

BULLETIN

Northwest Mining Association

JAN / FEB 2006

SPEECH TO NORTHWEST MINING ASSOCIATION DECEMBER 8, 2005

Stanley Dempsey
Royal Gold, Inc.

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NWMA thanks World Wide Drilling Resources for loaning us their convention pictures .

INTRODUCTION

As described in that generous introduction, my firm, Royal Gold, is a royalty company. A reporter for Forbes Magazine charged recently that I "make money out of mining without getting my hands dirty." I think that's a little harsh, but it is a great business model and Royal Gold does enjoy remarkably robust revenues from some of the best mines in the world, where the mining is done by others. And, I sleep better at night knowing that Placer, Newmont, Barrick and Coeur d' Alene are out there digging away.

I've had a lucky career. I was lucky to get a good education at the Colorado School of Mines and the University of Colorado. I was lucky to work at Climax and AMAX, where I was mentored by some of the finest mining professionals in the business. I was lucky to get involved with the political, environmental and community acceptance parts of our business early in my career, and again be exposed to some high quality people in these fields. Later in my career, I was fortunate to be able to work abroad, get involved in operations, and learn something about finance and deal making.

I'll bet you would join me in saying that you too are lucky -- lucky to be in an industry that is so interesting in its challenges, and is so rewarding to the people who work in it, and whom it serves. You have a good education and have learned a lot from your practical experience in the industry. You have been lucky to have lived and worked in interesting places, here in the U.S. and some of you abroad. You've been fortunate to work on technical problems which were challenging and fun. And I'll bet you are proud of the contributions you make to society.

WHAT'S AHEAD

But this talk isn't about luck, yours or mine. I was asked to provide an assessment of where our industry is at the moment, and how we are doing in general. That's a pretty broad undertaking, and it took me a while to try to organize my thoughts on the matter. One evening I sat down at home to watch the evening news, and started to think about what I was going to say in Spokane. As I listened to the TV anchorman spinning the news of energy crisis, and sticking it to oil executives being pilloried by a Senate Committee, I got to thinking about how it's going to be when miners are hauled before the inquisition a few years from now.

As my mind wandered to the future of the world's mineral economy, I imagined a TV anchorman's tease and headlines in the big time newspapers saying something like this:

- Mineral Shortages Stop U.S. Growth: What did mine executives know and when did they know it?"
- Cement Shortage: One reason the Gulf reconstruction costs so much (that one was actually in the WSJ on November 15, 2005).
- President Appoints Mineral Security Task Force: Says we will do whatever it takes to secure our mineral future.
- Mining Executives accused of price gouging.



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Vol. 112, Issue No. 1

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(Published six times a year)

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President's Corner

*Ann S. Carpenter,
U.S. Gold Corporation*

Greetings to NWMA members. It is a pleasure to serve as your president, along with Vicki Veltkamp (Hecla Mining Company) as 1st VP and Bill Orchow (Revett Minerals, Inc.) as 2nd VP. The Executive Committee is rounded out by the dedicated activities of Jim Maronick (Solitario Resources Corp.) as Treasurer, Joe Baird (Baird-Hanson-Williams LLP) as Secretary and Llee Chapman (Ascendant Copper Corp.) our immediate Past President. And of course, we owe the success of the NWMA to its dedicated and very able staff. We serve in the wake of their activities!

2006 is shaping up to be quite an energetic year. With metals and mineral prices achieving and maintaining new highs, mineral development activities are reaching a frenetic pace, and it appears a good percentage of the mineral development market is enjoying the frenzy. I wish to extend my wishes for great successes to all ... may the up-tick in activities bring good luck and great benefits to all, and through our activities may we strengthen the mining industry nationwide and beyond.

2006 will be a busy year. Along with all of NWMA's regular functions and focuses, the rotation of the annual convention to Reno in 2006 will add to the workload of an already 'well-worked' staff. The rotation into a rather busy mineral development market (Nevada) will bring the annual convention closer to a large mining-related population, helping NWMA to expand attendance and participation our successful and respected convention. We have been successful in forging important partnerships in Reno and Nevada in general, and I wish to extend appreciation to the Nevada Mining Association, the Geological Society of Nevada (statewide), the Division of Minerals, and the Nevada Bureau of Mines and Geology for their offerings of assistance. It is through our collaborations that we will be able to design a convention that will benefit the mining industry in total.

Ann Carpenter

2006 NWMA Officers and Trustees

The Board of Trustees have elected the following officers for 2006:

- **President – Ann Carpenter**
Ann is President of **U.S. Gold Corporation** and has previously served NWMA as 2nd Vice President, 1st Vice President, and last year's convention chairman. She also is past president of the Women's Mining Coalition.
- **1st Vice President – Vicki Veltkamp**
Vicki is Vice President of Investor and Public Relations for **Hecla Mining Company**. She previously served the Association as 2nd Vice President and chaired NWMA's Membership Committee. Vicki received the 2005 NWMA Lyle Taylor Starters Award for her work with the Membership Committee.
- **2nd Vice President – Bill Orchow**

Bill is President and CEO of **Revett Minerals, Inc.** Bill is also a Trustee and was formerly President and CEO of **Kennecott Minerals**.

- **Treasurer – Jim Maronick**
Jim is Chief Financial Officer of **Solitario Resources Corp.** Jim is beginning his third year as NWMA's Treasurer.
- **Secretary – Joe Baird**
Joe is a Partner with **Baird, Hanson and Williams LLP** and begins his second year as Secretary.

Immediate Past President, **Llee Chapman**, Chief Administrative Officer, Ascendant Copper Corporation, rounds out the six person Executive Committee.

