

BULLETIN

Northwest Mining Association

The *Bulletin* is Back

JUNE 2002

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After a one year sabbatical, the NWMA *Bulletin* is back. Staff reductions and budget constraints forced a number of cuts last year and temporarily suspending the publishing of the *Bulletin* was one of the difficult choices the Board and staff made in order to bring our expenditures in line with our revenues.

Although you didn't receive a *Bulletin*, we want you to know that NWMA continued to work hard for you, from putting on an outstanding Annual Meeting in December 2001, to working with the Bush Administration on much needed changes to the 3809 regulations, the need for NEPA and permitting reform, resolving the bonding crisis, and other issues.

2001 was a challenging year. Mergers and acquisitions, contraction, shrinkage and lay-offs, and low metal prices had a significant impact on NWMA's membership and revenue. The good news is that we have our financial house in order and remain dedicated serving our members. Our reduced staff of four (Laura, Pat, Kathy and Mary) is committed to providing you with the services and representation you deserve as NWMA members.

Our goal is to publish the *Bulletin* quarterly and to utilize e-mail and PDF files as much as possible. We also encourage you to utilize our website on a regular basis for the most up-to-date information on our convention, NWMA, and what's happening in the mining industry.

Again, we thank you for your patience and most of all, for your continued support of NWMA. **If you have not yet renewed your membership for 2002, please do so today.** Your continued support enables NWMA to represent your interests before Congress and the agencies, and to provide you with an Annual Meeting that is on the cutting edge of new developments.

COMING SOON



A Focus On The Americas

Our 108th Annual Meeting, Exposition & Short Courses

December 2 - 6, 2002

Doubletree Hotel City Center

Spokane, Washington USA



**NORTHWEST
MINING
ASSOCIATION**

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President's Corner ...

Ritch Hall, Metallica Resources.

During the 107 years of its existence the Northwest Mining Association (NWMA), as well as the mining industry, has faced many challenges. Those challenges, however, are no greater than those facing the industry and the Association today. Our primary challenges are:

- Well organized and financed groups whose goal is to shut down mining.
- A shrinking industry where an estimated two-thirds of the exploration geologists are either underemployed or unemployed.
- Lack of risk capital for exploration and development programs from the major funding source - the Canadian markets. Between 1997 and the beginning of 2002, financing activities by Canadian junior mining companies were down 80 percent in terms of dollars raised.

Despite these challenges the NWMA continues to serve its diverse membership. It continues in its role as a leading advocate to challenge legislation and regulations that adversely impact our industry, and to act as a credible, proactive conduit to advise various trade and governmental organizations regarding issues affecting our industry.

In order for the Association to continue to support its membership and remain strong and vital to the industry, it needs to be continually focusing on the following:

Membership

Individual and corporate memberships need to be maintained in order for the Association to continue to be an effective voice for the industry during a time of declining employment opportunities and contracting industry. The size and diversity of the membership is what gives the NWMA its political platform to speak to issues affecting the industry. It is incumbent on all of the officers, trustees and members of the organization to attempt to attract new members for the benefit of the entire industry. Without a strong membership the industry is effectively "throwing in the towel" to the opponents of a viable domestic mining industry.

Strong Financial Foundation

A solid financial foundation is critical for the Association to be considered a serious and credible advocate for the industry. The year 2001 was challenging financially for the Association due in a large part to the declining industry. It began 2001 with a deficit of \$135,000 and through hard work and focused budgeting entered 2002 with a projected cash surplus of approximately \$8,000. In order to assure that the Association maintains a strong financial foundation moving forward, the trustees passed a resolution that NWMA will not operate with a year end deficit.

Member and Industry Interaction

The Annual Meeting, Exposition and Short Courses is a long-standing forum for formal and informal information exchange, business networking and preservation of friendships. This type of gathering is critical in giving NWMA members an opportunity to interact and stay current on the issues confronting our industry. The Association needs to continue to sponsor its Annual Meeting.

Communication, Education and Outreach Programs

Outreach and public awareness are critical to the long-term health of the mining industry. As a result of the NWMA's financial challenges, this area was negatively impacted in 2001. It will be among the first areas to be restored once the Association's financial condition improves.

Governmental Affairs and Industry Advocacy

The NWMA has distinguished itself over the past several years as an industry advocate capable of identifying and responding to legislation and regulations that can adversely impact the viability of the mining industry. The NWMA will continue in this role, in concert with the National Mining Association and other industry organizations.

The executive director, officers and trustees of the NWMA are committed to doing the job its members have come to expect. That is, keeping the Association on a firm financial footing and making the Association relevant and necessary to the industry.

Bulletin: Electronic or Hard Copy

In an effort to improve our communication capabilities and reduce operating expenses, we intend to publish and distribute the *Bulletin* via e-mail in a PDF format. **This means we need a e-mail address for all of our members. Please take the time to send Mary an e-mail so we can update our records and make better use of your dues money.** We also want to be sensitive to our members' needs, and will continue to distribute a limited number of hard copies to those members who are unable to receive and open PDF files or, who just prefer to receive the *Bulletin* in the mail.

If you prefer to receive your copy of the *Bulletin* via snail mail, please let Mary know at mrost@nwma.org. Otherwise, future issues of the *Bulletin* will be published and distributed in a PDF format via e-mail.

NWMA's Website – New and Improved

Earlier this year, the NWMA website (www.nwma.org) was redesigned to make it more user friendly and informative. It is your one stop for current mining industry news, as well as current information about NWMA, the Annual Meeting, and the issues we are following. It is updated on a regular, sometimes daily, basis. Check it out today and let us know what you think.

A Focus on the Americas

Excitement is brewing in the North American mining industry. The gold price has reached \$325 U.S. and industry is cautiously optimistic. The Bush Administration is emphasizing that mining is a legitimate multiple-use of the public lands and has made important changes to the 3809 regulations. There is a new pro-mineral development government in British Columbia. Add to that the concept of flow-through shares and you have an industry that is finally seeing a light at the end of the tunnel. And this time, it's not a train heading at us.

The NWMA Annual Meeting & Exposition is THE place to learn what is happening in the Americas and to meet the professionals who are making it happen. Here is a glimpse of the outstanding program Paul Dircksen is putting together.

Following up on the success of the Republic and Pend Oreille Mining Symposiums, this year's symposium will focus on the Coeur d'Alene Mining District, the largest silver producing district in the U.S. Also, the U.S. Forest Service will present a permitting workshop/short course, this time targeted at mid and large size mineral development. The U.S. Army Corps of Engineers will present a workshop describing their Restoration of Abandoned Mine Sites (RAMS) program, how it works, and how industry can benefit in the drive to clean up the "dirty pictures" of the past.

On Tuesday, the Sustainable Minerals Roundtable will hold an all day workshop focusing on the practicality of sustainable development. This workshop will review the Global Mining Initiative (GMI) and the Mining Minerals and Sustainable Development (MMSD) final report that was presented in Toronto last May. The workshop will focus on developing measurable indicators of sustainable development for the mining industry.

The technical program and exhibits open on Wednesday, December 4. **This year's program has a strong technical focus.** There will be an all day session focusing on the Great Basin and British Columbia/Yukon. State reports and the ever-popular Large Left Lateral Leaps will build on last year's success.

