative and energetic champions." (*George Byers*)
- ◆ "Lyle was such a gentleman and a friend. The industry and all of us in it have suffered a loss." (*Ritch Hall*)
- ◆ "The world and all of us who knew Lyle lost a very great friend and associate." (*Paul Jones*)
- ◆ "I have lost a true friend, and our industry has lost one of our strongest and most insightful supporters. Lyle was always a gentleman, in a world that needs a lot more like him." (*Ted Wilton*)
- ◆ "I am saddened to hear of Lyle's passing. He will be missed!" (*Bruce Gilbert*)
- ◆ "We will miss him and his zeal for life and the mining industry." (*Don Birak*)
- ◆ "We have lost a great friend as well as a valuable colleague." (*Jim Chavis*)
- ◆ "A very sad and heavy blow for all of us." (*Mike McClave*)
- ◆ "I am deeply saddened by the tragic death and loss of Lyle Taylor. The industry has lost one hell-of-a-champion. We don't make guys like Lyle any more. He will surely be missed." (*Greg Hahn*)

Friends like Lyle Taylor don't come around very often. Every one of us is a better person from having some part of Lyle Taylor in our lives. He was a man of big stature, a big voice, a big imagination, and most of all, a big, kind, caring and gentle heart. We loved him and we're really going to miss him. No one will ever be able to fill his shoes.

Services were held on Saturday, June 26, at Mountain View Mortuary in Reno, NV. A memorial scholarship fund, the "Lyle Taylor Memorial Scholarship Fund," has been established at the Mackay School of Earth Sciences, University of Nevada, Reno. Checks should be made to "UNR Foundation – Lyle Taylor Scholarship" and mailed to Geotemps, 970 Caughlin Crossing, #102, Reno, NV. Cards for Sue or Lance may be sent to the same address.

Thank you from Sue Taylor. . .

Thank you one and all so very much for the outpouring of love and support over this past week. Tragedies have a tendency to bring people together for the common good. That unity can be fleeting with time. Let's keep that unity not only for the industry's good, but for Lyle's sake as well. There is strength in numbers and if all organizations and individuals band together to fight anti-mining organizations our numbers will have a tremendous impact. Lyle's energy is still flowing - let's use it and make it grow.

With utmost sincerity,

W. Sue Taylor

Environmental Working Group Releases Study Attacking the 1872 Mining Law

The Environmental Working Group (EWG) has launched an interactive database on its website entitled, "Who Owns the West?" (www.ewg.org/mining)

According to the study, foreign mining companies, especially Canadian-owned mining companies, are the latest threat to America. They claim they have uncovered "a taxpayer rip-off of epic proportions," and, "the U.S. has given away millions of acres of its public lands, often for less than \$1 per acre. In return, mining interests have left polluted lands and rivers that cost taxpayers billions of dollars to clean up."

Steve Borell, Executive Director, Alaska Miners Association said it best, "This is the same rhetoric we have heard for more than 20 years and all it does is re-package the same old lies."

According to the EWG website, "94 foreign-owned corporations from 10 countries have gained control of metals beneath one of every five acres of claimed lands in the U.S., for a total of 1.2 million acres of public land; more than 28,000 companies and individuals have gained control of precious metals and minerals on 5.6 million acres of claimed public land and 3.7 million acres of patented public land across 12 continental western states."

Even the report's recommendations are the same recommendations we have heard from anti-mining groups for more than 15 years: comprehensive Mining Law Reform; mine patents revoked, royalties enacted; the ability for the federal government to deny mine permits; and a federal fund for abandoned hardrock mine cleanup.

The EWG website comes on the heels of the No Dirty Gold campaign, the paid Tiffany's ad/letter to Chief Dale Bosworth that appeared in the Washington Post attacking the Mining Law and the Rock Creek Project in Montana, and Congressman Rahall's (D-WV) efforts to push his Mining Law Reform package.

The report does not criticize foreign investments in other U.S. industries nor does it criticize U.S. investments abroad. Furthermore, it does not mention that Congress passed Mining Law amendments in 1996 imposing a royalty, requiring the payment of fair market value for the surface, and requiring patented land to revert to the federal government if the land was ever used for non-mining purposes, and that then President Clinton vetoed the bill.

HELP US HELP YOU -- RECRUIT A MEMBER TODAY

MEMBERSHIP BRINGS POLITICAL CLOUT

WHY MEMBERSHIP IN NWMA IS IMPORTANT

On February 11, Earthworks, (formerly the Mineral Policy Center) and Oxfam America launched their “no dirty gold” campaign. The campaign focuses on consumers and uses false allegations about environmental and human rights abuses by the worldwide gold mining industry as justification for consumers not to purchase gold jewelry. They also attacked the Bush administration for alleged lax enforcement of environmental regulations and for its and Congress’ unwillingness to update the General Mining Law.

Subsequently, the CEO of Tiffany & Co. published an open letter to the Chief of the U.S. Forest Service in The Washington Post opposing the Rock Creek mine in western Montana. This letter quoted anti-mining rhetoric and ignored 16 years of analysis, research and approval by the appropriate state and federal regulatory agencies. The letter also called for reform of the Mining Law of 1872. Within days, the leading opponents of mining in Congress circulated a “Dear Colleague” letter calling for Mining Law Reform that would be adverse to the industry and quoting from the Tiffany & Co. letter.

In May, the Environmental Working Group (EWG) launched an interactive database on its website entitled “Who Owns the West?” The goal of the interactive database is unreasonable reform of the 1872 Mining Law. This website attacks individual claim owners by name, Canadian junior exploration and development companies, and large mining companies.

Anti-mining groups have adopted a ‘one project/one company/one state at a time’ approach to produce precedent-setting decisions that are adverse to the North American mining industry. For example, the anti-cyanide initiative in Montana, which has shut down gold and silver exploration and mining in this resource wealthy state, is being cited in Colorado, New Zealand, and Argentina as worthy of emulation.

This affects not only mining companies, but suppliers to the industry. If our opponents are successful in their campaign, there will be no need for all the services, equipment, machinery, and people that modern mines need. It is estimated that each direct job in mining supports 11 other jobs in related industries-jobs that will be forever lost-*maybe your job*.

In opposition to this coordinated and heavily financed campaign to shut down mining in North America stands **Northwest Mining Association (NWMA)**.

NWMA is the one organization fighting to protect access to mineral deposits, the right to mine, and promoting the North American hard rock mining industry. We are the industry’s proactive leader and your advocate. **NWMA** is the **only** regional trade association addressing federal public land, Mining law and federal environmental issues. And, we have a track record of demonstrated successes on your behalf.


Our continued ability to be successful depends, in part, on our political clout and that depends on membership. It is no secret that politicians listen to voters and respond to associations that have large numbers.

NWMA needs more individual members now. **NWMA** needs your company, fellow employees, associates, and your suppliers to join now. We are better able to represent you and the interests of our industry if we can tell the White House, members of Congress and federal agencies that **NWMA** represents several thousand voters across 30 states.

It is time to stand up to those who would take your job, your way of life, and make the West a private preserve for a select few. Join **NWMA** and help us fight for you. An individual membership application is included in this *Bulletin* for your convenience. For corporate memberships, please contact the office (509) 624-1158, or visit us on the web - <http://www.nwma.org>.

R. Llee Chapman
1st Vice President
Northwest Mining Association

Ann Carpenter
2nd VP & Membership Committee Chair
Northwest Mining Association



We apologize.

Correction to Public Lands Committee Report in the April *Bulletin* entitled ‘Ray Tesoro Selected to Lead Region One’s Locatable Minerals Group’ ... Ray Tesoro’s name was misspelled.



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 Website: www.nwma.org

INDIVIDUAL MEMBERSHIP APPLICATION

Name _____ Title _____

Spouse (If also becoming a Member) _____

Company (School if Student) _____

Address _____

City, State _____ Zip + 4 _____ Country _____

Phone _____ Fax _____ Email _____ Website _____

MEMBER INFORMATION (CHECK ALL THAT APPLY)

- | | | |
|--|--|--|
| <input type="checkbox"/> Precious Metals | <input type="checkbox"/> Project Management | <input type="checkbox"/> Geophysics-Geochemistry |
| <input type="checkbox"/> Base Metals | <input type="checkbox"/> Engineering Services | <input type="checkbox"/> Geology-Exploration |
| <input type="checkbox"/> Coal | <input type="checkbox"/> Environmental Services | <input type="checkbox"/> Exploration |
| <input type="checkbox"/> Industrial Minerals | <input type="checkbox"/> Drilling Contractor | <input type="checkbox"/> Education |
| <input type="checkbox"/> Land Services | <input type="checkbox"/> Explosives | <input type="checkbox"/> Equipment Supplier |
| <input type="checkbox"/> Legal Services | <input type="checkbox"/> Government Agency | <input type="checkbox"/> Business-Financial Services |
| <input type="checkbox"/> Laboratory Services | <input type="checkbox"/> Equipment Manufacturing | <input type="checkbox"/> Computer Software |
| <input type="checkbox"/> Operations | <input type="checkbox"/> Sand and Gravel | Other: _____ |

I/my company have an interest in the following states/provinces/countries: _____

My Top 5 areas of concern are:

- | | | |
|---|---|--|
| <input type="checkbox"/> Abandoned Mine Lands Cleanup & Reclamation | <input type="checkbox"/> EPA Mining Policy | <input type="checkbox"/> Research |
| <input type="checkbox"/> BLM & USFS Regulations | <input type="checkbox"/> Finance & Tax | <input type="checkbox"/> State Regulatory Reform |
| <input type="checkbox"/> CERCLA (Superfund) | <input type="checkbox"/> Grassroots Organizing & Coalition Building | <input type="checkbox"/> Student/Teacher Education |
| <input type="checkbox"/> Clean Water Act Reform | <input type="checkbox"/> Public Lands Access | <input type="checkbox"/> U.S. Mining Law Reform |
| <input type="checkbox"/> Endangered Species Act Reform | <input type="checkbox"/> Public & Media Relations | <input type="checkbox"/> Worker Health & Safety |
| | | Other: _____ |

INDIVIDUAL MEMBERSHIP DUES INFORMATION

- Active \$95.00
- Member of Affiliated Small Miner Organization \$50.00
 Name of Organization _____
- Retired \$25.00
- Spouse \$25.00
- Full-Time Student \$20.00 - *A copy of a valid student ID must accompany the student rate membership form.*

This New Member is referred by _____

PAYMENT INFORMATION (U.S. FUNDS)

Important – If you are paying with VISA, you must include the last 3 or 4 digits of your V-number. This is located on the back of your card in the signature box.