NWMA Trustees for 2006 are:

- Stephen Alferts**, President & CEO, NewWest Gold
- Frank Blair**, Senior Consultant, Applied Geoscience LLC
- Charlie Boddy**, VP Government Affairs, Usibelli Coal Mine, Inc.
- Mark Brown**, General Manager, Pend Oreille Operations, Teck Cominco American Inc.
- Michael Burnside**, Mineral Lands Consultant
- Robert Bush**, VP/Administration & H.R., Newmont Mining Corporation
- Sheila Bush**, Assistant General Counsel, J.R. Simplot Company
- David Caldwell**, Chief Geologist, Nevada Pacific Gold (U.S.), Inc.
- Ruth Carraher**, VP Project Development, Gold Summit Corp.
- Jim Chavis**, VP, U.S. Government Relations, Placer Dome America
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- Eric Edwards**, VP/ Finance & CFO, Queenstake Resources, Inc.
- Neil Eurick**, Manager, Business Development, Golder Associates, Inc.
- James Frank**, Chairman, Marathon PGM Corp.
- Clyde Gillespie**, Project/Environmental Manager, Buckhorn Mountain, Kinross Gold Corp.
- Greg Hahn**, President & CEO, Constellation Copper Corp.
- Adrian Jackman**, Sr. VP & CEO, Kennecott Minerals Co.
- Grant Newport**, Mgr. Mineral Resources, Weyerhaeuser Company
- Thomas Parker**, Executive VP, Anderson & Schwab, Inc.
- Jeffrey Parshley**, Principal Geologist, SRK Consulting
- Robert Russell**, President & CEO, Idaho General Mines, Inc.
- Peter Scott**, Attorney/Geologist, Preston, Gates & Ellis LLP
- James Taranik**, Dean, Mackay School of Earth Science & Engineering
- Lance Taylor**, President, Geotemps, Inc.
- Randy Weimer**, Environmental Manager, Stillwater Mine
- Eric Williams**, Partner, Environomics, Inc.
- Ted Wilton**, Executive VP & COO, Neutron Energy Company



NWMA Committee Chairs

NWMA President **Ann Carpenter** has appointed the following committee chairs and co-chairs. NWMA committees are open to all members. If you would like to serve on a committee, please contact the chair or co-chair, or Mike in the NWMA office (mheywood@nwma.org). Your participation enhances the effectiveness of our committees.

Abandoned Mine Lands Committee

Co-Chair: Jeff Parshley
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(Stan Dempsey...continued from page 1.)

As I snap back awake, I think to myself - the industry we are so lucky to be a part of really does face a challenge - how will we produce all of the minerals people want, cleanly and at low cost? How are we going to do what is required of us in a world that is experiencing such significant growth in places like China and India? What do we need to work with, and what help do we need from governments and international agencies?

CURRENT ISSUES

My thinking turns, of course, to immediate issues facing our industry. First, we have a shortage of qualified people. Where we are going to find engineers and miners? We face a critical labor shortage. In many parts of the world, including the U.S., expansion is being slowed by a lack of qualified workers - due partly to the specialized skills required for some mining jobs but also due to the larger problem of an aging work force. Carol Raulston, a senior vice president at the National Mining Association in Washington, said in a recent WSJ article, "We're seeing this bubble of workers who are now approaching their mid-50s and early 60s who will soon be leaving the work force, and there's not a similar bubble of workers coming in behind them."

Second, I ask where and how are we going to find new deposits for tomorrow's production? How can we apply cutting edge technology to our business?

Thirdly, I wonder how can we convince the public that mining is and can be conducted in an environmentally responsible manner? How can we show people the link between their daily lives and the need for increased mineral resources?

And fourth, how can we safely gain access to minerals in countries lacking free-market mechanisms and effective legal systems?

While there are no "quick fixes" in sight, there are some bright spots on the horizon. Here's where I think our industry stands as we rise to meet these challenges.

First a word about my perspective. As a sponsor of exploration plays and a royalty owner, I have a very direct involvement with explorers and miners, in both small and large companies. We are exposed to a lot of what is new in exploration and mining, and our technical royalty audits give us exposure to the details of current mining practices. So even though I don't "touch the ore" directly, I have a pretty good vantage point to see what's going on.

PEOPLE

First of all let's talk about people. For me, people are the key to a successful mine and industry. It is my observation that the public can feel pretty good about the people who provide minerals. People in our business are very competent technically and are enthusiastic about their work. The mining business in general is well lead. I can speak directly to that point for the gold sector. I serve on the Executive Committee of the World Gold Council, and have had a chance to see the CEO's of the world's largest firms roll up their sleeves and work together to get some remarkable results in gold marketing, including the new gold ETF and successful jewelry initiatives.

But, it is at the mine operator level that I am particularly impressed. The younger men and women I have been lucky to work with evidence strong ethical grounding and a willingness to work cooperatively with others, including the various counterparties and stakeholders that a modern miner has to deal with.

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I have been particularly impressed with operators cooperating in Nevada to move ore around the State to optimize the use of processing facilities. All kinds of innovative deals are being made to keep roasters and autoclaves full. These purchase or toll processing deals are complicated from a process point of view, environmentally, legally and commercially. But these folks tackle the problems with a "can do" attitude, getting the job done. As to stakeholders, operators are increasingly paying attention to their dealings with others. I appreciate arriving at a mine site as a royalty owner and being treated with respect as a stakeholder. And, I appreciate being dealt with openly and honestly. That's my experience with our operators. I admire the way operators deal with NGO's, with patience and civility, and candor. The Dale Carnegie approach of "winning friends and influencing people" really works for our industry.

