

BULLETIN

Northwest Mining Association

SEPTEMBER 2003

It's Our Turn, Growth Companies in Action

Steven D. Craig, VP, Golden Phoenix Minerals, Inc.

Northwest Mining Association is proud to present the second annual session on Growth Companies at its December 2003 Convention. With gold prices continuing to show remarkable strength from its historic low of \$258 per ounce from April 2001, numerous mining and exploration companies are experiencing unprecedented strong growth and new success after many years of just getting by. And, this growth will continue to strengthen these companies. This is truly the Golden Era of Growth Companies as gold prices move upward, new projects are explored and mining with a strong profit generates new enthusiasm for additional growth.

The session is scheduled for Wednesday, December 3, and will have eleven companies discussing their organization's management, corporate philosophy and strategy for growth, share performance and balance sheet, and broad portfolio of exciting exploration and mining properties. This format was well received during last year's first run of this session at the Annual Convention. Every company has something for everyone attending the Convention, whether it is an overview of their ore deposits or exploration targets, investor appeal due to superior management, or the inside story for success and growth now and in the future.

Three companies have been invited back to speak because of their excellent record of performance from last year. The first is Nova Gold Resources, which comes off an incredible year with the world-class Donlin Creek Project posting huge gold reserves and then being carried by Placer Dome's renewed interest in the project. Nova further plans to become a gold producer in Alaska. The other two companies are Coeur d'Alene Mines, which has reported record silver production and has new mines in operation, and Hecla Mining, which has a new CEO, a strong balance sheet and new projects underway. Other high performance companies that we will hear from include Apollo Gold and their return to profitability, Glamis Gold as they move toward being a major gold producer, and Golden Star Resources with new production in Africa and projects in South America. Metallica Resources will discuss their activities in Latin America with plans to be a producer, and New West Gold will discuss their status as a new spin off of the private but previously successful Western States Mining. Royal Gold will overview their phenomenal increase in share price resulting from holding some very valuable royalties over some major Nevada gold mines. Tone Resources is a newly incorporated start up Nevada exploration company, so we will hear their enthusiasm and plans for growth in this new golden era.

Every company has an exciting story to tell, and you don't want to miss a single presentation. This is the best way for any person attending the convention to get a real flavor of where the mining and exploration industry is going as gold prices continue to improve. Sign up today, and see you in December.

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President's Corner ...

Greg Hahn, Constellation Copper Corporation

NWMA Trustees Tour AngloGold's Cripple Creek Gold Mine Operation

A group of Trustees and Executive Committee members toured the Cripple Creek & Victor gold mine operation in Victor, Colorado on July 31, 2003 the day before the August 1, 2003 Trustee meeting in Denver, Colorado. The mine is 67% owned and operated by AngloGold; Golden Cycle Gold Corporation owns the remaining 33% interest. The tour was led by Tim Brown, Senior Exploration Geologist and Scott Lawson, Manager, Human Resources. Don Birak, AngloGold's Vice President-Exploration for North America and a Trustee of NWMA accompanied the tour.

The Cripple Creek district has produced +23 million ounces of gold historically. The current Cripple Creek operation produces ore from 2 main pits on the property. All of the mine production is derived from a Tertiary-aged alkaline igneous complex of extrusive and intrusive rocks, associated diatreme breccias and moat-fill sediments. The property carries a current reserve of over 4.3 million ounces. An ongoing and aggressive exploration program is geared towards increasing this reserve.

The Cripple Creek & Victor operation recently underwent a \$194 million expansion to increase the mine throughput rate and gold production. The new mining fleet consists primarily of Euclid 300-ton haul trucks loaded by Hitachi hydraulic shovels with 39-yard (50-ton) buckets. The expansion also included rerouting and upgrading a portion of state highway 67 and a new bridge. The mine processes nominally 60,000 tonnes per day through an 87-in. gyratory crusher, and three standard cones to -3/4 inch final product. The final crush product is trucked to the leach pad for cyanide leaching.

The gold-bearing pregnant leach solution is processed by carbon columns in a counter-current decantation circuit, processing nominally 13,000 gallons per minute. Gold is stripped from the carbon by a strong caustic solution, and is electrowon onto steel wool prior to melting and casting as gold buttons. Gold production with the expansion is anticipated at approximately 400,000 ounces annually at peak capacity, extending the life of mine through 2015. Cash costs of production at Cripple Creek for the second quarter of 2003 averaged \$188/oz. (AngloGold July 31, 2003 quarterly report).

Over lunch, Dave Vardiman, Manager Exploration for the Cripple Creek operation, discussed CC&V's implementation of a voice-recognition logging system, graphical data modeling, and other innovations which have streamlined exploration data handling. These improvements permit CC&V geologists to record data directly into its database and model that information interactively in 3 dimensions.