- Check Visa +V-Number _____ MasterCard American Express Discover

Credit Card Number _____ Card Expiration Date _____

Cardholder Signature _____



We are pleased to announce that NWMA has finalized negotiations with Casualty & Surety, Inc., a member of the Northwest Mining Association, for a general liability program for mining companies, contractors to the mining industry, and other professionals. This program will feature the following:

- Several Best A-rated insurance carriers will participate, one of which will be Chubb Custom Insurance Company.
- Coverage in the program will be designed for mining and mining-related companies and professionals.
- Liability limits of \$1,000,000 per occurrence with \$2,000,000 aggregate limits will be available.
- The program will offer various deductibles and self-insured retention levels.
- The program will offer competitive pricing.
- The program will be for all type mining operations, from exploration to primary production, to engineers and other related professionals.
- The program can also offer umbrella/excess limits for those desiring this coverage.
- The program will offer ease of underwriting and quoting through Casualty & Surety, Inc.

A special application has been developed and can be obtained from the Northwest Mining Association website at <http://www.nwma.org>. To get a quote for this program, simply download the application, complete it, and forward it to:

Jim Godfrey
Casualty & Surety, Inc.
205/995-0713 (phone)
205/995-0862 (fax)
jgodfrey@csiapex.com
www.csiapex.com

17th Annual Coeur d'Alene District Mining Contest

The 17th Annual Coeur d'Alene District Mining Contest will be held August 7, 2004. The Coeur d'Alene District Mining Contest is the largest mining competition in the United States. It was started by Lovon Fausett who brought together a group of dedicated mining men to celebrate the Wallace Centennial. The mining contest is seeking contributions and supporters. All sponsors will be acknowledged at the competition as well as on the contest's website at www.miningcontest.com. A donation of \$500 or more will ensure that a banner advertising your business will be prominently displayed for an estimated crowd of over 200 spectators and competitors. A portion of your contribution will go to the Lovon Fausett Memorial Scholarship Fund.

For more information please call 1-888-238-5200. Property submittals welcomed.

Aggressive Exploration Planned for Nevada's Cortez District

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Nominations Sought for Canadian Mining Hall of Fame

Each year, The Board of Directors of The Canadian Mining Hall of Fame (CMHF) calls for nominations for inclusion of individuals into the Hall. Those selected as inductees will be formally honored at a dinner to be held January 20, 2005. Since the Canadian Mining Hall of Fame was started in 1989, over one hundred people have been inducted.

Individuals, firms, and organizations may make nominations of persons making an outstanding contribution to the Canadian mining industry. All nominations are made through Sponsors or Associates of the CMHF such as the Prospectors and Developers Association, Canadian Institute of Mining, Metallurgy and Petroleum, Mining Association of Canada, and The Northern Miner. Nominations close July 30, 2004. For more information, contact John Cooke, (905) 339-0898.

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Women's Mining Coalition Representatives Participate in Fly-In



During the week of May 3, 32 Women's Mining Coalition representatives visited with members of Congress and staff in 165 congressional offices. The women participating in this Fly-In were from AK, AZ, CO, IN, MO, MT, NM,

NV, PA, VA, WA and WV, and represented the many sectors of the mining industry – hard rock, coal, construction materials, manufacturing, energy, and service companies. The week's program included:

- An excellent luncheon presentation about their jobs and responsibilities in the industry to a joint meeting of the House Mining Caucus, the House Women's Caucus, the House Rural Caucus, and the House Western Caucus;
- Conversations emphasized energy and mineral policy concerns with House and Senate members and staff on committees considered key to the mining industry or "undecided" on important industry issues; and,
- Distribution of materials demonstrating how mining impacts states/districts through direct and indirect employment and total sales.

Some of the key messages conveyed during this week long Fly-In included the need for passage of energy legislation to help boost the economy and create jobs; development of a National Minerals Policy that promotes mineral development in the U.S.; and consistency and modernization of the permitting processes, highlighting the Pogo permit delay and its negative outcome. WMC representatives illustrated the ever-increasing reliance on foreign imports for the minerals consumed and how this translates to jobs lost with regard to production and manufacturing, lost status as leaders in the technology sectors, and losses to educational institutions regarding funding and enrollment.

All in all, the WMC Fly-In participants provided a key opportunity to help congressional members and staff understand what the mining industry does for their constituents, how our American resources are developed responsibly, and that women are an integral part of our industry's diverse work force.

Bre-X Trial Back on Track?

Justice Peter Hryn of the Ontario Superior Court has approved a tentative schedule for the resumption of the trial of former Bre-X geologist John Felderhof. In this schedule, the trial, suspended since April, 2001, would resume on December 6, 2004. After two weeks of hearings, there would be a break until February 28, 2005 and run until May 20, 2005. The schedule was confirmed by the court on May 17, 2004.

The trial was put on hold since April, 2001, when a complaint was made by the Ontario Securities Commission that Justice Hryn had shown bias towards the prosecution. The Ontario Court of Appeals ruled against the Ontario Securities Commission allowing the trial to be resumed.

In this trial, Felderhof is charged with 8 counts of insider trading and misleading investors resulting from his sale in 1996 of over \$50 million in Bre-X stock. Subsequently, what was described as 'the worlds' largest gold deposit' (Busang) on the Indonesian island of Borneo, was discovered to be a hoax with salted drill core samples. The collapse of the companies' stock cost investors an estimated \$2 billion. If convicted, Felderhof could face 2 years in prison and a \$150 million fine.

Even if convicted by the court, it seems unlikely that he will ever be punished. Felderhof is the last living, high profile member of the team that is widely believed to have conceived and perpetrated the fraud. David Walsh, the former CEO of Bre-X, died in June, 1998 from a brain aneurysm. Michael de Guzman, a fellow Bre-X geologist, died when he fell, jumped, or was pushed out of a helicopter in the jungles of Borneo. Felderhof initially fled to the Cayman Islands which has no extradition with Canada, but is rumored to be living in Central America, and more improbably, Indonesia. Wherever he is, he has allowed his lawyer to represent him in court, and is not considered likely to appear.

Felderhof is the subject of various civil suits in Canada and the USA that are still pending. It is not considered likely that he will appear at any of these hearings either.

NovaGold Resources to Acquire SpectrumGold

NovaGold Resources has announced that it will acquire the 46% of SpectrumGold that it does not already own, by trading one share of NovaGold stock for 1.35 shares of SpectrumGold. At the time of the announcement, this represented a 35% premium over the 90 day trading average of both companies.

Once regulators approve the transaction, the acquisition of SpectrumGold and it's holdings in the Galore Creek copper-gold-silver project (Northwest British Columbia) will give NovaGold interests in three of the largest undeveloped mineral deposits in North America: Donlin Creek, AK, Galore Creek, and Ambler Creek (AK). This is in addition to a portfolio of other North American exploration projects and \$60 million in cash.

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Provider Pals™ Receives Presidential Award

On April 27, Bruce and P.J. Vincent received one of four Inaugural Preserve America Presidential Awards for their nationally acclaimed Provider Pals™ program. The award was presented by President Bush and First Lady Laura Bush in the Rose Garden on May 3.

Provider Pals™ was nominated by the Kootenai National Forest for their national youth cultural exchange program and partnership with Communities for a Great Northwest restoration of an abandoned, CCC built ranger station called Historic Raven Natural Resource Learning Center.

Provider Pals™ is a national program whose mission is to build a bridge of understanding between our nation's youth and the working cultures that provide the raw materials for the products found on store shelves. The program, which includes the 'adoption' of resource workers by middle school classrooms and urban/rural youth exchange programs, has been called 'the most exciting education initiative in years' by the Wall Street Journal. Piloted in Montana, Provider Pals™ has gained a national following since a generous contribution by Ford Motor Company allowed for expansion into cities throughout the country.