A session on the Business of Exploration and Mining features top-level industry executives from large, mid-size and junior mining companies who will give their thoughts on what the recent mergers, acquisitions and consolidations mean to the mining industry and its future.

Recognizing that the gross value of industrial mineral production in the U.S. is three times greater than metal production, this year's technical program will have an increased emphasis on industrial minerals and will include a short course. Also, an expanded energy minerals session will add to the relevancy of this year's meeting. Metallurgy, operations and environmental success stories, as well as legislative affairs and communications, will round out this year's program.

Last year's Exposition was sold out, intimate and noisy. Once again, the exhibits will be in the large ballroom and lobby of the Doubletree Hotel. We only have room for 100 exhibitors, and more than half the spaces already have been reserved. Act now before it's too late.

This year's Annual Meeting and Exposition promises to be one that you can't afford to miss. Register today, and we will see you in Spokane.

NWMA's 2002 Officers & Board of Trustees

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Mining and Sustainable Development - What Role for NWMA?

One of the hottest topics of debate in the U.S. mining industry today is sustainable development. What is it and what does it mean for mining? Is it a socialistic concept that is contra to what we do? Is it an agenda for slow growth or no growth? Is it a tool for the environmental obstructionists to use to justify their objection to all mining? Can a business that produces a depletable resource be "sustainable"?

Does mining contribute to sustainable communities? In what ways? Is mining more than a necessary industry? Is it a desirable industry for communities? Is mining inherently inconsistent with sustainable development? Does it mean different things to different people? Does it mean something different in developed than in undeveloped countries? Is it a process or a product? Is it possible to have sustainable development, sustainable economic growth, sustainable communities and a sustainable society without mining?

These are many of the questions and many of the issues that have been debated by the NWMA Trustees over the last year. In 2001, NWMA President **Pat Gochnour** in pursuit of one of his goals for 2001, appointed an ad hoc committee headed by **Leigh Freeman** to look at whether NWMA should adopt a set of Sustainable Development Principles (similar to our Statement of Environmental Principles). Other NWMA members participating on this committee are **Greg Hahn, Ivan Urnovitz, Ian Thompson, Ann Carpenter, Paul Jones, Mike Heywood**, and Executive Director **Laura Skaer**.

The first report and a set of draft principles were presented to the Trustees at the October 2001 meeting. The committee's initial report generated substantial discussion and debate, and the committee went back to the drawing board. After further work and extensive "rantings" among committee members, a subsequent report was presented to the Board in December 2001. After about 20 minutes of discussion, it became clear that the Trustees were not ready to adopt a set of Sustainable Development Principles for NWMA. It seemed that every Trustee had a different definition for sustainable development and no one was exactly sure what it meant.

In order to further introduce this subject to our members, Leigh Freeman organized an outstanding session on Sustainable Development that was part of the technical program at the 2001 Annual Meeting & Exposition. The strength of this session was in the presenters, Ann Carpenter, Ian Thompson, Leigh Freeman and **Dirk van Zyl**, all of whom were participating in the Mining, Minerals and Sustainable Development (MMSD) project of the Global Mining Initiative (GMI). Utilizing the papers presented at this session and member comments, the original draft principles were further refined and again presented to the Board in February 2002. Once again, it became apparent that it was going to be difficult to advance a set of Sustainable Development Principles that the Board believed NWMA's diverse membership could embrace.

Subsequent to the February 2002 meeting, Trustee **David Litvin (Kennecott Minerals Company)** ventured out in a new direction, and rather than attempting to fine tune and tweak the original draft principles, rewrote them. David's draft gained considerable support from a number of Trustees, including many who

were having difficulty with the wording of the original draft principles. Naturally, that does not mean all parties and all Trustees were ready to buy in. David's draft principles were debated and discussed at the May 2002 Trustee meeting. At that meeting, the Trustees voted to submit these draft principles to the membership and seek our members' input. Those principles are set forth on page 5, and we are encouraging you, our members, to provide us with your input. We want your feedback, whether good, bad or ugly. Also presented in this issue of the *Bulletin* are various arguments in favor of adopting a set of Sustainable Development Principles, as well as the arguments of those opposed.

One point everyone agrees on is that the real value has been in the debate. Eyes have been opened and the learning curve on sustainable development has risen sharply. We hope you agree.

We need your input. Please take the time to send your comments to Laura Skaer at the NWMA office. The fax number is 509/623-1241 and Laura's e-mail is lskaer@nwma.org.

Call for Papers

NWMA 108TH ANNUAL MEETING
DECEMBER 2-6 2002
A FOCUS ON THE AMERICAS

SESSION TOPICS:

- ◆ Environmental
- ◆ Mineral Deposits, Geology & Exploration
- ◆ Legislative & Public Affairs
- ◆ Operations
- ◆ Business & Finance

There are no formatting requirements for your abstract. It should be approximately 100 words or less and include:

- ◆ Title
- ◆ Primary Contact
- ◆ Authors, their affiliations, address, phone, fax and e-mail.

Send your preliminary abstract to NWMA via e-mail : pnelsen@nwma.org, fax: (509) 623-1241 or to NWMA, 10 N. Post Street, Ste. 220, Spokane, WA 99201-0772.

All abstracts will be forwarded to the applicable Session Chair. Notification of acceptance will come directly from the Session Chair.

If you have any questions please contact Pat Nelsen at NWMA - (509) 624-1158.

Northwest Mining Association Draft Principles of Sustainable Development

In support of its mission to advance the minerals industry in an environmentally and socially responsible manner while maintaining economically viable businesses, the Northwest Mining Association is committed to the Sustainable Development principle that mineral products should be explored for, developed and produced to meet the needs of the present generation without limiting the options of future generations. These Principles of Sustainable Development establish the basis upon which the Association's members provide mineral-based products to meet society's basic material and energy requirements balanced with economic, environmental and social needs of affected communities.

Accordingly, the Northwest Mining Association and its members recognize the Principles of Sustainable Development as essential considerations in providing the supply of basic materials needed to serve society, and hereby affirm these principles as they apply to activities undertaken by Association members now and in the future. Sustainable Development concepts will be integrated into mineral company business plans from project inception in order to implement sustainable solutions which will protect the environment and encourage ongoing social and economic activities beyond mine closure, and will include as a minimum, the following:

- Ensure that health, safety and environmental protection, together with community values, operating procedures, and reclamation and closure activities.
- Identify and enhance social and economic Sustainable Development opportunities in surrounding communities by engaging community stakeholders throughout the entire life cycle of the mining operation and beyond as active participants in the formulation of fundamental standards upon which Sustainable Development is founded.
- Strive to maximize the Sustainable Development benefits and mitigate the impacts of mining activities on the economic, environmental and social needs of the surrounding communities.
- Support research and education pertaining to the most effective and efficient ways in which mining can contribute to Sustainable Development.
- Verify and publicly report on Sustainable Development activities, including progress on meeting performance targets and actions, with internal and external audits and reviews.

Trustees Debate Principles of Sustainable Development

The Trustees have engaged in spirited debate over the draft principles. Some believe the draft goes to far and others, not far enough. Others wonder how these principles will be implemented, and is sustainable development just a guise for negotiated rulemaking? Some said the process gives our opposition too much of an upper hand, and that we must not let those who do not know our business direct where we go.