The Cripple Creek operation is located just a mile outside of the old mining town of Victor, where the operations' head office is located. AngloGold has made commitment to the local communities of Victor and Cripple Creek and the environment a priority in their operation, and enjoys the support of the communities as a result of the company's proactive approach to community relations.

Crown Resources Corp. Announces Buckhorn Mountain Project

NWMA corporate member **Crown Resources Corp.** has filed a Plan of Operations with Washington State's Department of Ecology and the U.S. Forest Service to build an underground mine to remove gold from underneath Buckhorn Mountain in Okanogan County, Washington. The innovative plan was developed after nearly two years of engineering and careful environmental review. The plan describes a 1,500 ton per day underground mining and milling operation.

The plan replaces the open pit plan of Battle Mountain Gold Company, which was met with severe opposition and a more than ten year permitting process. After Newmont Gold Company acquired Battle Mountain, Newmont abandoned the project and returned it to Crown Resources.

The underground mine plan targets 1.4 million ounces of gold and will have significantly less impact on the environment than Battle Mountain's open pit plan. Total surface disturbance area is reduced by 83%; surface impact to public lands is reduced by 97%; there will be no permanent surface waste rock disposal as all waste rock will be backfilled; life of mine water usage will be reduced by 78%; total tailing disposal facility area will be reduced by 49%; permanent mined area impact will be reduced by 49%; there will be no post-mining water discharge; no permanent loss of active steambed and no wetlands destruction.

Crown expects to hire 150 full-time workers. The plan envisions an annual payroll of approximately \$6.5 million. The mine will generate \$3 million in annual state and local tax revenues and is estimated to have a 10 year life. The filing of the Plan of Operations is exciting news for Okanogan County. The county has one of Washington State's highest unemployment levels.

Congratulations to Chris Herald, Walt Hunt, and the entire Crown Resources team. Gold mining is alive and well in the Northwest!

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WWW.NWMA.ORG**

NWMA Holds Mining 101 Short Course for Army Corps of Engineers RAMS Program

On September 9, 10 and 11, several NWMA members joined Executive Director Laura Skaer to present a three-day “Mining 101” short course to the Army Corps of Engineers RAMS Program personnel in Butte, Montana. The short course consisted of two days of classroom training followed by a tour of Placer Dome’s Golden Sunlight Mine near Whitehall, Montana.

The ACoE RAMS Program was authorized and funded in 1999. The program is a non-traditional stakeholder approach to abandoned mine land cleanup. The program positions the Corps to act not as the lead, but as an equal partner at most abandoned mine sites while it supports activities and priorities set by federal, state, tribal and other entities.

The RAMS Program reorganized the Corps’ environmental service capabilities to more efficiently partner with existing federal and state AML programs and their missions to protect and restore water resources and related ecosystems impacted by past mining practices. The RAMS Program utilizes environmental Corps authorities to provide technical, planning and design assistance to federal and non-federal interests in carrying out projects to address water quality problems caused by drainage and related activities from abandoned and inactive non-coal mines. In addition, the research component of the program is designed to provide applied engineering and scientific support to ensure efficient and cost-effective projects that will assist in restoring and protecting streams, rivers, wetlands, other water bodies, and riparian areas impacted by past mining practices.

Since 1999, the RAMS Program has partnered with over 20 different federal, state, tribal and non-profit entities to provide planning, database technical studies and design support for 68 projects in 11 western states.

Northwest Mining Association has been closely associated with the RAMS Program since its inception. The RAMS Program has been a corporate member since 2000 and an exhibitor at our Annual Meeting & Exposition.

Last summer, NWMA Executive Director Laura Skaer was approached by RAMS Program lead Mark Cowan with a need to provide basic mining education and training to the Corps personnel working in the RAMS Program. The RAMS Program had identified its organizational lack of knowledge regarding basic mining principles and terminology as an impediment to the program meeting its project execution goals.

The RAMS Program approached NWMA to provide this education and training because it recognized that the strength of NWMA is in the diverse expertise of its members, and that the Association is recognized as an innovative and proactive leader in addressing the needs of an increasingly global mining industry. After a series of negotiations, a contract was signed and an Army Corps of Engineers purchase order issued on June 27, 2003.

Several NWMA members volunteered to prepare and present talks at the short course. In addition, NWMA corporate member Teck Cominco American hosted a prime rib dinner Tuesday night.

Subjects covered at the short course were, Society and Minerals - - What We Mine and Why by NWMA Trustee **Ann Carpenter**; A Primer on General Geology by Robin McCullough, Staff Mining Engineer, Montana Bureau of Mines & Geology; A Primer on

Ore Deposits, The History and Geology of the Butte (Summit Valley) Mining District and Maps and Mine Geology by NWMA Trustee **Mike McClave**.