The restoration of the historic Raven Natural Resource Learning Center has enabled Provider Pals™ to host summer camps wherein hundreds of students visit historic Raven and learn about natural resources and the cultures that provide them. The student campers are chosen from among more than 7,000 middle school students involved in Provider Pals™ in public schools located in cities such as New York, Washington, DC, Los Angeles, Detroit, San Diego and Little Rock. When these students arrive in Montana, they are paired with students from middle schools in Libby, Troy and Eureka, Montana.

For more information on Provider Pals™ visit their website at www.providerpals.com or contact Bruce Vincent at 406/293-8822. NWMA has been a long time supporter of Provider Pals™ and has partnered with Provider Pals™ to provide mining and mineral education in the past. NWMA also joined with other organizations to encourage Ford Motor Company to support the program. Congratulations to Bruce, PJ and all the gang at Provider Pals™.

Identifying Best Available Science Richard B. Shepard, Ph.D.

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Executive Summary

The requirement to use the "best available science" appears in most environmental regulations at the federal and state levels, but it is not defined in the dictionary or by consensus. Washington State lists excellent criteria in Washington Administrative Code (WAC) 365-195-905 for use in determining the best available science, but these criteria are not complete or easily applied by the non-technical decision maker at the county or state level.

A white paper explaining why there is no simple definition of "best available science" is available via the Web <<http://www.appl-ecosys.com/publications/BestAvailableScience.pdf>>. The paper offers a hierarchy of criteria that can be applied by decision makers to satisfy both regulatory requirements and public concern. Thoughtfully applied, these criteria will also resolve the perennial conundrum of "dueling scientists".

There are four underlying reasons why best available science cannot be neatly packaged into a precise definition. These reasons are: 1) the dynamic nature of natural ecosystems, 2) each type of ecosystem having a different "best", 3) our inability to completely understand an ecosystem's structure and functions and 4) the subjective, value-based definitions of "best". Despite these limitations valid political and administrative decisions can be made that meet the definition of best available science. While there will almost always be one or more stakeholder groups who do not like the outcome, a fully-documented decision will be technically sound and legally defensible.

The protocol proposed in this paper involves three categories of data: quantity, quality and relevance to the decision to be made. The categories are summarized as questions the decision maker can ask himself as guides to determining whether or not the "best available science" has been applied. While the assistance of an objective scientist can be very helpful as an aide to decision makers, this person is not necessary if the decision makers are careful and completely document their evaluation.

In Memoriam

Ronald J. (Jock) McGregor passed away May 24, 2004 at the age of 57, while jogging near his home in Littleton, CO. Jock was born in 1947 in Manila, Philippines. He graduated from the Royal School of Mines, London, with a B.Sc. (Hon) in Extractive Metallurgy. Jock had extensive mining experience gained over 30 years in Africa, Europe, and North and South America. He joined **Vista Gold** as VP, Development and Operations in July, 1996 and became President and CEO in September, 2000.

George R. Schmidt passed away March 31, 2004 in Anchorage, Alaska at the age of 84. George was born in 1919 at El Rosario Mine in Honduras. He graduated from Columbia University in 1941 with a Bachelors' degree in Political Science. After serving in the U.S. Army from 1943 until the end of WW II in Europe, he moved to Alaska. He received a B.Sc. from the University of Alaska Fairbanks in 1952. After a brief stint in Nevada, he returned to Alaska and became employed by the Bureau of Land Management. During his time with the BLM in Fairbanks he earned a graduate degree in Mining Engineering (1957). George retired from the BLM in 1985, and pursued his many interests including Alaska Miners Association, Alaska Women in Mining (one of only two male members), Resource Development Council, and other organizations.

NWMA extends its' sympathies to the family, friends and associates of these well known mining professionals.



MEMBERS IN THE NEWS...



Apollo Gold Forms JV with Argonaut Mines on Huizopa Gold Project, Chihuahua, Mexico

Apollo Gold Corporation has formed a joint venture agreement with Argonaut Mines, LLC of Reno, NV, to earn-in an initial 51% interest in the Huizopa Gold Project in north central Mexico. The project consists of a block of mining concession claims that cover 5400 acres in the Sierra Madre Gold Belt. The gold belt has been a historically prolific producer, with an estimated maximum of 40 million ounces of gold and 2 billion ounces of silver produced over the last 400 years.

The initial earn-in for a 51% interest includes an up-front payment of \$125,000 and 48,978 shares of Apollo stock. Total payments (final payment in October, 2007) are \$2.207 million (excluding the value of the stock). When work commitments (\$2.993 million) are added in, the initial earn-in totals \$5.2 million. Apollo may earn an additional 10% with completion of a feasibility study, and a further 10% if it brings the property into commercial production, for a final earn-in interest of 71%.

Huizopa lies in an area which was mined from the late 1890's through the 1930's on a small scale basis, with no significant mining activity since then. The geology is characterized by a series of parallel, low sulfidation gold-silver, quartz veins hosted in Tertiary volcanic rocks. Silver-gold ratios in the veins and from historic dumps would seem to indicate the potential for an extensive gold-bearing hydrothermal system. Two parallel quartz vein systems contain vein outcrops 20-30 feet wide which suggest the possibility of a series of stacked veins.

Apollo plans to begin exploration of the project in 2004, pending formalization of the joint venture agreement between the Mexican subsidiaries of both companies.

Apollo Receives Operating Permits for First New Mine in Nevada Since 1998

Apollo Gold Corporation has received the necessary operating permits for the Standard Gold Mine. The Standard Mine is 5 miles south of Florida Canyon near Winnemucca. When it opens in early 2005, it will be the first new mine put into production in Nevada since Ken Snyder in 1998.

Apollo has been in the process of permitting, drilling, and conducting engineering studies for 18 months. With permits in hand, road development, pad construction, installation of power and infrastructure can begin immediately, with some ore placement scheduled for later in 2004. Full production is anticipated in early 2005.

Current reserves (reported at 400,000 ounces of gold) will support a 5 year mine life. Capital costs are forecast at \$7.5 million. Cash operating costs at full production are expected to be below \$240 an ounce. Apollo has additional gold prospects in the area and has initiated drilling programs on several.

The Standard Mine is Apollo Gold's first mine to be placed in production from grass roots exploration. NWMA congratulates NWMA 1st Vice President Llee Chapman and the entire team at Apollo on this milestone.

AIDEA to Issue \$20 Million in Tax-exempt Bonds for Construction at Kensington

The Alaska House and Senate passed a bill in May to authorize the Alaska Industrial Development and Export Authority (AIDEA) to issue up to \$20 million in tax-exempt bonds to construct, and in some cases own, certain facilities related to the Kensington Gold Project in southeastern Alaska. **Coeur d'Alene Mines Corporation** announced that Governor Murkowski had approved the bill on June 7.

AIDEA is a public corporation of the State of Alaska, constituting a political subdivision under the laws of the state. It was created by the legislature to "promote, develop, and advance the general prosperity and economic welfare of the people of Alaska, to relieve the problems of unemployment, and to create additional employment."

Kensington is expected to create 300 construction jobs, an annual payroll and benefits of \$16 million, 180 indirect jobs, and provide \$7.5 million in direct local purchases during construction.

Wheaton River and IAMGold Coeur d'Alene Mines and Golden Star Resources

The proposed merger of Wheaton River Minerals Ltd. and IAMGold Corporation ran into complications. Generally speaking, mergers are predicated on all necessary and normal government approvals, due diligence, and shareholder approval. Usually there is no problem, but in this particular case, two other suitors have entered the picture with different objectives.

Golden Star Resources Ltd. decided that it would prefer to merge with IAMGold, and **Coeur d'Alene Mines Corp.** thought Wheaton River looked like a suitable partner.

Golden Star proposed a merger dependent on a 2/3 majority of stock and due diligence. The Board of IAMGold declined to pursue the matter, and in fact continued with a scheduled June 8 shareholder meeting to hopefully approve the merger with Wheaton. Golden Star then asked for the shareholder list of IAMGold to proceed to a formal tender offer. While IAMGold did indeed provide the list, it refused to reschedule the meeting and refused to grant assurances that no litigation would be filed against Golden Star for pursuing a formal offer. IAMGold had taken the position that a confidentiality agreement entered into in September, 2003 had a "standstill" clause that prevented Golden Star from such an action.

WIN WIN WIN
STUDENT POSTER CONTEST
CONTACT NWMA FOR DETAILS



MEMBERS IN THE NEWS... (Continued)

Constellation Copper Closes on Purchase of Crushing/SX-EW Plant for Lisbon Valley

Constellation Copper Corporation has closed on the purchase of a crushing and SX-EW processing plant in Tonopah, NV. It will be relocated to the company's Lisbon Valley project in San Juan County, UT.

Merit Consultants International (Vancouver, BC) will be responsible for construction management at the Lisbon Valley Project. Schmeuser & Associates (Winnemucca) has the contract to dismantle and relocate the plant to Lisbon Valley. This process is expected to take 4 months. Utah Power & Light has been awarded a technical services contract to upgrade the engineering of the permitted power line corridor and also to modify the existing right of way. Roberts & Schaefer has been awarded the contract for foundation engineering for the re-installation of the equipment at the site.

Re-erection and construction is dependent on the securing of a \$40 million loan facility. Management reports that a bid/proposal package to arrange debt financing has been completed, and discussions have begun with prospective lenders.

The original Air Quality Permit granted in 1997 has since lapsed because the project was not constructed. Constellation has requested the reinstatement of the Approval Order.