Virtually all Trustees agreed that responsible companies were already designing, building and closing their projects in an economically, environmentally and socially responsible manner: "It's what we do."

Some expressed that this is an opportunity to showcase what we do right. Others pointed out that large companies were adopting Sustainable Development Principles and that NWMA could provide a needed service to companies that are too small to do this on their own. "Give me something that I/my company can use." One final concern of all Trustees was how the principles, if adopted, would obligate our members, if at all.

Sustainable Minerals Workshop to be held at NWMA's 108th Annual Meeting *Measuring Mineral Resource Contributions To Sustainable Development*

Mining and how it contributes to Sustainable Development is a major topic of interest to the industry and to members of associations such as the Northwest Mining Association. Since 1999, the US Forest Service and the USGS have sponsored a series of meetings to develop a set of national level indicators of Sustainability for Mineral and Energy Systems. The Sustainable Minerals Roundtable (SMR) (www.mackay.unr.edu/smr) has met in many locations around the US during the last two years. Rather than work toward a single, consensus set of indicators, participants in the SMR are free to propose any indicator that they believe will provide information essential to analysis of the contribution minerals and energy systems make to sustainability. The group agreed that a series of questions would need to be answered for each proposed indicator. To wit: 1) What aspect of sustainability will it quantify? 2) What specific issue will it address? 3) Is the indicator measurable and at what cost? 4) Is the indicator interpretable? 5) Does adequate underlying science exist to justify the use of the indicator? 6) What data will be required and are they available? 7) Is the measure unbiased? 8) At what spatial and temporal scales is the indicator applicable?

Indicators have been developed under four domains: environmental impacts, socio-economic benefits, productive capacity, and legal and institutional. This workshop will review the concepts of sustainable development as they relate to mineral and energy systems as well as the development of the indicators. The morning session will be devoted to these topics. Participants will be asked to review specific indicators in the afternoon session in small working groups. This will allow all participants to comment on the draft indicators. This workshop is coordinated by Dirk van Zyl, University of Nevada, Reno; Deborah Shields and Dallas Emch, US Forest Service and Eric Rodenburg, USGS.

Trustees on the Move

Marc Blakley joined the **Ledcor Industries USA** group as their Director of Business Development.

Llee Chapman has accepted the position of Vice President, Administration with **Apollo Gold, Inc.**

Mike Heywood, Advertising Sales Representative for **The Northern Miner** has relocated the U.S. branch office to Spokane, Washington.

It isn't academic!

Sustainability an acid test for new projects

By Ian Thomson

Reprinted with permission from the May 13-19, 2002 issue of *The Northern Miner*

Sustainable development has certainly become the hot topic. During April and May 2002, Canada played host to two major mining conventions organized around the subject.

First came the annual meeting of the Canadian Institute of Mining, Metallurgy and Petroleum in Vancouver, which was dedicated to this theme. More recently (as we went to press, in fact) was the Global Mining Initiative (GMI) conference in Toronto, which was expected to feature the results of the Mining, Minerals and Sustainable Development (MMSD) project.

It is widely anticipated that the GMI will lead to adoption of a vision and various initiatives by which the global mining industry will commit to making sustainable development a core element of business practice.

Many operating companies, and particularly the big multinationals, are already immersing themselves in these ideals, but where exactly do the juniors fit in?

The author was part of a recent study that revealed a lot of confusion and cynicism among junior-company people. There is a widely held feeling that sustainable development is strictly a big-company game, and is either not relevant to the exploration juniors or a ploy to push them and the smaller producers out of business.

Junior exploration companies ask,

- Just how real is all this?

- What is the business case for a junior, and do we really have to take on all this stuff?

- After all, isn't this push for sustainable development just an academic exercise in how to look good?

Not in Canada. Sustainable development as a benchmark for performance by the mining industry has already arrived. Quietly, and almost without notice, it has become the new standard for environmental assessment, and as such the law.

The Tulsequah Chief decision, which was confirmed on appeal earlier this year, is best known as a case where a permit was reversed because of a failure to consult with First Nations over the mine access road. But the decision is probably much more significant in another, more subtle way. Tulsequah Chief was the third environmental impact assessment in which the panel applied the test of sustainable development, following the lead taken by earlier panels for Voisey's Bay in Labrador and a road project in Ontario.

These legal decisions have established the necessary precedent to shift the passing grade for a new project from one of demonstrating management and mitigation of impacts to a level of "acceptable harm," to one in which the proposed development must show "net gains." The challenge is for explorers to prepare successful projects for this higher test.

So what does sustainable development mean at the exploration stage? Most people will relate first to the environmental leg of the sustainable development triad — environment, social/people, economy — and point to the low impact of most exploration activities. Indeed, environmental management of exploration projects is generally something the industry feels justifi-

ably proud of. The social and economic components, largely because they are new and there is a gross lack of experience, are a bigger problem.

The final report of the MMSD project will throw some light on these issues with an important contribution coming from the MMSD North America work group, which has produced a lens or test for evaluating the contribution to sustainable development made by a project at any stage of the mining cycle; from exploration through production and into post-closure. The Seven Questions to Sustainability framework, first introduced at a meeting in Vancouver last year, was profiled in March at the annual convention of the Prospectors & Developers Association of Canada, and a final working document will be launched at the GMI in Toronto this May.

The Seven Questions framework sets up a process of integration, assessment and trade-offs that lead to a judgment as to whether project contributions to sustainable development are net positive or negative. The approach can be used for project evaluations, for benchmarking to establish viability, to identify where change is required, and also for planning and design.

Of consequence to explorers is that a process engagement with the community and other stakeholders is central to meeting sustainable development objectives. This need not be financially onerous; it is the quality of the relationship with the community that is of utmost importance. This should be reassuring — but it also points to a challenge.

Establishing and maintaining a positive relationship with the community is not necessarily easy. Managing expectations, strengthening the social capital of the community, and helping them prepare for a successful project while anticipating failure as the more probable outcome, are key requirements. Other essentials are an exit strategy (to leave the community feeling good about the experience of having exploration in their area) and, since exploration projects typically pass from operator to operator, a protocol for handing over to a new management. The challenge is to start early and get this right. There are few, if any, second chances when dealing with community relations.

Sustainable development has arrived, it is real, and it has become the hurdle test for new mineral development projects in Canada. Engagement with the community is central to reaching sustainable development objectives. All this has arrived quietly and rapidly, and few explorers are adequately equipped to manage the new challenge of full community engagement. To survive and prosper, the junior companies will have to learn new skills because the large companies who are the market for their product — orebodies for new mines — will be reluctant to accept properties that are socially compromised and difficult to permit. There will be a premium available to those juniors who incorporate sustainable development into their business practice, and do it well.

The author is based in Vancouver, B.C., and specializes in the management of social issues in resource development projects.
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Seven questions for you

MMSD's North American program looks at future of industry

By James Whyte

Reprinted with permission from the May 13-19, 2002 issue of *The Northern Miner*

It was at the World Economic Forum in 1999 that nine chief executives of major mining companies put their heads together and realized the public might have preferred those heads on a plate. Thus was born the Global Mining Initiative, to reclaim mining's "social licence" to operate.