PROFESSIONAL AND TRADE GROUPS

I would also observe that our professional and trade organizations are doing a particularly good job at the moment. Much of the structure of our industry is provided by private initiatives, not government mandates. Trade and professional organizations lead the way in this area of private regulation. SME, which as all manner of initiatives going, is well led by Barbara Filas, and MMSA has come off a remarkable period of activity with Mark Levier, and is now well led by Bob Schafer. They are just now getting organized to provide qualified persons for ore reserve estimates under the JORC Code and Canadian National Instrument 43-101. On that front, we have also been well served by the work of J.M. Rendu, and the late Norm Miskelly, on the important effort to harmonize ore reserve reporting standards worldwide. SEG is providing great professional development opportunities for explorationists. And the Rocky Mountain Mineral Law Foundation has never been in better shape.

Trade associations are also vital to mining. NMA has a new president, Kraig Naasz, and is working hard at the national level. Regional and state organizations, who struggled for meeting attendance and dues just a short time ago, are seeing much better times. Northwest, Alaska and Colorado mining associations are back in business, with recent meetings well attended. These groups are well led and ready to support the big increase in mining just ahead.

Our cultural organizations are also in good shape. The National Mining Hall of Fame and Museum in Leadville continues to thrive. The Mining Hall of Fame of the Southwest had a successful dinner just this past weekend. And the Mining History Association

(continued on next page)

continues to put on excellent meetings, and publishes an excellent journal. These organizations help us keep our history and traditions, making mining more than just a business.

EDUCATIONAL INITIATIVES

On the educational front, everyone knows that we have not been training enough miners or mining engineers. But despite all of the gloom and doom there are all manner of new initiatives on the part of mining educators to remedy this situation. Let me share some examples with you.

The mining program at the South Dakota School of Mines was terminated several years ago due to low enrollment. Foresighted industry executives came to the school's aid with seed capital to start a new program called "Mining Engineering and Management". With a new focus on business application, along with mining basics, the program is now flourishing.

The Mackay School of Earth Sciences and Engineering at the University of Nevada in Reno, under the leadership of Dr. Jim Taranik, recently launched a well-received graduate certificate program entitled "Risk and Opportunity Management." Designed for practicing industry professionals, this 15-credit program addresses the dual needs of business excellence and social responsibility in the mining industry.

And, in my home state, the Colorado School of Mines is proposing a new, degree entitled *Master of International Political Economy of Resources* to meet the increasingly multinational and global needs of mining and engineering executives. It's great that our educational institutions are responding to the needs of our industry. I would encourage you to support their efforts however you can.

And, there is some truth to the anecdotes we hear about every mining engineering graduate having multiple job offers, being offered generous salaries, and being employed the day he or she gets out of school. My guess is that the market will take care of our manpower problem. If we hire them, pay them well, and give them interesting and meaningful work to do, students will come back to mining. And if the government wants to do something useful it could send some money to mining schools.

EXPLORATION AND INNOVATION

Now, a few words about exploration. Royal Gold was built on the back of exploration success in Nevada. We continue to build a portfolio of exploration interests. Our investments involve strategic alliances, where we supply money, and the junior company puts up the mine finding know how. This is a modern grubstake. We are attracted to explorers who will try new ideas.

Many new developments in exploration involve better use of geologic data, particularly with computer support. We were impressed in 2001 when Rob McEwen, of Goldcorp, put all of his data for the Red Lake mine online and invited everyone in the world to tell him where ore occurs. As an incentive, they offered \$500,000 in prize money. That really is thinking outside of the box. The contest drew more than 1,400 participants. In a media interview, McEwen said that the contest participants generated over 110 exploration targets – 50% were new targets and 50% matched the targets they had already identified internally. And by the way, the first prize of \$95,000 was shared by Nick Archibald of Fractal-Graphics Ltd., and Vic Wall of Taylor Wall & Associates.

Another good example, which involves government innovation,

can be found in Australia where CSIRO is testing the potential for a new program called Minerals Down Under. If funded, this will be a 15 year research program with a goal of adding a trillion dollars to Australia's mineral reserves by developing ways of finding new ore and extracting currently uneconomic resources, in a sustainable manner.

I don't have a lot of time, so I will just say that there is also some pretty sophisticated work going on with equipment, mining methods, and process technology. A lot of this work is done by vendors. More thinking should be done on issues of patents and licensing, and how to reward inventors. And we might wonder whether we need to revive the research part of the U.S. Bureau of Mines.

ENVIRONMENT

Next on my industry assessment list is the environment. Environment is always about two things: real issues of mining impact, and political issues of land use. We really can build clean, safe mines. But we are plenty frustrated by political attacks on our right to mine. This is too big a subject to talk about today, but let me just opine optimistically that I think in the long run, if we do a good job, and talk about it more aggressively, the general public will side with us. Initiatives like the new International Cyanide Code show promise in getting ahead of issues. I don't think elites are going to fare very well in the coming era of greater competition for minerals.

MARKETS

And finally let me suggest that one big reason for the world's current economic leap forward comes from the widespread adoption of free market institutions, and liberalization of trade and competition policies. Probably equally important is greater adherence to the rule of law. Markets really do work, even in places like Russia and China. But they work best where they are supported by a legal system that provides transparency and equal justice for all.

The U.S. economy is, of course, the example. Despite some drags on its efficiency by grasping tort lawyers, and some regulatory constraints that are clearly anticompetitive or counterproductive, by and large the system works well, and anyone can become a successful player.

The World Bank has done a good job of promoting market mechanisms and transparency around the world, urging adoption of free market mining laws that make it possible for countries to unlock the value that has lain hidden away in undiscovered mineral deposits.