Lisbon Valley is projected to have average operating costs of \$0.45/lb, with total costs of \$0.69/lb. Mine life currently stands at 7 years, but ongoing exploration at the Cashin satellite deposit and at the GTO deep extension deposit could add 2-3 years to the mine life. Net cash flow is projected to be \$133 million (pre-tax) at \$1.10/lb copper (current 18 month forward price).

Terrazas to get Bankable Feasibility Study

Constellation Copper Corp. is proceeding to a bankable feasibility study on the Terrazas copper-zinc oxide project in Chihuahua, Mexico. Constellation has decided to follow up a 2002 pre-feasibility study which concluded that operations were supportable at a design production capacity of 40 million pounds of copper and 60 million pounds of zinc annually, with cash operating costs of \$0.35/lb copper and \$0.25/lb zinc. The projected mine life is a minimum of 11 years.

The next round of drilling is to define the mineral resource outlined in the previous study. Reverse circulation drilling is scheduled to begin in May with core drilling to follow. Metallurgical testing will commence at the same time, and continue throughout the year. The bankable feasibility study is scheduled for completion in 2005. Constellation intends to have Terrazas ready for construction by the end of 2005, which means proceeding to development as Lisbon Valley comes into full production. Combined production from both properties is projected at 94 million pounds of copper annually with an average cash operating cost of \$.28/lb.

Gold Reserve Reports on Status of Brisas, Venezuela

Gold Reserve Inc. has provided an update on the status of its Brisas gold-copper project in Venezuela. Kvaerner Metals US is currently evaluating possible plant throughput ranging from 20,000 to 70,000 tons per day. The base case established in the pre-feasibility study used 50,000 tons per day and projected an estimated production of 325,000 ounces gold per year. Preliminary estimates using 70,000 tons per day increase that estimate to 500,000 ounces of gold per year.

A 700 ton bulk sample is being tested by SGS Lakefield Research and is in the flotation phase of testing. This phase is expected to be completed in late April, 2004. The objective of the test is to confirm gold and copper recoveries, and to generate sufficient gold-copper concentrate for testing using pressure oxidation.

Work is proceeding on evaluating optimum processing plant alternatives. Three alternatives are being considered: direct shipment of concentrates to an off-site smelter; processing of concentrates using high temperature pressure oxidation; and processing through the Cominco Engineering Services Ltd. process. Gold Reserve expects to make a decision in May.

The latest phase of development drilling will be completed by the middle of May. Originally scheduled for 11,500 meters, the program has been increased to 15,000 meters. An updated resource and reserve model should be finalized by July.

Gold Reserve noted that the Ministry of Energy and Mines approved the operating plan for Brisas in early 2004, paving the way for Gold Reserve to obtain the Environmental Impact Permit necessary for construction and operations.

Kennecott Bingham Canyon Mine Wins International Safety Award

SALT LAKE CITY, Utah (May 29, 2004) - **Kennecott** Utah Copper Corporation's Bingham Canyon Mine has received the prestigious "ISMS National/International Safety and Health Recognition Award" for reaching 2 million man-hours without a lost-time injury. The award was given Friday night at its national conference here by the International Society of Mine Safety Professionals to operations with 1 million-plus hours of work with no lost-time incidents.

Mine Manager Ted Himebaugh said, "We have worked 2 million man-hours without anyone being injured to the extent they could not return to their homes and their normal duties the next day. That broke our previous record for the longest period of time without a lost - time injury by 323 days and more than 1.25 million man-hours."

Mr. Himebaugh credited the achievement to the safety consciousness of all Kennecott employees and contractors at the Mine, for their on-going promotion of a total safety culture at the operation.

"This is a tremendous accomplishment for us," Mr. Himebaugh said. "But a more enduring remembrance would be for us to sustain this victory by achieving another two million lost-time-incident-free hours. And that is our goal."

MEMBERS IN THE NEWS...(Continued)

Six Mining Companies and Three Suppliers Commit to International Cyanide Management Code

Six of the world's largest gold producers (Anglogold Ashanti Ltd., Barrick Gold Corp., **Kinross Gold Corp.**, **Newmont Mining Corp.**, **Placer Dome Inc.**, and Rio Tinto) and three manufacturers of NaCN have announced their commitment to the International Cyanide Management Code. Cyanide producers committing to the code are Cyanco, CyPlus, and DuPont. The six mining companies account for 30% of annual gold production.

The International Cyanide Management Code is a voluntary industry program which provides guidance for best practice and use of cyanide at gold mines. It reaches beyond what most government and regulatory agencies require. Nine key areas are covered: production, transportation, handling and storage, operations, decommissioning of facilities, worker safety, emergency response, training, and communications with the public.

The Code was developed by a steering committee of multi-stakeholders under the United Nations Environment Programme and the International Council on Mining and Metals (successor organization to the International Council on Metals and the Environment). Participants represented government and non-government organizations, cyanide producers, labor, financial institutions, and mining companies. NWMA presented testimony to the Steering Committee and provided written comments to two drafts of the Code. Work continues on the administrative part of the Code which would implement certification, including signatory processes and audit questions.

The full text of the Code is at www.cyanidecode.org.

Canadian Mining Journal Lists Top 10 Canadian Junior Mining Companies

In the January/February 2004 edition of Canadian Mining Journal, Steve Dawson reports that the publication has selected its Top Ten Canadian Junior Mining Companies.

One of the companies making the list is **Metallica Resources Inc.** Metallica is currently developing the Cerro San Pedro Deposit in San Luis Potosi State, Mexico. President Ritch Hall was NWMA President in 2002, and is a current Trustee.

Candidates were chosen according to the following criteria: they had to be "Canadian" (headquarters or properties in Canada, or a Canadian Stock listing); have no producing asset, but through successful exploration or development, have made significant progress toward achieving production; and use of new technologies or ideas, management skills, and share price appreciation.

The full list follows (alpha):

Cumberland Resources Ltd.
FNX Mining Company Ltd.
Fronteer Development Group
Metallica Resources Inc.
Orezone Resources Inc.

Queenston Mining Inc.
Rubicon Minerals Corporation
Stornoway Diamond Corporation
Sudbury Contact Mines Ltd.
Wolfden Resources Inc.

NWMA congratulates all the honorees and especially Metallica Resources Inc.

Cerro San Pedro Update

Metallica Resources Inc. reported that its wholly-owned Mexican subsidiary, Minera San Xavier, S. A. de C. V. (MSX) received notice that the Agrarian Court in the State of San Luis Potosi found in favor of a group contesting the Lease Agreement that MSX and the Ejido of Cerro San Pedro signed in 1997 regarding the land that MSX is using for its heap-leach gold-silver project. While the court nullified the meeting and the minutes of the meeting where the Agreement was approved and the authority of those representing the ejido, it did not rule that MSX had to cease construction or vacate the land. Both MSX and the original ejido members (current possessors of the ground) are appealing to a higher level federal court seeking a court order freezing the decision, thereby allowing the continued use of the land. Should MSX fail in its attempts with the federal court, it will be required to renegotiate a lease with no assurance that such negotiations would be successful. Metallica's stock price dropped 30% when this news reached the wires.

The Agrarian Court is a special court within Mexico that administers legal issues related to ejido land title. Ejidos date back to the Mexican Revolution of 1910 and are the result of land reforms that made the workers on the land the owners of the land. MSX has consistently worked with those who have historic possession of the land being leased, while the contesting group appears to be comprised of persons who are not current residents, but who obtained legal recognition through family lineage.

Subsequently, the Agrarian Court issued a temporary stay of execution of the nullification of the Lease Agreement entered into between MSX and the Ejido of Cerro San Pedro in 1997. The effect of this stay means MSX continues to have legal access to the project pending a ruling on the appeal filed in federal court. No date has been set for hearing the appeal.

While this is good news, MSX is encountering significant delays in obtaining an explosives operating permit. MSX believes it has fully complied with all applicable requirements for obtaining the permit from the Secretariat of National Defense (SEDENA), but SEDENA has requested, among other things, written permission from the Governor of San Luis Potosi and the *current* President of Municipality of Cerro San Pedro. MSX had permission in writing from the President at the time the original permit was issued. Despite intensive efforts by MSX, the USA and Canadian embassies, and the Governor of the State of San Luis Potosi, no agreement had been reached as of June 2. MSX will have no alternative but to begin suspension of construction activities by mid June if the permit is not issued.

MSX has sought to renew its annual operating/construction license, which is granted by the mayor of Cerro San Pedro.

MEMBERS IN THE NEWS...(Continued)

Generating Own Power (Continued)...

However, an individual opposing the project (a part of the group seeking nullification of the lease agreement), has been granted a temporary injunction restraining the President from granting the license and explosives permit.

Suspension of the construction activities would result in the termination of 150 employees and contractors. MSX estimates a peak employment of 400 and working staff of 200 during the mine life of 9 years.

Update June 23: MSX announced that since no assurances were received that it will receive a renewal of the construction and operating licence, that it will suspend construction. 150 employees and contractors working on the project will be terminated. A core staff will be retained for maintenance during the suspension period, and Washington Group International will maintain the equipment fleet and critical employees on standby basis. MSX continue with its appeal to the federal court and expects a ruling on the issue by October, 2004.