Ann Carpenter and **George Byers**, Government and Public Affairs Consultant, gave a presentation on Mining and Sustainable Development, which focused on mining’s role in creating sustainable communities and the fact that the mining industry had been engaged in what is now called Sustainable Development since the 1970’s. That session was followed by a presentation on the elements of the Mining Law by NWMA Secretary **Alan Joscelyn, Gough, Shanahan, Johnson and Waterman**, and a presentation on Mineral Economics by **John Brower**, Professor, Montana Tech.

Day two began with a talk on The Elements of Metallurgy and Milling by NWMA Trustee **Corby Anderson**, CAMP. Corby’s talk was followed by a presentation by NWMA Trustees **Mark Blakely, Ledcor Industries**, and **Ron Guill, Small Mine Development** on The Basic Elements of Open Pit and Underground Mining. **Lisa Kirk, MAXIM Technologies**, covered the environmental impacts of mining operations, an overview of environmental regulation of mining (NEPA, the 3809 and 228A Regulations), and water quality issues utilizing case studies. Her talk also included a comparison of past practices with current practices. Tom Phillips, **Smith River Environmental Consulting**, spoke about post-mining impacts and ranking/prioritizing AML sites. Alan Coyner, Minerals Administrator, State of Nevada, gave a talk on Understanding Key AML Stakeholders, and NWMA Executive Director Laura Skaer closed the program with a presentation on The Politics and Legal Issues Surrounding Abandoned Mine Land Cleanup, including the Clean Water Act, CIRCLA (Superfund) and the need for a Good Samaritan Act.

On Wednesday night, the group joined the Montana Mining Association for their annual seafood buffet held at the World Museum of Mining.

On Thursday, September 11, under the leadership of Ron Guill and Golden Sunlight Mine Chief Engineer Paul Buckley, the RAMS personnel were treated to an outstanding tour of the Golden Sunlight Mine that included going underground, a tour of the crushing, milling and refining circuit, and an overview of the outstanding reclamation progress at the mine.

The conference was a huge success. The talks were outstanding and feedback from the Corps has been very positive. The conference provided an opportunity for industry and the Corps RAMS Program to interact. The RAMS Program is a non-regulatory program and the Corps employees have a very positive attitude toward industry and the role they can plan in Abandoned Mine Land cleanup. They displayed an attitude of, “We have some statutory authorities, some technical and engineering expertise, and some money, how can we help?” Given industry’s experience with the EPA and the Corps Section 404 permitting, this is a welcomed and refreshing approach.

This is a program industry should get behind and support reauthorization and additional funding. For more information on the RAMS Program visit the RAMS website at <http://www.nwo.usace.army.mil/html/rams/rams.html>. or call Laura at the NWMA office.

Alan Berger to Speak at NWMA Convention

Alan Berger, Associate Professor, Harvard University Graduate School of Design, will be the featured luncheon speaker on Thursday, December 4 at NWMA's 109th Annual Meeting & Exposition. Alan is the photographer and author of an outstanding book on mined land reclamation entitled, "Reclaiming the American West."

Using aerial photography, mappings, designs, charts and analysis, he provides a colorful and insightful overview of the possibilities offered by converting these altered landscapes. *Reclaiming the American West* covers the history, policy, technical and design challenges presented by these landscapes of extraordinary beauty. In addition, the book gives an unprecedented advantage point above the sublime landscapes of the American west.

Alan's presentation will feature slides of some fascinating aerial photography of producing and abandoned mines, as well as a 22 piece exhibit of his work. Alan's work has been shown in numerous art galleries, universities and at Denver International Airport.

Alan's book was circulated at the last NWMA Trustee meeting and received rave reviews. Alan's presentation promises to be fascinating, one you won't want to miss. Reserve your tickets now before the luncheon is sold out.

Alan's appearance is sponsored by Resource Capital Funds LLP.

Partnership for the West

NWMA Executive Director Laura Skaer was among an exclusive gathering of elected officials and leaders from industry, agriculture, small business, labor, conservation, consumer, recreational access and economic development groups at a special one-day meeting in Denver on Friday, September 26 to launch *Partnership for the West*. This unprecedented effort will link virtually all economic sectors of the West in a united campaign that will get results. *Partnership for the West* is designed to awaken and empower hundreds of thousands of citizens across the West to actively support pro-growth policies at the state and federal levels. Among elected officials attending the *Partnership for the West* gathering were U.S. Senator Larry Craig (R-ID), Representatives Chris Cannon (R-UT), Dennis Rehberg (R-MT), Butch Otter (R-ID), Jim Gibbons (R-NV), Barbara Cubin (R-WY), and Colorado Governor Bill Owens. For more information on *Partnership for the West*, visit <http://www.partnershipforthewest.org>.

Members on the Move

Coeur, The Precious Metals Company appointed James R. Arnold as Vice President, Technical Services and Developmental Projects to direct engineering, metallurgy, planning and project work for the company, including it's developmental silver and gold projects in Bolivia and Alaska. Congratulations Jim!