There is probably no better example of a free market mineral code than our General Mining Law, the Mining Law of 1872. Constantly modernized over the years by amendments and administrative and judicial decisions, that law provides the basic framework for one of the world's most successful mineral economies.

Our mining law is truly a model of a free market mineral tenure system. It allows anyone, big or small, to conduct the search for minerals - new wealth, and because the government isn't involved, the explorer is free to be as creative as he or she wishes in financing exploration and development. And ever since frontier era times, we have had court systems that fairly enforced a miner's rights.

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The free mining which came from the reward for discovery is a powerful incentive - it clearly works.

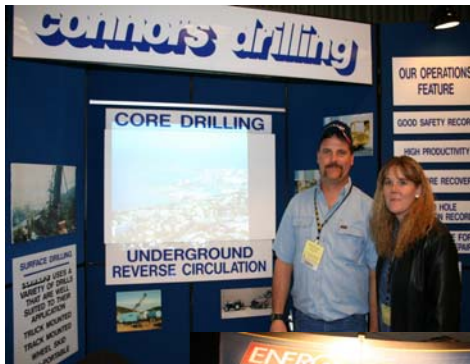
I often think that Russia would overnight become the world's leading gold producer if it adopted the 1872 mining law, and established an independent judiciary that would enforce the law fairly. Can you imagine what a gold rush that would start!

We tend to leave advocacy of free market and the rule of law to others. Groups like the World Bank, the American Enterprise Institute and Transparency International all deal with these matters. I suggest we pay a little more attention to these issues, both as miners and citizens.

Freedom will prevail, and our industry will prosper when we are free to do our best.

CONCLUSION

In closing, I'd like to say that I truly believe the opportunities outweigh the challenges in our industry, and that our private sector is well organized to produce minerals for the future. It's clear that we have many great folks who are working hard to ensure that the visionary headlines in my introductory comments won't come to pass. And I encourage all of you to speak up proudly on behalf of our industry. Wouldn't it be nice if everyone thought miners were the luckiest people in the world for getting to do what we do!



Retirement isn't what it used to be. Neither are retirement plans.

Retirement isn't what it used to be. Living a longer, more active and productive life means your retirement plan needs to work as hard as it can right now to help you have the lifestyle you envision. Call us, and together we'll determine if your plan is properly structured and allocated to position you to meet your financial goals in the years to come.

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2005 NWMA Awards

One of the highlights of the 2005 Annual Meeting was the Life Member/Past President/ Awards Reception on Tuesday evening sponsored by **Constellation Copper Corporation, Kinross Gold Corp. - Kettle River Operations, Newmont Mining Corporation, Placer Dome, Small Mine Development and Teck Cominco American, Inc.**



The 2005 Life Member Award was presented to **Ritch Hall**, CEO, **Metallica Resources**. Ritch is from Northport, Washington and has been active in the Northwest Mining Association for more than 25 years. Ritch has served Northwest Mining Association as a Trustee on three occasions (1987-1990, 1998-2000, 2003-2005) and served as NWMA president in 2002.

The 2005 President's Award went to two exhibitors and long-time NWMA supporters. The recipients were **The Northern Miner, Doug Donnelly**, Publisher and **The Mining Record, Don Howell**, Publisher.

For more than 90 years, The Northern Miner has established a journalistic reputation for always being "on the level." The Northern Miner and its publisher

Doug Donnelly have supported NWMA as an exhibitor, corporate member and sponsor for many years. NWMA's Annual Meeting was the focus of a Northern Miner supplement for years. Recently, The Northern Miner partnered with NWMA to create The Job Board – an internet service that connects candidates with employers.

The Mining Record is NWMA's oldest exhibitor. In existence for more than 100 years, The Mining Record covers hardrock mining throughout North and South America. Don has been an NWMA corporate member and supporter for more than 20 years.

The 2005 Environmental Excellence Award was presented to **Kinross Delamar Mining Company** for outstanding and innovative reclamation work at the Delamar Mine in Owyhee County, Idaho. Working closely with state and federal regulators, the company developed a unique approach to covering acid generating materials with an engineered cap designed specifically for the site using locally available low-permeability clays. The Environmental Excellence Award is given to individuals or companies where mining and reclamation activities have demonstrated a high-level commitment

"Statement of

The 2005 Lyle Taylor Vice President/Investor is currently NWMA's 1st appreciation for with new blood and fresh

The 2005 Platinum **Constellation Copper** persistence and constructing the Lisbon environmental baseline environmental group the mine, an IBLA stay lifted), the loss of project



gave up and in 2004, Greg sought and found project financing. The Lisbon Valley has been built and is about to make copper cathode and become the first new copper mine in the United States in more than 12 years. Greg and Constellation Copper continued to support NWMA throughout their struggles. Persistence and determination describe Constellation Copper and Greg Hahn.

The final award presented this year was the 2005 Distinguished Service Award to **Stan Dempsey**, Chairman and CEO of **Royal Gold Corporation**. Stan has served the mining industry for more than 30 years. He held various engineering, legal and operating positions with AMAX. He was AMAX's first director of environmental affairs. He is one of the most knowledgeable mining lawyers in the country and was instrumental in providing industry input to the U.S. Forest Service's Surface Management Regulations. Stan has chaired the Public Lands Committee for the American Mining Congress and the National Mining Association. He is a past chairman of the Colorado Mining Association and past president of the Rocky Mountain Mineral Law Foundation. He served NWMA as a trustee from 2001-2002.



to the principles embodied in NWMA's *Environmental Principles.*"

Starters Award was presented to **Vicki Veltkamp**, & Public Relations, **Hecla Mining Company**. Vicki Vice President. She received the award in rejuvenating NWMA's Membership Committee ideas.