El Trumai Results Encourage Minera Andes

Minera Andes Inc. has reported that the exploration program at the El Trumai property in Santa Cruz Province, Argentina has outlined a zone of low-sulfidation epithermal gold-silver veins. El Trumai is in the western Deseado Massif along a north trending lineament which also hosts Minera's Mauricio Hochschild and Barrick's La Paloma gold project.

Rock chip samples (82) from altered and mineralized zones have returned anomalous gold values (up to 977 ppb), strongly anomalous silver (up to 275 ppb), arsenic (up to 1,345 ppb), and anomalous mercury (up to 9.37 ppm). These values are consistent with quartz mineralization and are typically associated with epithermal precious metal deposits.

Gradient array and dipole-dipole IP surveys suggest the presence of several defined zones of sulfide mineralization with possible associated vein mineralization 20 -100 meters below the surface.

A drilling program is planned for the austral spring, beginning in October or November of 2004.

Minera Andes Finds Large Chalcocite Zone at Los Azules, Argentina

Minera Andes Inc. has announced the results of a nine hole reconnaissance drilling program on the Los Azules property in San Juan Province, Argentina. The program was comprised of over 6,700 feet of core drilling to depths ranging from 475 feet to 1,020 feet. The drill target area (4,900 feet by 6,550 feet) was identified by geology, deep penetrating IP chargeability, and a well-defined magnetic low which suggested the presence of a chalcocite (leachable) copper mineralization deposit extending from a known occurrence on the adjacent property. This drilling has identified a new zone measuring 1,600 feet by 3,200 feet within the overall target area.

Drill results indicate a strongly leached cap rock from a depth of 200 feet to 500 feet, followed by a strongly enriched chalcocite (secondary mineralization), with the third layer being the zone of mixed chalcocopyrite (primary mineralization) and chalcocite. The mineralization is similar to a Battle Mountain Gold drill hole 680 feet north of the property. Values returned included up to 0.8% copper over 110 feet, and 0.54% over 370 feet.

Newmont Terminates J-V with Midway Nevada Western Gold Proposes Merger with Midway

Newmont USA Ltd. (a subsidiary of **Newmont Mining Corp.**) has terminated its joint-venture with Midway Gold Corp. on the Midway Gold project in Nye County, NV. has announced June 10. Newmont drilled more than 100 holes with expenditures over \$3.5 million. The latest round of drilling (22 angle holes with 15 HQ core tails (5,847 feet) and 7 RC holes (10,195 feet)), and was searching for deeper bonanza veins. Five zones were tested, three returned significant intercepts of greater than 0.5 g/T gold, two showed no significant intercepts. The strong high-grade veins intercepted in the 121, South Discovery, and Cross Fault areas have encouraged Midway with the increase potential for these underground targets. The company intends to review both the new data and the exploration information gathered by Newmont since September, 2002 with a view towards developing a plan for the future.

On June 16, Midway Gold and Nevada Western Gold (NWG) (a unit of the **NewWest Resources Group**) proposed a merger with full details to be settled between the two parties in the near future. NWG looks after the gold interests of NewWest Resources (privately held) which manages mining, ranching and other natural resources on 600,000 acres for Western States Minerals, Zaca Resources and their affiliates. Due diligence is expected to be completed by August 31, and a fairness opinion will be commissioned to fix a share exchange ratio. The merger would result in a company with six advanced stage exploration projects in the western USA, and one of the largest mineral land holders in Nevada.

Mining Companies to Generate Own Power

In an effort to control costs, Barrick Gold Corp. and **Newmont Mining Corp.** are seeking to build and operate their own power generating plants. Power is the second largest cost center for gold mining (labor costs are number one). Barrick received permission from the State of Nevada to develop a power plant near Reno on June 9.

Newmont notified state officials on June 14 that it will seek a permit under the Nevada Utility Environmental Protection Act. The application is expected to be completed in early July. The TS Power Plant would be built on a 600 acre site near Battle Mountain. The TS ranch, on which the site is located, has extensive water rights, access to Interstate 80, and rail. Coal

MEMBERS IN THE NEWS...(Continued)

from the Powder River Basin in Wyoming would be used to fuel the 200 megawatt plant. Four oil-fired combustion turbines with a capacity of 140 megawatts would be installed in case of outages. Once approved, construction could take several years according to the company.

Controlling energy costs at producing mines will be the subject of one of the technical sessions at this year's NWMA Annual Meeting & Exposition, December 6-10, 2004. Visit the NWMA website, www.nwma.org for more details.

Solitario Resources Signs Agreement with Newmont Peru on La Tola

Solitario Resources announced that it has signed a Letter Agreement with Newmont Peru Ltd. allowing Newmont to earn a 51% interest in Solitario's La Tola Gold Project in southern Peru. The interest will be earned by spending \$7 million over four years. When Newmont completes a positive feasibility study and has arranged 100% of project financing, it will have earned an additional 14% interest. Solitario, in addition to its retained interest, will keep a sliding scale royalty up to 2.5%, depending on the prices of gold and silver and other conditions.

La Tola is an early stage exploration property of 30,000 acres in the southern Peru gold belt. The property was identified and acquired in 2003 after field work was performed by Solitario on a 5 mile long corridor of alteration and strongly anomalous gold and trace element geochemistry. Current plans are for geochemical sampling, ground geophysics, and field mapping to define specific drill targets. **Newmont** is committed to completing 8,000 feet of drilling during the first year.

Pogo Back in Construction

Teck Cominco Ltd. and joint venture partners Sumitomo Metal Mining Co. Ltd. and Sumitomo Corp. have announced the completion and approval of the final feasibility study and production program for the Pogo Project, 90 miles southeast of Fairbanks, AK. All major project permits have been received and an administrative appeal of a key water-discharge permit has been withdrawn. As a result, remobilization of the construction work force and the commencement of full-scale project construction have begun.

A winter road was utilized in February and March 2004, to mobilize about 600 loads of materials and supplies to the site. A construction camp is in place, and site preparation is under way. A 49-mile, all-weather road from the mine to the Richardson Highway is expected to be completed by September 2004. The construction schedule anticipates initial gold production by March 2006, with commercial production rates reached in August of that year. During the first three years, the mine is expected to average 460,000 ounces of gold per year, with life of mine production averaging 350,000-500,000 ounces per year. Mine life of the underground mine and 2,500 ton-per-day mill is projected at 10 years. The company has posted the probable category at 7.7 million tons at 0.48 ounces of gold per ton.

Teck notes that the project capital costs (estimated to be \$280 million), have escalated since the interim feasibility study was completed in the fourth quarter of 2002, due primarily to a weaker U.S. dollar and changes in steel and oil prices. The partners intend to finance the project through cash on hand and corporate credit facilities.

New Resource Estimate for Vista Golds' Maverick Springs, NV

An updated mineral resource estimate for Maverick Springs 50 miles southeast of Elko on the southeast extension of the Carlin Trend was announced by **Vista Gold**. The estimate is based on 159 previously drilled holes. A cut-off grade of 1.0 silver equivalent ounces was used to calculate the estimate. Equivalence was defined as \$327 gold and \$4.77 silver. Gold is calculated at 696,300 ounces with a grade of 0.01 ounces per ton. Contained silver ounces are 69,630,000 at a grade of 1.0 ounces per ton.

Maverick Springs is subject to an earn-in agreement between Vista and Silver Standard Resources. Under the terms of the agreement, all silver mineralization belongs to Silver Standard, the gold mineralization reporting to the books of Vista Gold. This earn-in brought Vista \$300,000 cash and a commitment of \$1.2 million for exploration, land holding costs and option payments.

**NWMA
WELCOMES
NEW
CORPORATE
MEMBERS**



Gold Summit Corporation

Greenland Trade & Development Corp

Greystone Environmental Consultants, Inc.

ICMJ's Prospecting and Mining Journal

JCH Insurance

Montana Mining Association

Sierra Environmental Monitoring, Inc.

Triathlon Ltd.

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

Announcing NWMA's 110th Annual Meeting, Exposition & Short Courses

*Exploration, Operations & Reclamation...
Keys to a Vibrant Mineral Industry*



Make plans today to attend NWMA's 110th Annual Meeting from December 6-10, 2004 at the Red Lion Hotel at the Park, Spokane, Washington. This year's convention promises to be even bigger and better than last years. The preliminary program, registration forms, etc. are at the printer and currently available on the web at www.nwma.org. Government rates are offered for both technical session registration

and also at our headquarters hotel - Red Lion Hotel at the Park. Reserve your room early.

Convention Chair Opal Adams, Vice Chair Ann Carpenter and the various session chairs are putting together an outstanding technical program. In addition, this year's convention features the best short course lineup in several years including Eric Cheney's ever popular road trip symposium and the USFS/BLM short course on permitting issues. This year's road trip symposium is entitled Spokane Floods and Wenatchee Gold. It will focus on epithermal mineralization near Wenatchee, Washington (site of Asamera Minerals Cannon mine), and the Spokane/Missoula flood deposits.

In addition, George Robinson will present a one-day short course on understanding and managing environmental risks with acid rock drainage and Dave Abbott will present a one-day short course on practical geoscience ethics.

The Society of Economic Geologists will present a session focusing on precious metal deposits of the northwest. And, back by popular demand is the third installment of a session focusing on growth companies and a session on new discoveries.

The USGS Open Industry Briefing will again join forces with the Large Left Lateral Leaps crowd on Thursday afternoon.