The London-based International Institute of Environment and Development got the call to examine how the industry might ensure it had public support. To develop a strategy, the Global Mining Initiative created a program known as Mining, Minerals and Sustainable Development (MMSD).

It was agreed early on that the plan would have a number of key priorities. It would have to assess the industry's track record in contributing to the economy, human well-being, the health of the environment, and good government; and it would have to predict whether the mineral industry would serve the goal of sustainable development in the future.

Moreover, the industry needed an action plan, and needed to work out a system of consultation and analysis that allowed communities, the industry, and those ubiquitous "stakeholders" to reach agreement over mineral development projects.

Although the MMSD program is global in scope, special attention was given to four traditional mining regions. So it was that North America, southern Africa, Australia and South America each was assigned MMSD regional projects. The North American project took on the task of designing a sustainable development framework for the mature mineral industries of Canada and the U.S. Extending the program to Mexico is one of the group's priorities.

The Winnipeg-based International Institute for Sustainable Development joined the University of Nevada at Reno's MacKay School of Mines to co-ordinate research into the implications of sustainable development for North American mining. The program's work groups developed "seven questions to sustainability," which are intended as a guide for making sustainability decisions through all phases of mineral exploration and production.

The questions are meant to provide practical guidance for explorationists, designers and operators, from exploration through to closure. The first concern is engagement — are communities able to participate in the decisions that affect them, and, equally important, have they even agreed to these decisions?

The second concern is quality of life. Will people see an improvement in their lives during the life of the project, and after it is closed?

Third is the question of environmental sustainability — will the project preserve "the integrity of biophysical systems?"

Fourth, does the project offer economic opportunities for people, and will it contribute to local and regional economies?

Fifth, will it contribute to non-market activities in the community?

Institutional and governance issues are addressed by the sixth question: can the company, the community and governments provide a way of dealing with the effects of a mining project?

Last, is anyone looking at the big picture? There needs to be a system in place to re-evaluate the project and its effects as time goes on.

Industry issues

The thickest product of MMSD's regional project here so far is Alistair MacDonald's book, *Industry in Transition — A Profile of the North American Mining Sector*. MacDonald, in a 143-page study based on three months of interviews and discussions with people in the Canadian and U.S. mining industries, identified eight key issues facing the business in North America. These are outlined below:

- Senior and junior companies take different attitudes toward the ethic of sustainable development. Senior companies often see "creating a positive social environment" to be in the company's direct interest, as it reduces outside risk factors — that a good reputation will prevent the protestors from showing up at your gate. Juniors, on the other hand, are in the game at an early stage, and often out before production begins. They have less incentive to build a good reputation locally.

- The industry needs a better reputation. The juniors, particularly, are caught between heavy-handed regulation and a public perception that juniors may be cowboys.

- The facts about mining do not make their way into public opinion. The industry has a benign-to-positive public image in Canada but an overwhelmingly negative one in the U.S., and the popular press usually paints the industry in a bad light.

- Mining companies and the people residing near projects often have different ideas about what the company should be doing. MacDonald sums this up as a need on the part of the company to focus on the "site" and a desire by the community to focus on the "situation." Frequently people expect the company to provide new services and aid.

- Not everyone agrees precisely what sustainable development means. Sustainable development is often described as a "three-legged stool," the legs being the environment, the economy and social sustainability. The industry sees economic sustainability as having been left aside, in favour of environmental and social aspects of sustainability.

- Mining companies have to live in a market, but much of the basis of sustainable development is in a planned system. This problem is at the root of many of the industry's difficulties with the sustainable development concept: the requirements and commitments that come with a planned system simply may not be economically feasible.

- Canada has been a "globally dominant" mining country, but the increasing success of Canadian companies overseas may be eroding the country's primacy in the metals business. Some in the industry see the creation of global mining centres, possibly based in Toronto and Vancouver, supplanting the national role mining once had.

- While companies may extend their business to other countries, their corporate cultures may not adapt well to the new environment. A firm can jump into international acquisitions and exploration, but operating internationally over the long term requires experience and insight.

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NWMA/MMSA Mining Law Work Group Formed

In a continuing effort to work together with more collaboration and cooperation, while eliminating duplication, the Mining and Metallurgical Society of America (MMSA) and NWMA have formed a Mining Law Work Group. The work group is chaired by NWMA past president **Paul Jones** (currently chair of MMSA's Government Affairs Committee). The committee is working on several issues in support of the work of National Mining Association's Mining Law Task Force. Among those participating on the committee are NWMA members **Debbie Struhsacker, Steve Craig, Ron Parratt, Steve Alfers, Doug Silver, Jim Davis** and **Stan Dempsey**. The work group is preparing "white papers" focusing on certain issues raised by Congressman Rahall's recent version of Mining Law Reform and Congressman Mark Udall's (D-CO), Abandoned Mine Lands Cleanup bill.

The group also is working to develop an alternative to the current \$100 claim holding fee. This fee has proved to be a major disincentive to prospectors and grassroots explorationists. While it is clear that assessment work is a concept that has lost favor among Congress, the Administration and a large segment of the mining industry, there is support within those three groups for revising the claim holding fee to remove the disincentives to exploration. Substantially lowering the fee during the first 5 years is one idea the committee has embraced. The goal is to provide a reasonable cost of holding claims during exploration and mine development, while discouraging pure speculation.

NWMA on the Road

Over the past year, NWMA has exhibited at the SME Annual Meeting in Phoenix and the Elko Exposition in Elko, Nevada. Both meetings provide excellent opportunities for outreach to our exhibitors and members, as well as opportunities for recruiting new members and exhibitors.

NWMA also went looking for exhibitors and new members at this year's Con Expo Show in Las Vegas. This is the largest mining related trade show and meeting in the U.S. and focuses mostly on industrial and aggregate minerals.

Executive Director Laura Skaer presented a talk entitled *Winning in the Court of Public Opinion - - Are Our Messages Working?* at the SME Annual Meeting in February. She also has presented a talk on *Mining And Sustainable Development* at the Bureau of Land Management's Solid Minerals Conference in November 2001, the Army Corps of Engineers RAMS Workshop in April, the joint Canadian Mineral Analysts and Society of Mineral Analysts meeting in Spokane in April, the Sorptive Minerals Institute Conference in May, and the California Mining Association, also in May. Copies of the slides are posted on the NWMA website.

These speaking engagements have introduced NWMA to companies and groups who have not previously been involved with us. Both the Sorptive Minerals Institute and the California Mining Association have expressed interest in working with NWMA on federal public land and Mining Law issues impacting their members.

Did You Know?

- Over the past five years, exploration expenditures for hardrock mining in the U.S. are down 66% and mine development expenditures have fallen by 88%. Today, American mining companies spend 76% of their exploration budgets outside of the U.S.
- In 2001, world wide exploration expenditures were:
 1. Latin America – 575.8 million
 2. Australia – \$349.4 million
 3. Canada – \$332.9 million
 4. Africa – \$276.9 million
 5. United States – \$158.2 million
 6. Pacific/Southeast Asia – \$133.0 million
- A 2001 study by mineral consultants Behre Dolbear found that among 27 nations and the Americas, the U.S. is the *slowest* in terms of the time required to process and obtain a permit.
- The number of U.S. metal and non-metal mines has declined by 61% since 1980.
- According to a U.S. Geological Survey recent release, U.S. reliance on imported minerals has risen 7 fold in terms of value since 1993. Today the U.S. has more than 50% dependent upon foreign sources for at least 29 important mineral commodities, and totally dependent on foreign sources, mostly developing third world nations, for 14 strategic minerals. Eight years ago, the U.S. became a net importer of hardrock minerals for the first time in modern memory.
- 60 to 100% of the minerals essential to telecommunications, electronics, military operations and aviation are supplied by non-U.S. sources.