Northwest Mining Association Presents

Mining and Society: A Partnership into the Future

109th Annual Meeting, Exposition
and Short Courses
December 2-6, 2003
Red Lion Hotel at the Park
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Session Topics Include:

*Mineral Deposits,
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The only thing 'Northwest' about us is our name.

House Resources Committee, Subcommittee on Energy & Mineral Resources Holds Hearing on Need for a National Minerals Policy

NWMA Trustee **Ann Carpenter** and Doug Silver testified at a recent hearing before the House Subcommittee on Energy and Mineral Resources in July. Subcommittee Chair, Representative Barbara Cubin (R-WY), convened this hearing to obtain expert information about the role of strategic and critical minerals in national and economic security. Ann is an exploration geologist and past president of the Women's Mining Coalition. Silver is President of Balfour Holdings, Inc. and a past chairman of numerous business and finance sessions at NWMA conventions. Both are members of the Mining and Metallurgical Society of America. (To see a full text of their testimonies, go to the National Mining Association's website (www.nma.org, click on "Newsroom", "testimonies", July 17, 2003 Subcommittee on Energy & Mineral Resources of the House Resources Committee oversight hearing on "The Role of Strategic and Critical Minerals in Our National and Economic Security.")

During the hearing, House members were informed about the need for a national minerals policy that is responsive to the country's need for strategic and critical minerals. Such a policy is needed to reduce the country's reliance on foreign sources of metals that are critical to our standard of living and military defense. Doug told Subcommittee members that "...existing mines are being depleted, which increases the nation's need for foreign supplies in the same way we have a strong foreign dependence on oil."

Ann, Doug and other experts testifying at the hearing urged the Subcommittee to develop a strong domestic minerals policy or strategy that encourages both domestic mining and the related, defense-oriented, strategic and critical metals industry. In defining which metals are of strategic value, Charles Groat, Director of the U.S. Geological Survey, stated "every mineral used in quantity is strategic in the sense that our economy can't do without it." Silver emphasized this point with the comment that "Any metal or mineral where we require substantial imports should be considered strategic...any metal that provides underpinning value...."

Much of Ann's testimony focused on the downturn in mineral exploration in response to unfavorable federal regulatory and land access policies. She told the Subcommittee, "...Most companies regard the U.S. as highly prospective for mineral discovery but highly risky regarding regulatory processes and policies with an increasingly cumbersome and negative permitting regime." Ann pointed to policies developed during the second Clinton Administration like the 1997 Solicitor's Millsite Opinion, and the onerous changes proposed to the 3809 surface management regulations as being particularly problematic. During her testimony, she also noted that U. S. mines use state-of-the-art reclamation techniques and environmental protection technology that define environmental excellence and create a very high standard for other countries to emulate.

Feedback from this hearing has been excellent, with Subcommittee members praising the testimony offered by Ann, Doug and the other panelists. Clearly Ann and Doug made a substantial contribution to this hearing. Their participation in this hearing is another reminder of the ways in which NWMA and MMSA members can contribute their expertise to the policy-making arena. *Editor's Note:* This article first appeared in the MMSA Newsletter and is used with permission.

In Memorium

John L. Neff, 73, one of Northwest Mining Association's most loyal and active members, died on May 19, 2003. John was active in the management of NWMA, serving as secretary for more than 20 years. He received NWMA's highest award, Life Member recognition in 1977. He also received the President's Award in 1991 and the Distinguished Service Award in 1995.

John was a graduate of the Colorado School of Mines and worked at the Climax Mine in Colorado. He received his law degree from the University of Washington Law School in 1958 and moved to Spokane.

John was also active in the Rocky Mountain Mineral Law Foundation, serving as NWMA's representative to the foundation's Board of Trustees for more than 20 years.

John is survived by his wife of nearly 50 years, Barbara, and four daughters. John was a great advocate for the mining industry and will be missed.

Stan Dempsey to Receive 2003 Medal of Merit

Stan Dempsey, former NWMA Trustee and founder and chairman of **Royal Gold, Inc.** will receive the 2003 Medal of Merit from the Southwestern Mining Foundation. Stan has a long and distinguished career in mining, beginning as an engineer for Climax Molybdenum Company. Stan was responsible for organizing an environmental compliance group for Climax and eventually developed the concept throughout the AMAX organization. Stan left AMAX in 1983 and practiced law before forming Royal Gold in 1987. Stan is being recognized for his direct efforts in the area of environmental compliance, which have provided the model for the mining industry throughout the world. He has also been very active with local and national political leaders and served as the Lands Committee chairman for the American Mining Congress/National Mining Association for a number of years. NWMA congratulates Stan on this well deserved award.

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NWMA to Offer Valuable Health and Safety Short Course at Annual Meeting

A three part short course sponsored by the International Society of Mine Safety Professionals covering the Safe Explosive Act, Diesel Particulate Matter control, and how to handle MSHA accident investigations and limit liability exposure will be offered at this year's Annual Meeting. The three part course will begin Friday afternoon, December 5 and continue on Saturday, December 6.