Plus, there will be sessions focusing on operations, the business of exploration and mining, reclamation successes, British Columbia and the Yukon, energy issues in mining operations, and a new session focusing on various aspects of the new explosion in silver, including supply and demand, price manipulation, growth in uses, and the great silver districts of the world.

The convention will wrap up on Friday morning with a session highlighting new technologies in exploration & operations, industrial minerals, and legislative affairs. With national election day occurring one month before the convention, this year's Legislative Affairs Session will be especially relevant, as who controls the White House, the U.S. Senate, and the U.S. House of Representatives will have a profound impact on our industry for the next 4 years.

Kathleen Clarke, director of the Bureau of Land Management will be our keynote luncheon speaker on Thursday, December 9.

This luncheon promises to sell out, so be sure to get your tickets early.

New this year will be an Alumni Night on Wednesday, December 8 immediately following the Welcoming Reception. All alumni functions will be combined under one roof for one big party.

Exposition Nearly Sold Out

There have been substantial improvements in the lower exhibit hall. The hotel has replaced the large overhead door and re-insulated and sealed it. In addition, the hotel is carpeting the downstairs exhibit hall so it will have a much warmer and softer feel.

As we go to print with this *Bulletin*, there are only 4 booth spaces and 2 tabletop spaces available. As many of you know, last year's exposition was the best since 1999. The positive feedback from exhibitors and attendees was overwhelming. Don't be left out, reserve your booth space today. Check out the list of exhibitors in this *Bulletin* on Page 14, and add your company's name today. Contact Pat Heywood at NWMA for details---pheywood@nwma.org, or phone 509/624-1158 x 11.

Sponsorship Opportunities

The sponsorship program is a unique opportunity to expose your product, service or company to our audience of mineral industry professionals. Today's scattered and diverse customer base makes it increasingly difficult to market effectively. Take advantage of some of the distinct options that are available to meet your key business objectives. In addition to being recognized at the meeting function, sponsors names and logos will appear on all promotional materials, the NWMA website, and signage displayed throughout the Red Lion Hotel at the Park. Don't wait. NWMA offers a sponsorship level to fit every budget. Detailed information and forms are available in the preliminary brochure, on our website - www.nwma.org, or by contacting Pat Heywood at NWMA. Email: pheywood@nwma.org, or phone (509) 624-1158 x 11.

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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 _____
 Spouse Name (For complimentary exposition only badge) _____

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
<input type="checkbox"/> Technical Sessions and Exposition	\$ 195.00	\$ 400.00
<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 \$ _____

PAYMENT INFORMATION - (U.S. Funds)

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Important - If you are paying with VISA, you must include the last 3 or 4 digits of your V-number. This is located on the back of your card in the signature line.

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2004 Exhibitor Listing as of 6/25/04

ACZ Laboratories, Inc.
Alaska Marine Lines
Alaska Pacific Powder Co.
ALS Chemex, Inc.
American Assay Laboratories
Apollo Gold

Barrick Goldstrike Mines, Inc.
Bitterroot Restoration, Inc.
Boart Longyear Products USA

Carlson Software
Casualty & Surety Inc.
CDA Metals
Christensen Products
Coeur Products LLC
Colorado Mining Association
Connors Drilling LLC

Energy Laboratories, Inc.
Envirocon
Enviroscientists, Inc.
Ferguson Enterprises, Inc.

Foam Concepts, Inc.

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

Hagby USA, Inc.
Harrington Industrial Plastics
Hecla Mining Company

Idaho Silver by JC
International California Mining Journal

JCH Insurance

Lang Exploratory Drilling /
Boart Longyear Contracting Svcs
Lawrence Berkeley National Laboratory

Mackay School of Mines - U of NV
MAXIM Technologies, Inc.

Medi-Rub Corp.
Mill Man Steel, Inc.
Mine Safety and Health
Admin.
Mine-Seal LLC
Miners News
Mining Quarterly
Mining Record, The
Montana Tech



National Mining Association
Nevada Mineral & Book Company
NIOSH-Spokane Research Laboratory
Niton LLC
Northwest Machine Works, Inc.

Queenstake Resources, USA Inc.

RockWare, Inc.

Sierra Environmental Monitoring, Inc.
Smith Barney
Society of Economic Geologists (SEG)
Society for Mining, Met & Expl. Inc. (SME)
Solitario Resources
Spectral International, Inc./
Aster Images
SRK Consulting (US), Inc.
State of Nevada-NV Bureau of Mines
& Geology

The Northern Miner
The Prospector Newspaper
Tire Distribution Systems
Triathlon, Inc.

United Central Industrial Supply
US Army Corps of Engineers
US Bureau of Indian Affairs
US Bureau of Land Management
US Geological Survey
USDA Forest Service

WDC Exploration & Wells
Women's Mining Coalition

* **Bold indicates Corporate membership**

COMMITTEE REPORTS

PUBLIC LANDS

Roadless Appeal Delayed

On May 11, the tenth circuit court of appeals announced it has postponed ruling on Wyoming's motion to dismiss the appeal of Judge Brimmer's decision that the Clinton Roadless Rule was illegal. The tenth circuit has ordered the parties to the appeal to submit briefs on the merits.

After Judge Brimmer ruled that the Clinton Roadless Rule was illegal, the United States government did not appeal. However, several environmental groups that had intervened in the case filed an appeal. The plaintiff in the original case, the State of Wyoming, moved to dismiss the appeal, arguing that only the United States government had the right to appeal, not the environmental interveners. In an identical situation earlier this year, the 9th circuit court of appeals ruled that environmental interveners did not have standing to appeal a federal court decision on hatchery fish and the delisting of Oregon Coastal Coho.

It is very unlikely that oral arguments before the three judge 10th circuit panel will occur before the end of the year.

Supreme Court Blocks Suit over Western Wilderness Areas

United States Supreme Court has ruled, in a 9-0 vote, that environmental groups can not use federal courts to force the Bureau of Land Management to more aggressively safeguard about 2 million acres of potential wilderness in Utah. Writing for the Court, Justice Antonin Scalia said Congress never envisioned "pervasive oversight by federal courts over the manner and pace of agency compliance." He affirmed that the BLM has discretion to oversee lands being considered for wilderness designation, including allowing off-road vehicles. Justice Scalia also stated that the BLM is doing what it can with "scarce resources and congressional silence with respect to wilderness designation."

Senator Orin Hatch (R-UT) said, "We've about had it with Utah environmental groups trying to micro manage, through the courts, decisions that should be left to the professionals on the ground." Today, the Supreme Court said "enough is enough; let's let the professionals do their jobs."

The case is *Norton v. Southern Utah Wilderness Alliance*. The Supreme Court decision reversed a decision of the 10th circuit court of appeals.

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Full pg = 7" x 10" \$500

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(509) 624-1158 or mheywood@nwma.org

STATE REPORTS

ALASKA

Full Metal Minerals Takes Aim at Gunsite

Full Metal Minerals Ltd. has started a drilling program at the Gunsite Copper-Gold project 85 miles north of Anchorage. The company holds 7,660 acres 14 miles from an all weather road. A diamond drilling program of 6 holes totaling 2,460 feet is planned to test 2 of 4 identified high-grade Cu-Au mineralization areas in the porphyry system. Previous operators retrieved numerous samples with values up to 2.3% copper and 3.4 g/T gold.

ARIZONA

Drill Results Reported by American Bonanza at Copperstone Project

American Bonanza Gold Mining Corporation has reported more drilling results from a surface and underground drilling program at 100% owned Copperstone Project in La Paz County, AZ.

The surface core drilling program scheduled to continue through 2004 will total 90,000 feet of drilling. The second hole encountered an interval of 17.5 feet grading 1.42 ounce per ton gold and 0.5% copper, with a true thickness calculated at 15 feet. Reverse circulation accounted for the first 720 feet, with core drilling taking up the next 200 feet, and the interval starting at 834 feet.

Twelve underground core holes, drilled on approximately 50 foot centers, continued the fan drilling at the D-Zone. Significant intervals included 40 feet of 1.2 ounces per ton gold in one hole, 32 feet of 0.67 ounce per ton gold, and a third which produced 45 feet of 0.72 ounces per ton gold and 1.9% copper.

Drilling on the Copperstone Project is concentrating on moderate to shallow dipping fault zones since gold mineralization is restricted to these fault zones with little or no gold mineralization present in the wall rocks.

CALIFORNIA

Full Feasibility Begins on Idaho-Maryland Project

Emgold Mining Corporation has advanced the Idaho-Maryland project to the full feasibility stage. A Master Environmental Assessment for a Conditional Mine Use Permit is being prepared, which will include dewatering the mine workings and the construction of a decline. The construction of the decline will allow further testing of underground targets. The permit application will include provisions to operate a Ceramext plant to produce building ceramics from development rock made accessible by the construction and from tailings. The revenue generated from this production is expected to help lower total mining costs.

The Company has a planned 30 hole drill program for 2004, with 18 holes totaling 9,500 feet completed to date. Drilling is

STATE REPORTS (Continued)...

CALIFORNIA (Continued)...

probing the width of the Idaho Deformation Corridor from 4 permitted sites within the City of Grass Valley. Mineralized intervals of core are in the sampling and fire assay stage.