The evidence is clear: America needs a national minerals policy. How long can America remain the World's economic engine without a strong domestic mineral resource industry?

The 15th Coeur d'Alene District Mining Contest

The 15th Annual Coeur d'Alene District Mining Contest will be held August 3, 2002. As with the past 14 successful competitions, this event will feature some of the finest miners from across the Western United States. This year's competition will have special significance for all involved, as the founder, friend and source of inspiration for the contest, Lovon Fausett Sr., is remembered. This year's contest will honor Lovon's memory, as well as his tireless efforts in organizing the contest over the years. For more information, go to www.miningcontest.com. The organizers are looking for donations, which can be mailed to the Coeur d'Alene District Mining Contest, P.O. Box 87, Silverton, Idaho 83867. For additional information contact Harry Cougher at 208/752-1116 or Doug Bayer at 208/744-1751.

Women's Mining Coalition

A Grassroots Coalition Supporting Environmentally Responsible Mining

Tough times have been the norm for the mining industry in the recent past, and it isn't just market driven. The uncertainties and time delays associated with permitting exploration and mine projects alike have resulted in significant investment reductions in the U.S. It matters not what mineral resource one is attempting to develop – coal, hard rock, construction materials, or iron ore – delays and permitting uncertainties result in declining investment interests in this country, with these investment dollars transferring overseas. The result is greater reliance on foreign sources to provide the mineral resources critical to the economic well-being of America.

Recognizing a need to help with efforts to get mining industry facts to Congress, the Women's Mining Coalition (WMC) has helped to bring a diversified force together to contact members of Congress. WMC has, since its inception in 1993, collaborated with many mining-related companies, other industry organizations and local, regional and national trade associations – to be more effective with our outreach efforts to legislators. To this end, the WMC has completed another successful trip to Washington, D.C.

The WMC May 2002 Fly-In was completed the week of May 13th through the 17th with women traveling from Alaska to West Virginia and many points in between. WMC mobilized 31 women representing a broad diversity from the mining and energy sectors nationwide, enabling us to accomplish much in a short period of time. The trip participants included women representing manufacturing companies; iron ore/ steel companies; coal and energy companies; hardrock mining companies; and trade associations. This diverse group represented over 30 states and many districts nationwide.

The WMC May 2002 Fly-In met and exceeded its goals. We were able to get information packets to over 190 offices – 136 in the House of Representatives and 58 in the Senate. The visits completed were often with members of Congress and/or staff WMC has met with before, continuing to build on foundations initiated in previous years. Members of Congress and their staff remain appreciative of the information provided, with trip participants providing important information and perspectives “from the field.” WMC arranges the Hill visits, combining women into teams representing the various industry sectors including coal, hardrock, iron ore, and manufacturing. The objective is to show the connectivity and diversity of this nationwide industry – an industry that provides a wide range of employment opportunities in many communities across the nation.

During our meetings this past May, we discussed a broad range of topics and issues including the importance of being able to develop the nation's coal and mineral resources; America's growing energy needs; and how technological advancements have resulted in environmental protection advancements. A recurring topic of discussion included the need for national policies and strategies that enhance the nation's ability to produce minerals essential to our economy and to our way of life. WMC supports development of National Energy and Mineral policies that address the country's economic and strategic objectives in balance with reasonable environmental protection.

The WMC believes that responsible and informed legislative decisions should be based on facts not fear, and we are committed to providing information to legislators about the U.S. mining industry. We utilize grassroots networks to disseminate this information, putting constituents in contact with their congressional delegation about important issues. Presenting personal stories about our jobs and our communities allows each and every one of us a unique opportunity to express concerns about the consequences of specific legislation and regulations – on our lives, our communities and our environment. As constituents, each of us has a story to tell and a future to protect.

The Women's Mining Coalition is a grassroots organization supporting environmentally responsible mining – working with many towards keeping people employed in America. The continuing successes of WMC's efforts are in direct response to collaborating with so many companies, organizations, trade associations and individuals from across the country. Although the group is nationwide, we are always looking for more people to be involved. We welcome your participation – help us harness the power of constituents for the mining industry. Please contact Ruth Carraher or Ann Carpenter at 775-829-2121, ext 16, or email us at wmc@nevadamining.org.

Kinross, Echo Bay, TVX to Merge

Canadian gold companies **Kinross Gold**, **TVX Gold** and **Echo Bay Mines** have announced that they are merging in a deal worth \$1.27 billion. The merger is the latest in a series of gold industry team-ups and acquisitions as companies try to gain the critical mass needed to cut costs while searching for low-cost gold sources. Last year, Newmont Mining Corporation bought out Normandy Mining of Australia and Franco-Nevada Mining, creating the world's biggest gold company, and Barrick Gold acquired Homestake.

The expanded company will have a stock market value of nearly C\$2.3 billion at current prices. Its annual production of 2 million ounces, almost two-thirds in North America, makes it the world's seventh largest producer. Kinross expects to save about \$15 million annually by streamlining the costs of exploration, purchasing and administration.

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ISSUE REPORTS

ABANDONED MINE LANDS

Udall Introduces the Abandoned Hardrock Mines Reclamation Act

Congressman Mark Udall (D-CO) introduced the Abandoned Hardrock Mines Reclamation Act of 2002 (HR 4078), which purports to provide a mechanism to restore of abandoned metal mine sites in the West. However, like the Good Samaritan bill introduced by Senator Max Baucus (D-MT) in the last session of Congress, Congressman Udall's bill contains major deficiencies that prevent the bill from achieving its purported goal. Industry representatives, along with the Colorado Mining Association and the National Mining Association, have met with Congressman Udall and his staff. Representative Udall has indicated a willingness to consider changes that improve the bill and accomplish its purpose. The NWMA/MMSA Work Group provided a 3-page factual and legal analysis of the bill to NMA and CMA for their use in meeting with Congressman Udall and his staff. One interesting aspect of the Udall bill that is different from previous "Good Samaritan" bills is that it provides a funding mechanism based upon the Nevada Net Proceeds of Mine Tax model. This is essentially the language that environmentalists have objected to in the past when it was part of Senator Craig's Mining Law Reform package. NWMA is closely monitoring this bill and will ensure that our members' interests are represented.

MINING LAW

Rahall Introduces Mining Law Reform Bill (again)

West Virginia Congressman Nick Rahall, joined by Seattle Democrat Jay Inslee and Connecticut Republican Christopher Shays, introduced a 123 page bill to reform the General Mining Law of 1872. The bill, HR 4748, was introduced on May 16. It is very similar to previous versions introduced by Mr. Rahall in the early 1990's. Among the provisions are an end to patenting, an 8% net smelter royalty, a suitability or mine veto provision that would prohibit exploration and development in Wilderness Study Areas, lands recommended for wilderness designation, lands managed as roadless areas, lands in the Wild and Scenic River system or recommended for such, and any area that the Secretary of Interior deemed "unsuitable" for mining (i.e., the entire Western U.S.). The bill also contains prescriptive environmental standards, makes the claim maintenance fee permanent, and creates an Abandoned Mine Land fund.