Award for Corporate Excellence went to **Corporation, Greg Hahn**, President & CEO for determination in successfully permitting and Valley, Utah Copper Mine. Beginning in 1991 with studies, the Lisbon Valley Mine has survived opposition, attempts by Secretary Babbitt to stop that was based on illegal bonding regulations (later financing due to low copper prices. Greg never

In Case You Missed It...

Northwest Mining Association's 111th Annual Meeting was a resounding success. Convention Chair **Ann Carpenter** and her Co-Chair **Corby Anderson** put together an outstanding short course and technical session program that received rave reviews from the attendees. .

All of the short courses were outstanding. The most popular short course was the 1-1/2 day Uranium Symposium and field trip to the Midnite Mine. Chairs **Ted Wilton** and **George Byers** had 60+ in attendance. The good news is Uranium II is in the works for Reno!

From the Awards Reception on Tuesday night to the close of the Exhibit Halls on Friday, the atmosphere was one of upbeat enthusiasm. It was sure nice to see a smile on so many faces.

Among the 1,200 attendees was a buzz not heard in the halls of NWMA for quite a few years. This year's 18 technical sessions hosted 112 presentations that, in many cases played to a standing

room only crowd. 2006 Convention Chair Corby Anderson has already begun to plan this year's Technical Program and line up the Short Courses. Although December's program will be a hard act to follow, we know you can do it Corb!

Our 112 exhibitors made the best of a crowded/split level situation and reportedly had a **GREAT** show. The good news is that

everyone will be on one floor in one hall in Reno and when we return to Spokane in 2007, we will be in the new convention center. We are anxious for them to "pick their spots" for Reno where we plan to pack the Rose Ballroom of John Ascuaga's Nugget and fill 150 exhibit spaces with the industry's finest companies, vendor, suppliers, consultants and schools.

Our guest speakers, U.S. Senator Larry Craig, and Stan Dempsey, spoke to sold-out luncheon crowds. Alumni night was a popular event again this year. MC George Byers was the hit of the evening and has been officially nominated to take his place at the podium this year.

Steve Craig led one of the most well attended Prospector Poetry readings in years.



The staff would like to thank Ann, Corby, all of the session chairs, short course organizers, speakers, exhibitors and attendees for making the 2005 Annual Meeting a huge success. We appreciate your hard work and support.

Exhibitors pick your space, attendees mark your calendar and plan to attend. Don't let NWMA's 2006 annual meeting debut in Reno pass you by. **Remember - December 4-8, 2006, John Ascuaga's Nugget, Sparks, Nevada. We look forward to seeing all of you at the Nugget!**



Prospectors Poetry Session

Poetry of the prospector's soul, his visions of wealth, the stories of hard work through the toil, and his achievement of reaching the hidden treasures were presented in the 12th annual Poetry Session during the 111th anniversary of the NWMA Convention. This session brings together the gentler and reflective aspects of the exploration and mining industries as our members put their thoughts into prose that nearly rivals the great Alaskan Robert Service.

Steve Craig led this year's session with an audience that both enjoyed the words of their friends or individually volunteered to recite their poems. Every poem and presentation was received with enthusiasm, and all who attended enjoyed the event immensely.

As an example of some of the poems presented is the following partially excerpted poem:

You've heard the yarns of gold and such,
But nowhere have I seen,
That look upon the face of those,
When excited by its gleam.

The feeling that comes over you,
When gold is spotted in the dish,
It puts a grin upon your face,
It fulfils your every wish.

It is never too early to plan next year's event, and the Association would hope that its members put into word and prose the things that interest them, and be ready to present their poetic creations at the 2006 Convention in Reno. We will see you then!!



NWMA Welcomes New Members ...

New Corporate Members (Includes Primary & Secondary)

- ATKINSON CONSTRUCTION, *Heavy Construction, Lakewood, CO*
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- FREEGOLD VENTURES LIMITED, *Mining Company, Vancouver, BC, Canada*
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- GEOMATRIX, *Engineering, Geological & Environmental Consultants, Helena, MT*
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- GUSTAVSON ASSOCIATES, LLC, *Engineers - Consultants, Boulder, CO*
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- HOLLAND & HART LLP, *Legal Services, Boise, ID*
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- JOHNSON MATTHEY, INC., *Refining Services, Salt Lake City, UT*
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- KOBEX RESOURCES, LTD., *Mining Company, Vancouver, BC, Canada*
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- L & M RADIATOR, INC., *Manufacture Radiators for Large Equipment, HIBBING, NM*
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- MOSQUITO CONSOLIDATED GOLD MINES LIMITED, *Mining Company, Vancouver, BC, Canada*
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- NORTHERN DYNASTY MINERALS LTD., *Mining Company, Vancouver, BC, Canada*
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- QUADRA MINING LTD., *Mining Company, Vancouver, BC, Canada*
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- STRATHMORE MINERALS CORP., *Mining Company, Kelowna, BC, Canada*
BOB HEMMERLING DAVID MILLER
- TELESTO SOLUTIONS, INC., *Engineering & Environmental Consultants, Fort Collins, CO*
CONRAD PARRISH BARRY CARLSON
- THE GALLATIN GROUP, *Public Affairs Consulting, Spokane, WA*
CHRIS CARLSON JEFFREY BELL
- TIMERLINE RESOURCES CORPORATION, *Mining Company, Spokane, WA*
STEPHEN GROSS JOHN SWALLOW