COLORADO

Calais Commences Drilling at Consolidated Caribou Gold/Silver District, Colorado

Calais Resources Inc. has commenced drilling at its Consolidated Caribou Gold/Silver Project in Boulder County, Colorado to identify the size of the NoName vein, the largest gold and silver producer from the Caribou Mine. This phase of the drilling program (16,000 feet) is designed to measure three factors: the strike (or length), the depth of the vein (or vertical depth), and the true width of the vein. Previous drilling, mining, and exploration have indicated that the vein is at least 1,800 feet in strike and may be up to 10,000 feet. The NoName is known to be approximately 1,400 in vertical depth, but geology and mineralization suggest it may be greater.

The vein pierced the surface at the Caribou mine and was mined from the surface to 1,400 feet and 500 feet on the strike. At the mine, the true width is 30 feet. Previous drilling (which has dictated the current drill targets) confirmed this true width.

Overall drilling for the district is planned at 150,000 feet, to be completed by the end of 2004, dependent upon the completion of financing sufficient to cover the costs of the expanded drill program. Calais is seeking capital and equity opportunities to secure the necessary funds.

MONTANA

I-147 Qualifies for the November Ballot

Backers of a ballot initiative I-147, that encourages new mining ventures in Montana which would provide good paying jobs and stimulate the economy, submitted more than 30,000 signatures today - and made history in the process.

For what is believed to be the first time ever, more than enough signatures were submitted to "qualify" every county in the state.

According to state law, a statutory initiative requires the signatures of 5 percent of the qualified voters in half of the 56 counties in the state, and 20,510 total signatures.

"From Libby to Ekalaka, and from Dillon to Plentywood, Montanans from all 56 Counties have signed on, saying 'The time is right for I-147.' Mining was once a vibrant and vital industry to Montana and it can be again. It doesn't have to be jobs versus the environment. There's no reason we can't have both," said Tammy Johnson of the mining community of Whitehall.

"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 Ronda Carpenter of Great Falls, who

marshaled the signature-gathering effort. That was even despite the fact that in some locations, environmental activists confronted signature gatherers and attempted to dissuade Montanans from signing the petition.

"We believe that for the first time ever, the number of signatures gathered exceeds the qualification requirement in every county in the state. Rather than just meeting the quota in 28 counties, we exceeded the required number in all 56 counties. In many cases, the people came to us," Carpenter added. (Under the previous requirements based on legislative districts, it is believed that no initiative had enough signatures from across the state to meet either the district-based or county-based criteria on a statewide basis).

"Many community leaders told us they sincerely appreciate the fact that the I-147 campaign believes the view of every county is important," said Bob Williams of Hobson, a former Democrat state senator who headed up the Eastern Montana portion of the effort. "They also made it clear they like the fact that I-147 does not repeal the old cyanide ban, but reforms it."

"Whenever you take time to talk with people and listen to their concerns, you learn a lot," Johnson said. "One thing we found is that Montanans are strong supporters of the tough, new environmental restrictions that I-147 requires before new mines can receive a permit. As one woman from Central Montana told us, "I would like to see more mining in Montana. If the mining industry wants to do business in Montana and will take responsible steps to protect the environment we should meet them halfway."

"In the Legislature, we are reminded by the voters and the media to balance various interests and values," said Rep. Scott Mendenhall, R-Whitehall, whose legislative district includes Montana's two largest operating gold mines. "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."

I-147 would allow the use of solutions containing cyanide in gold and silver mining, but only if stringent new criteria are met. Among the new requirements:

- All leach pads and ponds that hold solutions containing cyanide must be designed to withstand 100-year storm events.
- Tailing impoundments, leach pads and ponds that hold solutions containing cyanide must first have a synthetic liner backed up with a secondary liner and a leak-detection system.
- The new initiative also requires a contingency system so that if there is a leak, the solution is recovered.
- To address groundwater concerns, mine operators must have a DEQ approved program to monitor groundwater and surface water that could be affected.
- State regulators can require additional requirements to ensure that ground and surface water is protected.

In addition, the ballot initiative states that mines using solutions containing cyanide must comply with state and federal

STATE REPORTS (Continued)...

MONTANA (Continued)...

water quality and air quality regulations. Also, the mines must have sufficient bonding or financial assurance posted with the State of Montana to reclaim the mine so that taxpayers do not bear those costs.

County Election Administrators have until July 16 to certify the signatures on the petitions and submit them to Secretary of State Bob Brown's office.

For more information, contact:

Tammy Johnson
Miners, Merchants and Montanans for Jobs and
Economic Opportunity For I-147
(406) 443-2083 / Helena Office
(406) 491-1714 / Cell
(406) 287-3012 / Whitehall

Diamond Exploration in Montana

Delta Mining and Exploration Corporation has announced an initial diamond exploration program on its Homestead Property in central Montana, southeast of Lewiston. Delta has control of 4 prospective diamond properties in Montana and has found the first in-situ microdiamond ever in the state. Alluvial diamonds have been found throughout the region over the years, including the Lewis and Clark diamond, discovered in 1990 near Great Falls, which sold for \$80,000.

The region is over the Wyoming Craton, a stable portion of the continent that exhibits geologic characteristics fundamental to hosting diamond deposits. Developed kimberlite pipes are found along the southern margin of the region in Wyoming and Colorado and north in Canada.

Delta has established the presence of diamond indicator minerals and has sampled for the presence of microdiamonds. The current plan is to further explore the property (which has a surface footprint of 1500 by 500 feet) during the remainder of 2004. Bulk testing is included in the plan, and Delta hopes to have that accomplished by year end with results known soon thereafter.

NEVADA

Atlas Precious Metals Sells Nevada Mill to Golden Eagle

Golden Eagle International, Inc. has signed a Letter of Intent with Atlas Precious Metals, Inc. to purchase the Gold Bar mill and gold recovery plant 27 miles northeast of Eureka, NV for 25 million shares of restricted common stock valued at approximately \$4.83 million. Golden Eagle expects to take 30 days for due diligence before closing the transaction. The mill and recovery plant are intended to be used at their Buen Futuro Gold-Copper Project in Bolivia.

The purchase includes the Gold Bar mill, containing two 1,000 hp ball mills and one 350 hp ball mill, with a total capacity of

3,500 tons per day. This is almost 100% of the milling and recovery equipment necessary for the oxide gold circuit and nearly 40% of that needed for the copper circuit. Part of the package includes servicing garages, office buildings, gold bullion finishing facilities, warehouses, pumps, and spare parts.

Western States Engineering has been contracted to dismantle the plant, transport it to the property, and re-erect the facility on the Buen Futuro Project. Golden Eagle estimates the moving process will take 8 months, use 166 sea-land containers, and cost \$3.5 million.

Fjordland Acquires Black Rock Property Seeking Drill Permits From BLM

Fjordland Exploration Inc. has acquired the right to purchase the Black Rock gold-silver project, Lyon County NV. The property is 25 miles southeast of Reno NV, and is prospective for bonanza vein-hosted epithermal gold and silver deposits. As a reference, the historic Comstock Lode lies 12 miles to the northwest.

Upon receipt of a permit from the BLM, Fjordland plans to perform 2,000 feet of reverse circulation drilling to test the potential for bonanza-gold and silver mineralization. Historic grab samples returned anomalous gold values of 1 g/t to 24.88 g/t along the length of the Black Rock vein.

Hog Ranch in Phase II Drilling

Romarco Minerals Inc., building on the earlier success of Phase I drilling, has commenced Phase II at Hog Ranch in Washoe County, Nevada. Phase I discovered both high grade gold and a broad zone of significant gold mineralization that is within open pit depths. One hole in Phase I encountered 70 feet averaging 0.152 oz/ton starting at 225 feet.

Two of the holes will attempt to extend the mineralization along strike and one will test for mineralization down dip. Two holes will test the previously mined Krista Pit by drilling under the north and south ends to test for feeder structures. The program consists of 6 diamond holes totaling 4,500 feet.

Nevada Pacific to Drill Amador Canyon

Nevada Pacific Gold Ltd. has announced the start of a 10,000 foot reverse circulation drilling program at the Amador Canyon Silver project, four miles north of Austin, Nevada, in the Reese River (Austin) Mining District. Phase I drill targets have been selected based on surface mapping, rock chip geochemistry, and geophysics. The geophysics results point to several areas believed to represent abundant carbon and/or sulphides. Surface rock chip sampling has demonstrated an association of silver mineralization with both carbon and sulphides (values ranging from 8 to 125 ounces/ton in carbon and 10 to 75 ounces per/ton in sulphides). Drilling is expected to take 4-6 weeks on this never-before-drilled property.

NEVADA (Continued)

Pinson Mine Has New Operator

Atna Resources Ltd. has signed an agreement with Pinson Mining Company (a wholly owned subsidiary of Barrick Gold Corp.) to acquire up to a 100% interest in the Pinson Mine, Humboldt County, Nevada. Atna will earn a 70% interest by spending \$12 million over 4 years (\$1.5 million in the first year). Once vested, and with a preliminary feasibility study, Pinson may elect to back in to a 70% interest by spending \$30 million over 3 years; form a 70:30 joint venture, with Atna holding 70% and serving as operator (expenses to be shared proportionately); or sell the remaining 30% to Atna for \$15 million.