We are fortunate to have an outstanding faculty to present this short course. Timothy M. Biddle and Edward M. Green, **Crowell & Moring LLP**, Washington, DC, will discuss the Safe Explosive Act, which introduces a new world of permits, fingerprints, photos and background checks. The presentation will focus on compliance with the Act, with an emphasis on its application to mining companies and operations.

On Saturday morning, Randy Tatton, Corporate Manager of Safety and Health, Interwest Mining Company, and Steve Forbush, Canyon Fuels, Bartlesville, Oklahoma will cover Diesel Particulate Matter control. This session will look at Diesel Particulate Matter control technologies for both metal and non-metal mines. It will also cover the present status of DPM regulations and compliance issues.

Part three of the course will cover how to handle MSHA accident investigations and limit liability exposure. L. Joseph Ferrara, Jackson and Kelly, PLLC, Denver, Colorado, will present a dynamic hands-on seminar on how to handle MSHA serious accident investigations and accident-related litigation. The course will show you what you need to know to protect both company and individual legal interests during an accident investigation, to minimize enforcement issues, and to limit liability in connection with any civil accident-related litigation. The course will not only address the MSHA investigation, but will look at the very real possibility in many western states of civil court suits outside normal worker's compensation. Many of the concepts involved are equally applicable to OSHA, EPA and other regulatory investigative processes.

Certified Safety Professionals will earn 1½ continuing education credits for this course. Continuing legal education credits are pending.

NWMA 2003 Annual Meeting Sponsorship Opportunities



Don't miss the opportunity to be a sponsor of NWMA's 109th Annual Meeting & Exposition. The companies listed on the following page have already signed up to be sponsors of this year's meeting. We are still looking for general convention sponsors, as well as sponsors for the events shown below. Act today, don't be left out.

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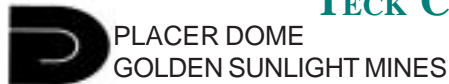
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COMMITTEE REPORTS

MINING LAW

Chair: Steve Alfers, Alfers & Carver, LLC
303/592-7674

BLM and Forest Service Clarify Policy on when Claim Validity Examinations will be Conducted

Solicitor John Leshy's November 1997 Millsite Opinion and January 2001 Ancillary Use Opinion coupled with the joint U.S. Department of Interior/U.S. Department of Agriculture (DOI/USDA) letter to Battle Mountain Gold in March 1999 on the Crown Jewel project has created a great deal of confusion with respect to whether or not one needed to prove the validity of their mining claims in order to obtain approval of Plans of Operations. For at least the past four or five years, mining opponents have been raising claim validity issues in their challenges to BLM and Forest Service approval of Plans of Operations.

A recent U.S. Department of Justice (DOJ) *amicus* brief, BLM Instruction Memorandum and an Informational Memorandum from Mark Rey, Undersecretary, Natural Resources and Environment, USDA clarifies that claim validity is not an issue to be determined in Plan of Operation approval, *and*, that it is within BLM's exclusive jurisdiction as administrator of the Mining Law to determine whether or not to challenge the validity of mining claims.

In previous issues of the *Bulletin* we reported on Oil-Dri Corporation's efforts to build a special clay (kitty litter) mine on locatable minerals near Reno, Nevada. Washoe County had denied a special use permit, and Oil-Dri sued on the basis that the Mining Law preempted a local government's ability to say no to mining on federal land under the Mining Law. Great Basin Mine Watch intervened, claiming that preemption wasn't applicable because Oil-Dri had not proved that their mining claims were valid.

DOJ filed an *amicus* brief on behalf of the DOI supporting the position that the Mining Law preempted Washoe County's ability to say no. While most of the *amicus* brief dealt with the preemption issue, it also addressed Great Basin Mine Watch's challenge to the validity of Oil-Dri's mining claims. The DOJ brief stated emphatically that it was the position of the United States government that mining claim validity is irrelevant to the right to mine on federal land, "It is simply not true that Oil-Dri must prove the validity of its claims before it can be authorized to mine on federal land."

The brief then details under what circumstances the BLM performs validity exams, such as when a claim is contested, or is in a withdrawn area, or prior to issuance of a patent. The brief then states, "In its role as regulator of mining on the public lands, it is in BLM's *exclusive jurisdiction* to decide whether and when to challenge a claimant's possessory rights in a mining claim as against the United States." (emphasis added).

The brief emphasizes that as the federal agency in charge of administering the Mining Law and FLPMA, it is well within BLM's authority to decide to approve a mining Plan of Operations on unpatented mining claims without requiring proof

of validity. Finally, the brief concludes that, "Once the United States has decided to approve the operation, there is simply no issue of fact regarding whether a claimant may properly begin a mining operation on federal lands."