In October 2001, Secretary Norton, in a letter to Congress accompanying the revisions to the Babbitt 3809 regulations, asked Congress to constructively reform the 1872 Mining Law and bring closure to that debate. Industry is on record supporting certain constructive amendments to the Mining Law, and has been in dialogue with Congressman Rahall and his staff to explore the possibilities of a reasonable compromise that all parties, including the administration, could support.

The Rahall bill is available on the Thomas website (www.thomas.loc.gov).

Although it is unlikely that the Rahall bill will move forward given the limited amount of time prior to adjournment and the fact that this is an election year, NWMA is monitoring Mining Law activity closely to ensure that our member's interests are well represented.

PUBLIC LANDS

Rebecca Watson Appointed Assistant Secretary for Lands and Mineral Management.

President Bush appointed, and the U.S. Senate confirmed, NWMA member Rebecca Watson to the position of Assistant Secretary for Lands and Mineral Management in the Department of Interior. Rebecca is formerly a partner in the Helena, Montana law firm of **Gough, Shanahan, Waterman and Johnson**. She was an active NWMA member and presented papers at several Annual Meetings. NWMA congratulates Rebecca and knows that she will do a great job.

Managing New National Monuments

The Interior Department recently sought comments on its plans for managing 17 new National Monuments established by the Clinton Administration in 2000 and 2001. A 60-day comment period ended on June 24. Interior Secretary Gale Norton specifically requested comment on several types of management approaches:

- Expanded opportunities for direct citizen participation in monument planning and stewardship management through citizen advisory councils or other forms of local collaborative groups;
 - Land exchanges as a way to resolve access and resource protection problems with state lands, mineral and grazing interests, and wildlife habitat;
 - Conservation and other creative easements that help to protect values in the monuments while respecting private property interests;
 - Greater reliance on local governments, volunteer groups, and businesses to provide existing and new monument services through contracts and agreements;
 - Partnership arrangements for managing ongoing, traditional activities, such as grazing, recreation, and other uses authorized by the monument proclamation; and
 - A transportation plan that is developed with input from those who use the roads, trails and waterways in the areas.
- For more information about the monuments and contact information, see the BLM's Website at www.blm.gov.

White River National Forest Update

The Forest released the revised version of the White River National Forest Land and Resource Management Plan on June 4. The plan, a result of over five years of work, will govern management of the Forest for the next 10 to 15 years. The document is available in CD-ROM format and on the White River National Forest website at www.fs.us/r2/whiteriver.

ISSUE REPORTS

Access to Mineral Deposits Denied

A proposal to build a private road through the Absaroka-Beartooth Wilderness Area has been denied again. The road was proposed by the Absaroka Trust to access mineral deposits on private property in the Gallatin National Forest. In 2000, the Forest Service had rejected a request by the Trust. That decision was recently upheld by Senior U.S. District Judge Jack Shanstrom. The Trust had asserted that the Forest Service has an obligation to allow private landowners adequate access to their property and that the Forest Service should pay for the proposed road. The area was designated as Wilderness by Congress in 1978. Since then, no roads have been constructed in the area. The ruling affirmed a similar holding by U.S. Magistrate Richard Anderson that “traditional” methods of accessing the property meet federal requirements. Anderson said adequate access is already provided by foot or horseback travel on trails, or by helicopter. He rejected the argument that helicopter access is too expensive, saying that federal law “does not guarantee the cheapest access, only adequate access.”

Equal Access to Justice?

U.S. District Judge Donald Molloy has ordered the Forest Service to pay two environmental groups more than \$200,000 in attorney fees resulting from a dispute with the agency over plans to salvage timber that was burned by forest fires two years ago. The Forest Service will have to pay \$124,000 to The Wilderness Society and \$76,000 to Friends of the Bitterroot. The groups had sued the Forest Service to block a salvage timber sale in the Bitterroot National Forest. The delay caused by these lawsuits resulted in the abandonment of several proposed salvage sales. Not only did the U.S. taxpayer lose revenue, but now has to pay the protestor’s attorney fees. Sounds like lose-lose.

Roadless Rule Update

Legislation making the Clinton Roadless Rule into law has been introduced in this session of Congress. Environmental obstructionists and their friends in Congress have criticized the Bush Administration’s lack of commitment to implement the “Roadless Rule,” which was effective in January 2001 (the rule prohibits road building and logging on 58.5 million acres of national forest roadless areas with very few exceptions). So it was no surprise when Representatives Jay Inslee (D-WA) and Sherman Boehlert (R-NY) introduced legislation (HR 4865) that would codify the Roadless Rule and eliminate millions of acres from development of timber and mineral resources.

The bill, which has 169 co-sponsors (it is interesting to note that the majority of bill sponsors do not have National Forest lands in their district), could go to the Agriculture or Resources committee, but is unlikely to pass either committee. However, House rules do allow a majority of the 435 members to sign a discharge petition forcing the legislation to the House floor. Also, the determined supporters could attach the legislation as an amendment to an appropriations bill. Meanwhile, 43 members of the House Western Caucus have written to President

Bush and asked that the Roadless Rule be “reconsidered, revised, and even eliminated.”

Proponents of the bill to codify the Roadless Rule cite broad public support claiming that over 90% of more than 1.6 million comments were in favor of the rule. However, a closer analysis of the comments indicates that this is grossly misleading. First of all, 99% of all comments received were form letters. Courts have continually emphasized that NEPA is not a vote, and that form letters repeating the same 3 or 4 comments are not “meaningful public comment.”

Better indicators of public opinion on the Roadless Rule are the comments filed by state and local elected officials and state and local agencies. Among the 110 state elected officials commenting, 71 were either opposed to any roadless rule or wanted significantly less protection (65%). Among 62 state agencies commenting, 46 opposed the Roadless Rule. The disparity is even more striking for county and municipal elected officials. Of 244 commenting, 222 were generally opposed to the Roadless Rule (83%). Of 81 county or municipal governments, agencies or associations commenting, 56 were generally opposed (81%). Of 64 federal elected officials commenting, 44 were generally opposed (69%). These numbers present a very different picture of public opinion and meaningful public comment of the Roadless Rule.

Currently, the Roadless Rule is on hold. In May 2001, a U.S. District Judge for the District of Idaho issued an injunction barring implementation of the Roadless Rule because of significant NEPA and Administrative Procedure Act violations. That decision has been appealed to the ninth circuit court of appeals, which has not issued a decision as of press time.

Congressional Staff Update

The House Resources Committee has named Jack Belcher as Staff Director of the Energy and Mineral Resources Subcommittee. According to a press release dated May 20, 2002, Mr. Belcher replaces Bill Condit, who will become a consultant in New Mexico. Belcher brings significant energy experience to this position. He was formerly with Washington, DC-based Hart Downstream Energy Services as Deputy Director of Energy and Refining Policy. Prior to that, he worked for Hart Publications, Independent Petroleum Association of America, Texaco E&P and the Republican National Committee. Belcher will work directly with Subcommittee Chair Barbara Cubin in crafting oversight hearings and energy legislation.