New Individual Members

- CLAYR ALEXANDER, *Big Timber, MT*
- STACEY ANDERSON, *Coeur d'Alene, ID*
- WAYNE BAKER, *Twin Falls, ID*
- RONALD BELL, *Golden, CO*
- ELAINE BENNETT, *North Vancouver, BC, Canada*
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- WILLIAM BIEBER, *Anchorage, AK*
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- WILLIAM BOBERG, *Englewood, CO*
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- BOB BUSH, *Denver, CO*
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- LISA CARNEY, *Cataldo, ID*
- LINDA CARON, *Grand Forks, BC, Canada*
- RAY CARR, *Butte, MT*

(Continued on next page)



New Individual Members... (Continued)

BOB CASSINELLI, Lovelock, NV
BRUCE CLARK, Troy, MT
JEFF CLARK, Newman Lake, WA
AL CLOUGH, Juneau, AK
PETER COOPER, Republic, WA
BECKY CORIGLIANO, Reno, NV
ROD CYMBALUK, Elko, NV
NICK DALY, Butte, MT
SONIA DAVIDSON, Eugene, OR
BRIGITTE DEJOU, Spokane, WA
JOHN DILLES, Corvallis, OR
PETER DOLPH, Denver, CO
DAVE DONALD, Houston, TX
WARREN DUNBAR, Metaline Falls, WA
ROB DUNCAN, Vancouver, BC, Canada

ERIC EDWARDS, Denver, CO
GREG EKINS, Reno, NV
LINDA ERDMAN, North Vancouver, BC,
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LARRY ERICKSON, Troy, MT
THOMAS ERWIN, Reno, NV
TROY ERWIN, Vaughn, OR
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DEREK FEEBACK, Troy, MT
CAMEO FLOOD, Missoula, MT
STAN FOO, Anchorage, AK
RUSS FRANKLIN, Salt Lake City, UT
JAMES FUEG, Anchorage, AK

MARTIN GALLON, Toronto, ON
GEOFFREY GARCIA, Merlin, OR
DALE GIACOMINO, Butte, MT
GEOFF GOODALL, North Vancouver, BC,
Canada
ALLEN GORDON, Lakewood, CO
JERRY GRAY, Albany, OR
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AL KNITTER, Spokane, WA
RENEE KOCKLER, Basin, MT
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PAUL KUKAY, Troy, MT
PETER KURISOO, Missoula, MT

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KEN LAMBERTSEN, Anchorage, AK
STEVE LAPPIN, Grand Junction, CO
JOSEPH LARAVIE, Spring Creek, NV
RON LARGENT, Greenwood Village, CO
LARRY LAWTON, Centralia, WA
MICHELE LEFEBVRE, Reno, NV
ERIK LINDSTROM, Coeur d'Alene, ID
CARLA INGRAM LUDWIG, Coeur d'Alene, ID
MARK LUDWIG, Coeur d'Alene, ID

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STEPHEN MARTIN, Bothell, WA
TERRY MASSOTH, Sandy, UT
CLAY MATHERS, Albuquerque, NM
JOHN MAY, Republic, WA
KYLE MCCLAY, Vancouver, BC
EVERETT MCGREGOR, Fruita, CO
JOHN MEARS, Tucson, AZ
DAN MEYER, Kellogg, ID
DOUG MILLER, Troy, MT
PAUL MIRANDA, Butte, MT
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JAMES MOORE, Spokane, WA
ALLAN MORAN, Tucson, AZ

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SHAWN TWITCHELL, Salt Lake City, UT

DANIEL VAUGHN, Pierce, ID
RANDY VRANES, Soda Springs, ID

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Canada
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TODD WHITACRE, La Grande, OR
RALPH WILLCOX, Otis Orchards, WA
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NANCY WOLVERSON, St. Louis, MO
DOUGLAS WOOD, Washhoe Valley, NV

MARK ZIMMERER, Salt Lake City, UT



COMMITTEE REPORTS

ENVIRONMENTAL ISSUES

Co-Chair: Randy Weimer, Stillwater Mine

Co-Chair: Joe Baird, Baird-Hanson-Williams LLP

NEPA Task Force Issues Report and Recommendations

The House Resources Committee Task Force on Improving and Updating the National Environmental Policy Act, chaired by Washington Congresswoman Cathy McMorris (R-WA 5), issued its Initial Findings and Draft Recommendations on December 21.

The findings summarize the testimony received at the various hearings held throughout the country and the comments received from those who did not testify. The testimony and comments reveal that there are two distinct views of the NEPA process. The first is that the status quo is adequate (environmental and obstructionist groups). The other perspective is that NEPA could use improvement and updating. This opinion was offered by federal agencies, tribal representatives, state and local government representatives, NEPA practitioners, project proponents and some citizen groups. The report found that most NEPA delays are based on litigation which in turn creates larger NEPA documents, which in turn leads to more delays and increased costs. The initial report sets forth 22 recommendations based on the testimony and comments. The draft recommendations are grouped to address the major issues presented to the Task Force as follows:

- Addressing delays in the process
- Enhancing public participation
- Better involvement for state, local and tribal stakeholders
- Addressing litigation issues
- Clarifying alternative analysis under NEPA
- Better federal agency coordination
- Additional authority for the Council of Environmental Quality
- Clarifying the meaning of cumulative impacts, and
- Studies

The Initial Findings and Draft Recommendations can be found on the NEPA Task Force website at www.resourcescommittee.house.gov/nepataskforce/report/nepareport_finaldraft.ddf

Comments are due February 6, 2006 by emailing the Task Force at nepataskforce@mail.house.gov. Late comments will not be considered.