Amended with the DOJ brief, NWMA Executive Director Laura Skaer approached the BLM and the Forest Service in July requesting that both agencies issue an Instruction Memorandum or other clarification to the state directors, regional foresters and the field clarifying that it is the respective agency's position that claim validity is not an issue in the Plan of Operation approval process.

On August 1, 2003, the BLM issued Instruction Memorandum (IM) 2003-242 clarifying that a Plan of Operations may be processed without requiring proof of validity; and that it is BLM's practice to require validity exams only in the context of a mineral patent application or in the event of a segregation or withdrawal. Claim validity exams may also be conducted in connection with a common variety mineral determination.

On September 22, Mark Rey, Undersecretary, Natural Resources and Environment, USDA, issued an Informational Memorandum to Chief Dale Bosworth clarifying that neither the November 1997 Millsite Opinion, the January 2001 Ancillary Use Opinion nor the March 1999 Crown Jewel letter have amended or limited the application of the Forest Service's locatable mineral regulations (228A), which remain fully in effect for all operations on Forest Service administered land, regardless of whether the operations are proposed on or off mining claims. The Informational Memorandum further states that the Forest Service is not required to inquire into claim validity before processing and approving proposed Plans of Operations.

The DOJ *amicus* brief, the BLM IM, and the USDA Informational Memorandum are posted on the Issues page of the NWMA website (<http://nwma.org/issues.asp>) under Public Lands.

PUBLIC LANDS

Chair: Chuck Jeannes, Glamis Gold, Inc.
775/827-4600

BLM to Rename Juneau Mineral Information Center in Honor of John Rishel

On October 23, 2003, the Bureau of Land Management will rename the Juneau Mineral Information Center located on Mayflower Island in Douglas, Alaska to the John Rishel Mineral Information Center in honor of John Rishel. John was an exploration geologist extraordinaire and very capable professional legislative staff for the House Resources Committee. John passed away on May 9, 2003. He was a long-time pillar in the Alaska mining community, a 20+ year fixture at NWMA conventions, and one of our industry's greatest advocates. The official dedication ceremony begins at 2:00 p.m. and everyone is invited.

COMMITTEE REPORTS

Roadless Rule Enjoined

U.S. District Judge Clarence Brimmer (D.C.WY) issued a permanent injunction on July 14 against the Clinton Administration's Roadless Rule. Judge Brimmer's extensive opinion found not only extensive NEPA violations, but also held that the rule was an illegal attempt to create wilderness in violation of the Wilderness Act of 1964. "In this case, the Forest Service's designation of 58.5 million acres as "roadless areas" was a thinly veiled attempt to designate 'wilderness areas' in violation of the clear and unambiguous process established by the Wilderness Act for such designation." Brimmer also found that the EIS backing the policy "was driven by political haste" and needs "more study."

"In its rush to give President Clinton lasting notoriety in the annals of environmentalism, the Forest Service's shortcuts and bypassing of the procedural requirements of NEPA has done lasting damage to our very laws designed to protect the environment." A number of environmental groups that had intervened in the case promised to appeal it to the tenth circuit. The Bush Administration has decided to accept Judge Brimmer's ruling and will not appeal the case. (The full text of Judge Brimmer's decision is posted on the Issues page of NWMA's website.)

Approximately one month before Judge Brimmer issued his decision, the Bush Administration had proposed its own version of a Roadless Rule that would exempt the 17 million-acre Tongass National Forest and allow the governors in the lower 48 states to apply for exemptions from the rule under certain enumerated circumstances. The proposed rule is expected to be published by the end of October.

STATE REPORTS

ALASKA REPORTS

Coeur Receives Key Approval for Kensington Gold Project

In June 2003, the Juneau Assembly approved an amendment of its Mining Ordinance, which allows **Coeur** to eliminate permitting duplications and streamline the permitting process for its Kensington Gold Project. This modification should reduce the amount of time required to obtain the remaining permits by six months. Coeur now anticipates receiving all necessary permits for Kensington by the end of January 2004.

The Kensington Gold Project is located approximately 45 miles north of Juneau, Alaska and contains 1.8 million ounces of proven and probable gold reserves and 1.4 million ounces of resources.

BLM and State Sign New Bonding MOU

On August 6, BLM State Director Henri Bisson and Alaska DNR Commissioner Tom Irwin signed a new Memorandum of Understanding (MOU) that allows miners on land managed by

the BLM to continue using the state bonding pool. This was necessary following the Babbitt/Leshy changes to the BLM 3809 regulations. Alaska Miners Association Executive Director Steve Borell reports that the new MOU is a significant improvement over the previous one.

The improvements to the MOU include a limit on the size of operation covered so the default of any single operation will not take more than one-third of the total bond pool. Also, there is no expiration date for the MOU.