Christine Drager has replaced Mike Menge as the Republican Professional staff contact on the Senate Energy and Natural Resources Committee. Mike is getting married and moving to Arkansas.

BLM Personnel Changes

Francis “Fran” Cherry has been named Deputy Director for Operations of the Bureau of Land Management. Cherry most recently served as State Director of the BLM’s Alaska office. He succeeds Nina Rose Hatfield, who will become a Deputy Assistant Secretary of the Interior for Policy, Management and Budget.

ISSUE REPORTS

James M. Hughes has been named the BLM's Deputy Director for Programs and Policy. Hughes most recently served as Legislative Director and Appropriations Committee associate staff member for Representative Joe Skeen (R-NM). He served the Department of the Interior in a variety of positions from 1986 to 1993.

In other BLM personnel changes, Elaine Zielinski, current State Director for Oregon, will become State Director for Arizona; Elaine Marquis-Brong, currently in the Washington Office of National Landscape Conservation System (National Monuments), will become State Director for Oregon; Michael Nedd will become State Director for the Eastern States Office; Carson W. "Pete" Culp will become Special Assistant for National Energy Policy in the Washington Office; Elena Daly, current Deputy Assistant Director for Renewable Resources, will become Assistant Director for National Monuments; and Henri Bisson, current Assistant Director for Renewable Resources, will become State Director for Alaska.

TAX ISSUES

NOL Carryback Rules

The Internal Revenue Service issued a Revenue Procedure (Rev. Proc. 2002-40) this week to allow taxpayers until October 31, 2002, to choose whether or not to use the new five-year carryback period for net operating losses that was included in the Job Creation and Worker Assistance Act of 2002 (the "Economic Stimulus" bill). Taxpayers that incurred an NOL in 2001 or 2002 but either elected to forego any carryback period, or used a two-year period, may elect to use the new five-year period and file an application for a tentative carryback adjustment based on a five-year NOL carryback period, even if the 12-month period for filing the refund has expired. Rev. Proc. 2002-40 will appear in Internal Revenue Bulletin 2002-23, dated June 10, 2002.

STATE REPORTS

ALASKA

Northern Dynasty is Coming to Alaska

Northern Dynasty Minerals, Ltd. has entered into option agreements with **Teck Cominco American** to explore and develop the giant, unexplored Pebble Copper-Gold Porphyry District. Cominco American first discovered gold mineralization in the northern portion of the Pebble property in 1987, and subsequent drilling led to the discovery of a giant porphyry deposit. Based upon 60,000 feet of drilling in 110 holes, Cominco estimated inferred resources of 1 billion tons grading 0.3% Cu and .34 g/T Au. The deposit remains open to expansion.

IDAHO

Silver Valley Update

The National Research Council (NRC) of the National Academy of Sciences has agreed to study the science behind EPA's \$1.2 billion Superfund cleanup plan for the Silver Valley. EPA's science has been challenged and "exposed" by work done on behalf of the Shoshone Natural Resources Coalition, a group of local business leaders and citizens opposed to the EPA plan. The next step is for Congress to authorize approximately \$800,000 for the study.

Also, EPA Administrator, Christine Todd Whitman, has announced that she has accepted an invitation from the Idaho delegation to visit the Silver Valley and tour the proposed Superfund area. The visit is scheduled for August 13, 2002.

Both of these announcements are good news for the residents of the Coeur d'Alene Basin, who have opposed EPA's overreaching, unscientific approach to cleanup and prefer a state plan with local control. Common sense may yet rule the day, although EPA's Region 10 does not intend to wait for the NRC report before issuing its Record of Decision later this summer.

*Do we have your current address, phone & e-mail?
Please e-mail Mary at mrost@nwma.org with changes.*

Idaho College of Mines and Earth Resources to Close

The University of Idaho recently announced that budget cuts and a lack of student enrollment are forcing the closure of the Idaho College of Mines and Earth Resources. Several programs are being merged into other departments, while others, like Mining Engineering, are being discontinued. NWMA joined with alumni and friends to oppose the decision, but to no avail. This decision is part of a trend that has seen reorganization, and in some cases, elimination, of mining programs at colleges across the U.S.A.

MONTANA

Rock Creek Mine Update

In late March, the U.S. Forest Service withdrew its Record of Decision (ROD) approving the Rock Creek Mine. That withdrawal was the result of the U.S. Fish and Wildlife Service withdrawing its biological opinion on the mine, which was being challenged in court by Earth Justice Legal Defense Fund, the Rock Creek Alliance, Sierra Club, and other anti-mining groups. The withdrawal is only temporary as the USFWS is expected to issue a new biological opinion concerning the mine's impact on grizzly bears before the end of June, and the U.S. Forest Service is expected to, once again, issue a favorable ROD.

NEVADA

Ivanhoe Property to be Developed by Hecla/Great Basin Gold

Hecla Mining Company and Great Basin Gold Ltd. have entered into an agreement concerning the exploration, development and production on Great Basin's Ivanhoe gold property in the Carlin Trend of northern Nevada. According to a report prepared by Behre Dolbear and Company, the property contains an inferred mineral resource of 719,000 tons grading 1.29

oz. au/ton and 7.0 oz. ag/ton. Initial production is estimated at 180,000 ounces of gold and 920,000 ounces of silver annually, at a cash cost of approximately \$114 per ounce.

Oil-Dri Sues Washoe County

On April 11, 2002, Oil-Dri Corporation of America filed suit in the U.S. District Court, District of Nevada, against Washoe County, Nevada for declaratory relief, review of the land use decision, and monetary damages resulting from the Washoe County Commissioner's decision to deny a special use zoning permit with respect to conducting mining operations on unpatented federal mining claims and operating a mineral processing plant facility situated on adjacent private land. Oil-Dri, following an extensive state and federal permitting process and a NEPA evaluation, received an affirmative Record of Decision on its final Environmental Impact Statement from the Bureau of Land Management and the Nevada Department of Environmental Protection. Despite the fact that Oil-Dri obtained all required federal, state and local environmental permits (including a Washoe County air and road permit), the Washoe County Commissioners, in what was clearly an election year decision, voted 3-2 to uphold a planning commission denial of the special use zoning permit.

At press time, Great Basin Mine Watch and the Reno-Sparks Indian Colony had filed a motion to intervene in the lawsuit, but the court has yet to rule on that motion.

There is strong local community opposition to the mine and anti-mining groups like Great Basin Mine Watch and Mineral Policy Center have made this mine the new poster child for Mining Law Reform. In fact, Congressman Rahall mentioned this proposed mine when he introduced his latest version of Mining Law Reform on May 16.

UTAH

Geologist Licensing is Coming

Utah Governor Mike Leavitt has signed into law a bill (H.B. 96) that will require the licensing of geologists who practice before the public, although it exempts many geologists working for minerals and oil and gas companies. The bill specifies that a professional geologist practicing in the state be licensed as of January 1, 2003. A grandfather period (during which applicants do not have to pass a test) will begin this year. Effective January 1, 2004, applicants must pass an examination as an initial qualification of licensure. *For more information, see: <http://www.le.state.ut.us/~2002/htmldoc/hbillhtm/HB0096.htm> or www.utahpg.org.*

WASHINGTON

Members Meet Monthly

NWMA is holding monthly meetings in Spokane on the third Friday of each month. The meetings are generally held at Teck Cominco American over the lunch hour. These informal, brown bag lunches are excellent opportunities for networking and keeping up-to-date on mining related news and the activities of the Association. All members and friends are welcome. Contact Kathy Wilson in the NWMA office at kwilson@nwma.org for more information.