NWMA's Environmental Issues and Public Lands Committee have been working on NWMA's comments. Those comments will be posted on the NWMA website on Monday, February 6, 2006.

NWMA's comments are focusing on the need to reaffirm the procedural intent of NEPA to ensure that NEPA cannot be used to deny or condition a project that otherwise complies with all environmental laws and regulations; to reform the public participation process to bring accountability to the process and

require anyone appealing a Record of Decision to post bond to cover the damages incurred if the appeal fails; to put limits on the size of NEPA documents and to utilize mandatory timelines for the completion of NEPA documents. NWMA also is focusing on EPA's role in the NEPA process, a role that needs to be re-evaluated or even eliminated in some cases.

MINING LAW

Co-Chair: Steve Alfers, NewWest Gold, Inc.

Co-Chair: Mike Burnside, Mineral Lands Consultant

Gibbons/Pombo Mining Law Provisions Pulled From Deficit Reduction Act

On December 13, Congressman Jim Gibbons, Chairman of the House Energy and Mineral Resources Subcommittee and Senator Larry Craig, Chairman of the Energy and Natural Resource Subcommittee on Public Lands and Natural Forests pulled important provisions amending the Mining Law from the House passed Deficit Reduction Act because of significant procedural concerns raised by the Senate Budget Committee and Senate Parliamentarian.

The Gibbons/Pombo mining provisions in the House Budget Deficit Reduction Act would have lifted the patent moratorium and increased the per acre price to \$1,000 per acre or fair market value, whichever is higher; allowed for the direct sale of "mineral development lands" for \$1,000 per acre or fair market value, whichever is higher; restructured the claim maintenance fee and location fee to encourage exploration; provided two alternative validity tests to the discovery of a valuable mineral deposit; and provided that the payment of the location fee and claim maintenance fee and proper recordation gives one all rights to use and occupy a mining claim guaranteed under the Mining Law.

As the result of a very effective misinformation campaign by anti-mining groups, several western senators and representatives, normally strong supporters of the mining industry, raised questions concerning the direct sale provision.

After the provisions passed the House of Representatives, it became evident that the direct sale provisions were not going to be acceptable to a majority of U.S. senators. Subcommittee Chairman Gibbons, working with Senator Craig, agreed to remove the direct sale language from the provisions that passed the House of Representatives. After extensive negotiations with the Senate Budget Committee, it became clear that the integrity of the Mining Law modernization amendments could not be maintained while also complying with Senate rules for the Budget Reconciliation process.

Both Representative Gibbons and Senator Craig issued statements indicating their disappointment, but emphasizing their intent to work with each other to make necessary improvements in the Mining Law and address the needs of the domestic mining industry.

This is as close as the industry has come to enacting important and reasonable amendments to the Mining Law since 1995. NWMA led the mining industry effort to garner support for these



COMMITTEE REPORTS... (Cont'd.)

important provisions. NWMA looks forward to working with Senator Craig and Representative Gibbons in 2006.

PUBLIC LANDS

Co-Chair: Ted Wilton, Neutron Energy

Co-Chair: Bob Russel, Idaho General Mines

BLM Releases FY 2005 Mining Claim Statistics

According to the Bureau of Land Management (BLM), 57,494 new mining claims were filed in FY 2005 (10/1/2004 – 9/30/2005). More than half of the new claims filed were in Nevada (29,388) with more than 7,500 new claims filed each in Utah and Wyoming. There also were 5,404 small miner waivers filed covering 18,790 claims. The total number of mining claims on file as of September 30, 2005 was 220,281 of which 72,317 are in Nevada.

Ten years earlier, in FY 1995, 35,275 new claims were filed and 28,702 claims were held by 6,130 small miner waivers for a total of 297,103 claims. While there was a 62% increase in the number of new claims filed from 1995 to 2005, the total number of mining claims on BLM managed land fell by 26%.

The impact of I-137 and other anti-mining efforts in Montana is evident from a comparison of the FY 1995 mining claim statistics with the FY 2005 statistics. In 1995, Montana had 3,075 new claims, almost 9% of the new claims, and 20,665 total claims. In FY 2005, only 838 new claims were located in Montana (fewer than Oregon) and only 9,022 were held at the end of FY 2005.

The total claim maintenance fees paid in FY 2005 (including the \$30 per new claim location fee), was \$32,572,695. And BLM says they need cost recovery from the mining industry ... what, pray tell, do they do with \$32 million?

STATE REPORTS

MONTANA

NWMA Files Comments on Montana Board of Environmental Review Rulemaking

The leading anti-mining obstructionist group in Montana, The Montana Environmental Information Center (MEIC), filed a proposal with the Montana Board of Environmental Review (BER) to amend the operating permit requirements of Montana's Metal Mining Law. The proposed amendment would require project proponents to "conclusively demonstrate" that within two years after the last ore is extracted, the mine will be reclaimed to meet all Montana water quality standards without active or passive water treatment within two years. This is MEIC's latest attempt to ban all future mining in Montana. First there was I-122 (the so-called Clean Water Initiative) that was defeated at the ballot box in 1996. Then came I-137, the cyanide ban which passed in 1998. While I-137 does not technically ban the use of cyanide, it does prohibit the use of cyanide in all open-pit precious metal mines (gold and silver).

Now comes the not-so-thinly-veiled attempt by MEIC to end all future mining in Montana. The BER has held two hearings,

STATE REPORTS... (Cont.d)

MONTANA... (Continued)

one in Boulder, Montana and the other in Fort Belknap. Industry made a very strong showing at the Boulder, Montana hearing and MEIC and their followers and the Fort Belknap tribe dominated the hearing at Fort Belknap.