IDAHO REPORTS

Coeur d'Alene Basin

U.S. District Court Judge Edward Lodge recently issued his opinion in the first phase of the natural resource damage (NRD) trial in the Silver Valley entitled *Coeur d'Alene Tribe v. Asarco, et. al.* (CV91-0342-N-EJL). In this action, both the Tribe and the United States government sought to recover natural resource damages under Superfund for alleged damages from mining activities in the Coeur d'Alene Basin.

While the court held that both Hecla and Asarco were responsible for some of the damages, there are some very positive findings in the court's opinion. One of the more remarkable aspects of the decision is that the court found that the federal government and the Tribe had grossly exaggerated the extent of the natural resource damage claims. The court stated "...the conditions in the Coeur d'Alene Basin have and are improving through the joint efforts of the EPA, the Tribe, the State of Idaho, the private sector (including the land owners) and through the natural recovery of mother nature. The liability of certain responsible parties including Asarco and Hecla is evident, but the defendants are correct when they argue that there has been an exaggerated overstatement by the federal government and the Tribe of the conditions that exist and the source of the alleged injury to natural resources."

The court found that there was "no credible evidence" to establish injury to people in North Idaho from consumption of fish and birds in the Coeur d'Alene Basin. And while the government trustees had shown damages to some birds, fish and some benthic organisms, the court found that there "was no evidence supporting injury to other species of wildlife," and that "cultural uses of water and soil by the Tribe are not recoverable as natural resource damages."

The court also discussed the issue of duplicative NRD awards. The court determined that there could be co-trustees of natural resources and "the only feasible way to compensate the co-trustees and avoid a double recovery or unjust enrichment to one trustee at the expense of another is to award damages in the ratio or percentage of actual management and control that is exercised by each of the various co-trustees."

It is also interesting to note that while the court held Asarco and Hecla liable for response costs and NRD, it found that their liability was divisible, rather than joint and several. The court used the volumes of tailings generated and found Asarco responsible for 22% of the tailings and Hecla responsible for 31% of the tailings.

While the court rejected Hecla and Asarco's argument that the government was liable as a potentially responsible party

STATE REPORTS

under Superfund because it had acted as an owner or operator of the mining operation during World War II, it did hold that the government did act as an owner or operator of the construction of Interstate 90 through the Silver Valley. The court said it would be up to the defendants to demonstrate during the second phase of the trial that the amount of tailings used on I-90 "were significant enough to be a contributing factor in the Basin."

MONTANA REPORTS

Montana Resources to Reopen Continental Mine

Butte, Montana received good news on August 18 when Montana Resources announced it was going to reopen the Continental Mine and create 350 jobs. The mine expects to have a full staff on board by mid-October. Frank Gardner has been named president and will oversee the mine's operations. Montana Resources Chairman Larry Simkins said, "We are thrilled that Frank is returning to Butte to take charge of this new mining effort. There is no person better qualified to build and run the Butte mine. We are excited that Frank is willing to dedicate his time and efforts to make MR successful." Prior to the mine closing in July 2000, it had operated for 14 years, mostly with Frank Gardner at the helm.

The mine closed in July 2000 due to skyrocketing electrical prices. A key to reopening the mine was the ability of Gardner to negotiate a new power contract. In addition, the mine received a \$2 million loan from the Montana State Board of Investments for new transformers, which will be part of the plan to lower operating costs.

The entire state cheered the news. Even the Billings Gazette, a paper that supported the ban on cyanide usage (Initiative 137) wrote an editorial emphasizing how important these jobs were to Butte and to Montana, noting that the average mining wage would be approximately \$54,000 compared to Montana's average wage of just over \$20,000. A state economic development officer said, "Butte without a mine is like California without palm trees."

Northwest Mining Association congratulates Frank Gardner, Steve Walsh and the entire team at Montana Resources and wishes them the best in this new era of mining in Butte.

Rock Creek Project Receives Favorable Record of Decision

On June 27, 2003, the Kootenai National Forest (KNF) and the Montana Department of Environmental Quality (MT DEQ) issued a new Record of Decision (ROD) for the Final Environmental Impact Statement (FEIS) on Sterling Mining Company's Plan of Operations for the Rock Creek Project. The new ROD follows a new biological opinion issued by the U.S. Fish and Wildlife Service (USFWS) in May 2003.

The ROD approves Sterling's Plan of Operations consistent with the preferred alternative that was identified in the FEIS released in September 2001.

The decision letter issued by Bob Castaneda, Forest Supervisor, Kootenai National Forest, states, "This decision is a culmination of over 16 years of analysis, agency, tribal and public participation. This input has allowed the KNF to develop a sound alternative for this proposal that allows the project to proceed as required by law, protects the environment, and yet addresses a majority of the public's concerns and issues."

Shortly after the ROD was issued, several destructionist and anti-mining groups, including the Rock Creek Alliance, Clark Fork Coalition, Mineral Policy Center and the Sierra Club, filed an appeal on the ROD. Anyone surprised?