Pinson is in the Getchell Gold Belt in the same area as Twin Creek, Turquoise Ridge, and Lone Tree. The mine produced over 987,000 ounces of gold prior to 2000. Mineralization is along and adjacent to the Getchell Fault Zone, a major ore control in the region. Between 1997 and 2003, Pinson and its predecessors drilled over 200,000 feet of diamond and rotary holes looking for extensions of the mineralization exposed at the bottom of the mines several open pits. Results from the drilling showed encouraging gold intercepts in several target areas which will guide Atna in its efforts to establish a resource on the property.

Quadra Renews Hope in Ely Re-opens Robinson Mine

Quadra Mining, a BC company listed on the TSX, has completed an IPO, purchased the Robinson Mine and milling complex, contracted with **Washington Group International**, and restored an important part in the economic fabric in the life of Ely, NV.

The mine was purchased from BHP Billiton, partly with proceeds of Quadra's IPO which raised \$110 million. BHP had suspended operations in 1999 due to low copper prices. In its final year of production, Robinson produced 61.8 million pounds of copper concentrate, 26,520 ounces of gold, and 153,104 ounces of silver. Suspension of operations threw 440 people out of work with rippling effects across the economy of Ely. Population, which had been 4,000 at the time, has since dropped to 3,200. Quadra is estimating that 350 jobs will be created with the re-opening. Copper was around 65 cents per pound in 1999, and today it is trading in the \$1.15-1.24 per pound range.

Quadra has negotiated a target price mining contract with Washington Group, with a definitive agreement to be completed in June. The contract miner will be responsible for all of the mining including drilling, blasting, loading, ore and waste hauling, and for the hiring of all of its own personnel. Under the terms of the agreement, Washington Group will mobilize smaller equipment to the mine in early June until new, larger equipment arrives in the fourth quarter. Washington Group will obtain the new mining equipment through a combination of leasing and direct purchasing with Quadra providing \$13.5 million security to the financing company. This security is initially based on cash collateral, but the company plans to replace this with a letter of credit.

The Robinson Mine will be a 38,000 ton per day copper operation. It has been mined for copper for over 100 years, with the latest facility built by BHP at a reported cost of \$480 million in 1996. It has been actively maintained and is reported to be in excellent condition.

NWMA congratulates Quadra Mining and Washington Group International on these accomplishments, and recognizes what these developments mean to the town of Ely.

INTERNATIONAL REPORTS

CHILE

Chile Finance Minister Proposes New Fee on Copper Miners

Chile Finance Minister Nicolas Eyzaguirre has proposed a new fee on copper mining companies, based on the operating margin of a company. This fee would range from 0% to 3% depending on the profitability of the company. The proposal must be approved by Chile's Congress which has a similar bill under consideration (introduced in early 2004). That bill would impose a 3% royalty instead of a sliding scale fee based on profitability.

The operating margin is a percentage of operating profit in relation to sales. In Chile, this is defined as earnings before interest, taxes, noncash financial charges, some one time items, and other special items. Under the proposal, those companies with operating margins less than 5% would pay no fee, but the larger the operating margin, the higher the fee.

Those companies currently paying tax would be allowed to deduct the fee from their tax liability until 2007. Mining companies have traditionally paid low taxes in Chile due to accelerated depreciation of assets. Additionally, some companies benefited from investment incentive programs dating back to the 1980-1990 era.

The government has estimated that this fee would raise \$100 million when fully implemented in 2007. It has stated that the new funds would be used to finance innovations in technology. Copper represents approximately 30%-40% of Chilean exports. Half of Chile's copper is produced by foreign owned companies.

FRANCE

France Announces Possible Sale of 500 Tons of Gold to Finance National Deficit

At a presentation of the bank's annual report, the Governor of the Bank of France, Christian Noyer, announced that the central bank could sell up to 500-600 tons of gold by year end. France holds about 3,000 tons of gold. Noyer qualified his statement by that the price is an important factor and that if the timing is not appropriate (that is, if the price falls), the bank will wait.

The sale is an attempt by the French government to help reduce the budget deficit, which stood at 4% of GDP in 2003 and

INTERNATIONAL REPORTS (Continued)...

FRANCE (Continued)...

3.1% in 2002. Under European Union rules, France could be asked to deliver a deposit equivalent to 4 billion Euros (\$4.8 billion US) to guarantee a major reduction in the deficit in 2005—a deposit which could be forfeited if no reduction occurs. The price of gold has not reacted to the announcement reported on June 10.

PERU

Peru Thumbs Nose at Mining Industry Imposes 1-3% Royalty on Mining Revenues

On June 3, the Peruvian Congress voted to impose a royalty of 1-3% of sales on mining companies, starting in 2007. If signed into law by President Alejandro Toledo, companies with annual sales up to \$60 million will pay 1%; those with revenues between \$60 and \$120 million will pay 2%; and those with revenues over \$120 million will pay 3%. Companies will be allowed to deduct the cost of concentration, transport, and other processing charges. It is estimated that the royalty would raise more than \$10 million annually. Mining revenues account for half of all exports in Peru, and Peru already has higher taxes than neighboring Chile.

Many companies, including **Newmont** and Barrick negotiated long-term stability contracts that lock in long-term tax rates. Both companies have publicly stated they trust that these contracts will be respected, although both agreed that it will affect the long-term investment climate. Others, such as Southern Peru Copper, do not have long-term stability contracts, and have stated that future decisions, such as bidding on the Las Bambas copper project in July, will be greatly affected, and may not even occur.

Although supporters of the plan tried to allay fears that this would devalue mining shares, the reality is that mining shares on the Lima Stock exchange fell 10% on the news, although there was some recovery later. In the first hour \$250 million was wiped out, though some of the loss was regained. Southern Peru Copper was off 4% on the Lima exchange.

In a related but separate vote, the Peruvian Congress approved a plan to divide the spoils between local, provincial, and regional authorities in what was touted as a bid to give more back to the rural poor.

Some companies have vowed to seek legal redress if President Toledo does in fact sign the plan into law.

VENEZUELA

Crystallex Releases Full Feasibility Study on Las Cristinas

Crystallex Resources has released the results of a Full Feasibility Study by SNC Lavalin Engineers and Constructors for a 40,000 tpd project at Las Cristinas in Venezuela. The base case for the project is 20,000 tpd, but the FFS has demonstrated the sensitivity of this scale to steel price increases, both existing and projected. Increasing to 40,000 tpd increases the profitability of the project significantly. By engineering for a possible doubling in throughput in the beginning, the Company hopes to take advantage of favorable financing opportunities in the marketplace.

At either production rate, measured and indicated resources are 439 million tons of 1.09 g/t for 15.13 million ounces. Mine life at 20,000 tpd is 34 years versus 20 years at 40,000 tpd. Average annual life of mine production rises to 490,000 oz compared to 260,000 oz with cash costs dropping from \$197/oz to \$193/oz. Development costs increase from \$243 million to \$365 million.

Planning calls for a conventional truck and shovel open-pit mine. Processing will be by crushing, SAG and secondary ball mill with a gravity circuit incorporated to recover free gold. Extraction of the gold will be by CIL circuit, followed by pressure stripping, electrowinning and smelting.

The final EIS was submitted to the CVG and the Ministry of Environment and Natural Resources April 15, 2003. The receipt of all necessary permits required to start construction is expected later in 2004.

Las Cristinas is 220 miles from Puerto Ordaz, a port city on the Orinoco River and 4 miles from the nearest village. Power lines existed in the area, with additional substations and lines constructed to service the area.

SERVICE DIRECTORY DEADLINE IS ALMOST HERE --- DON'T BE LEFT OUT!!

Ads or Listings Information
Contact Mike Heywood at
NWMA - Email
mheywood@nwma.org, or



Mine the Vote

The November 2004 election is critical for our industry. Your vote and who you vote for will affect you, your job and mining communities. Do not let someone else determine your future. Register to vote today and vote in November.

NWMA has made it easy for you to register and learn where the candidates stand on the issues. Go to the NWMA website at www.nwma.org and click on the Mine the Vote logo.



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CALENDAR OF UPCOMING EVENTS

JULY 2004

Alaska Miners Association Diamond Mine Tour of Ekati & Diavik Diamond Mines, July 6-8, 2004. Go to www.alaskaminers.org for detailed information, or Email Sborell@alaska.net

Stake Your Claim to Learning, hosted by Nevada Mining Association, July 11 - 14, 2004, CalNeva Resort, Crystal Bay, NV. Contact Nevada Mining Association, 775/829-2120. Email amiller@nevadamining.org

NWMA Board of Trustees Meeting, July 30, Butte, MT. 8:30 am. Members welcome. Contact Kathy 509/624-1158, or Email kwilson@nwma.org for details.

AUGUST 2004

25th Annual Short Course on Grouting Fundamentals & Current Practice, August 1-6, 2004, Colorado School of Mines. Program and registration information at www.mines.edu/outreach/cont_ed.

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

SEPTEMBER 2004

Nevada Mining Association Annual Meeting, Sep. 17-18, Hyatt Tahoe, Lake Tahoe, NV. Contact: Nevada Mining Association, 775 829-2121. 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://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: pheywood@nwma.org, phone 509/624-1158, fax: 509/623-1241, NWMA, 10 N. Post Street, Ste. 220, Spokane, WA 99201-0772 or visit us on the web: www.nwma.org.