NWMA has been actively supporting the Montana Mining Association in its efforts to defeat MEIC's proposal. NWMA filed a detailed comment letter which can be accessed on the NWMA website at www.nwma.org/issues.asp under Issues. Several NWMA members, including **Mike Burnside, Lisa Kirk, Corby Anderson, Tammy Johnson, Eric Williams and Debbie Struhsacker** assisted in the preparation of NWMA's comments.

NWMA's comments provided the technical evidence to support our assertion that it was impossible for any mine to meet the standard contained in the proposed rule.

MEIC's proposal is not limited to new mines. It also would apply to any amendments or expansions at current operating mines. Sensing that this might cause the BER to vote against the proposal, MEIC has amended their proposal. Following the Fort Belknap hearing, MEIC amended the proposal by changing the words "conclusively demonstrate" to "clear and convincing evidence" (a legal standard); and by grandfathering all amendments and expansions of existing operating mines that have an existing operating permit. So much for MEIC's claim that this rule was to prevent long-term pollution of Montana waters by prohibiting perpetual water treatment. This amendment shows that MEIC is not concerned about Montana's water quality, only stopping new mining projects, and in particular the Rock Creek Project and the Montanore Project in western Montana.

The BER has extended the comment period to March 7, 2006. NWMA is continuing to work to defeat the proposal and will be filing a second set of comments on the proposed rule as amended.

Revett Minerals Undertakes Aggressive Public Information Program

Revett Minerals Inc. is conducting an aggressive public information program to educate local, regional and national stakeholders, correct public misconceptions and explain the economic benefits and environmental standards of the Rock Creek Mine. The company decided to undertake this effort to correct the gross misinformation about the mine that had been disseminated over the years by anti-development organizations such as Earthworks (formerly Mineral Policy Center).

Revett first hired an independent polling organization to gauge the public's perception of mining, the economy, and the public's knowledge of the Rock Creek project. The opinion survey concentrated on counties around the mine in western Montana and northern Idaho with a particular emphasis on two counties in northern Idaho.

In general, the results were very positive. A majority of people recognize the significant economic benefits if the Rock Creek Mine was to be placed in operation. In addition, the public believed a responsible company could operate the mine in a manner that



STATE REPORTS... (Cont.d)

MONTANA... (Continued)

(NWMA files comments...Continued)

was environmentally sound with no impact on the region's fish and wildlife.

Subsequent to the survey, Revett has hosted a tour of the existing Troy Mine and the proposed Rock Creek site for a number of legislators and concerned citizens from Idaho.

In November 2005, Revett began running a series of editorial advertisements in key Idaho and Montana newspapers aimed at correcting inaccurate information distributed by certain groups opposed to the Rock Creek project. These advertisements are focusing (1) on the extensive mitigation measures Revett has agreed to aid the USFWS in its efforts to stabilize and increase grizzly bear population; (2) the company's commitment to the principles of sustainable development; and, (3) to correct misconceptions about the quality of the water that will be treated and discharged during operations.

In addition, Revett's senior management has had numerous one-on-one meetings with key regulators at the local, state and national levels to explain the truth about the Rock Creek project.

Recognizing the importance of involving local stakeholders in the development of the mine, Revett is in the process of establishing a Good Neighbor Agreement with surrounding communities which will create a process for these communities to have input into decisions about the mine's development.



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NWMA'S CALENDAR OF UPCOMING EVENTS

FEBRUARY 2006

Feb 7-9: **108th National Western Mining Conference & Exhibition**, Colorado Mining Association, to be held at the Hyatt Regency Denver, Denver, CO. For more information contact Stuart Sanderson (303) 575-9199, or e-mail: colomine@coloradomining.org, or visit www.coloradomining.org

Feb 24: **NWMA Trustee Meeting** to be held at the Ranada Inn-Spokane Airport, 8:00 am. Members Welcome. For information, contact Kathy Wilson at (509) 624-1158, ext. 15, or email: kwilson@nwma.org.



MARCH 2006

March 5-8: **PDAC 2006**, International Convention, Trade Show & Investors Exchange Mining Investment Show, Toronto, ON, Canada. Phone (416) 362-1969 or visit www.pdac.ca

March 13-16: **Alaska Miners Association 20th Fairbanks Biennial Conference**, Arctic International Mining Symposium, Westmark Fairbanks Hotel & Conference Center, Fairbanks, AK. Phone (907) 374-0858 or e-mail: wonderwoman1@gci.net.

March 27-29: **SME Annual Meeting and Exhibit**, America's Center, St. Louis, MO. Phone (303) 973-9550 or visit www.smenet.org for more information.

MAY 2006

May 14-17: **CIM Conference and Exhibition**, Vancouver Convention & Exhibition Centre, Vancouver, BC, Canada. Call Jean-Marc Demers (514) 939-2710 ext. 1314, e-mail: jmdemers@cim.org, or visit www.cim.org.

JUNE 2006

June 8-9: **21st Annual Mining Expo**, Elko, NV. Contact Elko Convention & Visitors Authority, 700 Moren Way, Elko, NV. Phone (775) 738-4091, or visit www.elkocva.com.

DECEMBER 2006

Dec 4-8: Northwest Mining Association's 112th Annual Meeting, Exposition & Short Courses. John Ascuaga's Nugget, Reno, Nevada USA. Information: Pat Heywood - pheywood@nwma.org, or call (509) 624-1158 ext. 11. NWMA Website: www.nwma.org



If you have an event you would like to see posted on our website or added to our Bulletin Calendar of Events please contact Kathy Wilson at NWMA.
Phone (509) 624-1158 X 15, or E-mail kwilson@nwma.org.