Placer Dome to Expand Mining Operations at Golden Sunlight

Placer Dome's Golden Sunlight mine, located just outside Whitehall, Montana, recently received approval from Placer Dome's Board of Directors to proceed with Plan 5B. Under that plan, a wall of the pit will be mined and the pit will be deepened, but no additional ground will be disturbed. The expansion is expected to extend mine life for at least 4 more years.

Scott Mendenhall, an economic development official for Jefferson County, Montana and a state legislator said, "It's so huge, I'm thrilled for them and the community and the workers . . . It's good all the way around." Scott Pogh, president of Rocky Mountain Bank said, "Golden Sunlight has been an excellent neighbor and supporter of this community and southwest Montana."

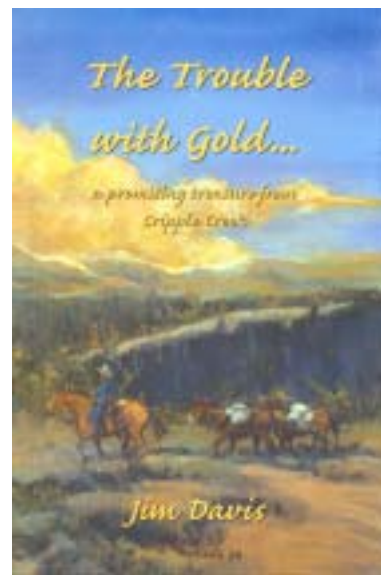
Northwest Mining Association congratulates General Manager Doug Bailey and his entire team at Golden Sunlight.

Trustee Turns Author

Former trustee **Jim Davis** put aside his career as exploration geologist and prospector long enough to pick up a pen. *The Trouble With Gold...a promising treasure from Cripple Creek* is a Western novel with factual roots and mining history. Jim has intertwined gripping plot twists, an intimate knowledge of the area, and genuine mining experience to create unforgettable characters. The book features ink drawings by the author.

To order, go to:
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Jim Davis
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OCTOBER 2003

10th Annual Conference on Tailings & Mine Waste, October 12 - 15, 2003, Rocky Mountain Regional Hazardous Substance Research Center, Announcement and Call for Papers. Contact Linda L Hinshaw at CSU, 970/491-6081 or fax 970/491-3584/7727, e-mail: lhinshaw@enr.colostate.edu, web: www.tailings.org

16th Annual CIM Mine Operators Conference, October 19-22, 2003 in Saskatoon, Sask. For more information, e-mail Henry Schnell at henryschnell@sk.sympatico.ca, or website: <http://www.cimsaskatoon.org>.

Expo Minería 2003, XXIV Mexico National Mining Convention, October 22-25, 2003. Acapulco Convention Center, Acapulco, Mexico. Contact Pedro Pena, Marketing International Corp, 200 Arlington, VA 22203, 703/527-8000, Fax 703/527-8006 Email ppenab@micexpos.com

NOVEMBER 2003

Annual Meeting of the Geological Society of America, November 2 - 5, 2003 in Seattle, WA. For general GSA information, call 303/447-2020, fax 303/447-1133 or e-mail: meetings@geosociety.org. Web: www.geosociety.org/meetings/2003.

Alaska Miners Association Annual Convention, November 3 - 8, 2003, Anchorage, AK. November 3-4 Short Courses; November 5-7 General Convention; November 7-8 2nd Annual Rock and Mineral Show (Contact Anita Williams awilliam@alaska.net or call 907/345-2541 for vendor or display information. For more information on the convention, contact the AMA at 907/563-9229 or website www.alaskaminers.org.

San Francisco Precious Metals Conference, November 23-24, 2003. Contact International Investment Conferences, 800/282-7469, 305/669-1963 Fax 305/669-7350, Email iiconf@iiconf.com

DECEMBER 2003

Northwest Mining Association's 109th Annual Meeting, Exposition & Short Courses, December 2-6, 2003, 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

JANUARY 2004

Mineral Exploration Roundup 2004, January 26-29, 2004, British Columbia & Yukon Chamber of Mines, Vancouver, BC, Ph 604/681-5328, fx 604/681-2363

FEBRUARY 2004

106th National Western Mining Conference, February 3-6, 2004, Hyatt Regency, Denver, CO. Contact Colorado Mining Association, 216 16th Street, Suite 1250, Denver, CO 80202, 303/575-9199, Fax 303/575-9194

SME Annual Meeting and Exhibits, February 23-25, 2004, Denver, Colorado. Contact: Society for Mining, Metallurgy and Exploration, Inc., Meetings Department 800/763-3132, 303/973-9550, Fax 303/979-3461 Email: meetings@smenet.org

MARCH 2004

PDAC International Convention and Trade Show, March 7-10, 2004, Metro Toronto Convention Center, Toronto, Canada. Contact: PDAC, 416/362-1969, Fax 416/362-0101, Email: info@pdac.ca