DNR to Close Spokane Field Office

NWMA and several members, led by Andy Buddington and Dale Avery, are working with eastern Washington legislators and county commissioners to try to reverse a decision by Olympia bureaucrats to close the Division of Geology's Spokane Field Office, and release long time employee and industry friend, Bob Derkey. Reduced funding from the state legislature is the excuse. However, all eleven state geologists officing in Olympia are being retained. Apparently, having coffee every morning with the state geologist is good for job security. It is hard to imagine that Washington's second largest city, coupled with the mineral wealth and geologic hazards of eastern Washington, doesn't merit at least one state geologist.

2001 Annual Meeting Proves Bigger is Not Necessarily Better

There was not one person or event in the World that wasn't impacted by September 11, and the NWMA Annual Meeting was no exception. The threat of further attacks, increased security at airports, and the hassle of checking in at least 2 hours in advance definitely limited post-September 11 airline travel. The impact of September 11, coupled with low metal prices, mergers, consolidations and layoffs in the industry led to a decision to hold the 2001 Annual Meeting, *Geodestiny – Resources for the Future*, technical sessions, exhibits and all, in the Doubletree Hotel. This change resulted in one of the best Annual Meetings in years, from the technical sessions to the networking to the exhibits.

The exhibits were moved to the large ballroom, up the hallway past the restaurant, and in to the lobby. **Boart Longyear** even displayed a drill in the circle drive in front of the hotel. The result was an exhibit hall that was always full with a constant buzz and lots of networking.

Wednesday night's Welcoming Reception, sponsored by the Spokane Convention & Visitor's Bureau and participating hotels, was a huge success. The reception was held in the exhibit hall with food stations in Shutters Restaurant. Well-placed bars resulted in a constant flow of traffic past all of the exhibitors. Friday morning saw the return of Moosemilk at the 7:30 a.m. *Moosemilk Breakfast* in the exhibit halls, sponsored by Pincock, Allen & Holt/Pentec Environmental, Alaska Pacific Powder, Acme Analytical Labs, Inc. and **The Northern Miner**.

Anne Hite, East Asia Gold Corporation and **Paul Dirksen** combined to put together an outstanding technical program. The program began with two well attended short courses, *The Pend Oreille Symposium*, which was held at the Pend Oreille Mine and hosted by **Teck Cominco American Incorporated**. This successful symposium was the brainchild of NWMA Trustee **Eric Cheney** and followed up on the successful Republic Symposium held the previous year. This format is being repeated this year with a Coeur d'Alene Mining District Symposium led by **Robert Laidlaw**.

The U.S. Forest Service combined with NWMA to host a workshop, focusing on permitting small mining operations on Forest Service lands. There was a lot of give and take in this workshop with frustrations on both sides being vented. Most importantly, everyone listened, and then rolled up their sleeves

to solve the problems. Both industry representatives and Forest Service employees came away with a mutual respect for each other's needs; and many issues and problems were solved, or at least a foundation for solving them was laid.

The technical program began on Wednesday with several outstanding, standing-room-only sessions. One focused on Peru and was chaired by **Chris Herald**, CEO of **Crown Resources Corporation**. Another was one of the best state and province report sessions ever, chaired by **Dr. Earl Bennett**, College of Mines and Earth Resources, University of Idaho. Alaska, British Columbia, California, Idaho, Montana, Nevada, New Mexico, Washington, and the Yukon participated in these two very informative sessions.

Thursday's highlights were another standing-room-only session covering platinum and palladium deposits, chaired by **Dr. John Childs**, Geologist, **Stillwater Mining Company**, a strong Industrial Minerals session, and two highly relevant sessions on mineral industry financing, chaired by **Doug Ward** of **Coeur**, **Stan Dempsey** of **Royal Gold**, and **Jackie Stephens**.

Friday featured a blockbuster Legislative and Regulatory Affairs session with Mark Rey, Undersecretary for Agriculture for Natural Resources and Environment, Fred Ferguson, Associate Solicitor for Minerals, Department of Interior, David Lauriski, Assistant Secretary of Labor for Mine, Safety and Health, and the ever-popular William Perry Pendley, President and Chief Legal Officer, Mountain States Legal Foundation.

Tom Fulton, Deputy Assistant Secretary for Land & Minerals Management and U.S. Senator Larry Craig (R-ID) were the featured luncheon speakers. They emphasized that the Bush administration believed mining was a legitimate multiple-use of the public lands. *Hallelujah!* We waited 8 long years to hear that again.

Another Friday highlight was a standing-room-only session covering the North American diamond scene, organized by **Art Ettlinger**, Yorkton Securities. The traditional Giant Ore Deposit session, the ever-popular Large Left Lateral Leaps, three very well received environmental sessions, and the NIOSH and USGS Open Industry Briefings rounded out the day.

Yes, attendance was less than in previous years, and the exhibit hall was smaller, but those who were here experienced unsurpassed networking opportunities and one of the best and most informative technical programs in recent memory. **Don't be left out this year, make your plans now to attend NWMA's 108th Annual Meeting, Exposition & Short Courses – A Focus On The Americas.**

NWMA Reaches Out to Small Miner Organizations

One of the more positive outgrowths of the 2001 Annual Meeting was a renewed spirit of cooperation and sharing between NWMA and several small miner organizations. Discussions between NWMA, the Oregon Independent Miners (OIM), and the Waldo Mining District (WMD) led to the creation of a new membership category – Small Miner Organizations. So far, OIM, WMD, the Eastern Oregon Mining Association, and the Washington Prospectors & Mining Association have joined NWMA. The Missoula chapter of the Montana Mining Association also is planning to join. NWMA welcomes these five organizations and looks forward to a long and mutually beneficial working relationship.

5th Annual Mine Blasting Short Course to be Offered

Golder Associates Inc. will present a professional development course, "Blast Design and Assessment for Surface and Underground Mines and Quarries," in Reno in September. The course is designed for engineers, supervisors, and personnel involved in the design and implementation of blasting in hardrock mines and quarries. The basic two-day course will provide a review of basic blasting theory and products, but will emphasize blast design and assessment of blasting practices. Design methodologies for safe and efficient blasting will be presented. Initiation systems, development and production blast design, measurement and prediction of blast vibrations, and controlled blasting methods to minimize wall rock damage to tunnel walls and mine pillars will be discussed. Monitoring and assessments to improve blast performance will be addressed, and will be illustrated using examples of blast optimization programs. Computer methods of blast design and prediction of blast performance will be illustrated using a suite of current programs.

An optional third day will cover controlled blasting for optimization of slope design. Fundamentals of rock slope design, mechanisms of wall damage, design of controlled blasting for slopes, wall control, and regulatory and operating constraints will be discussed.

The basic course will be presented by senior blasting specialists Bill Forsyth, Alan Cameron, and Tom Kleine, who all have extensive experience with blasting in the mining industry. Graeme Major, a Rock Mechanics Engineer with over 25 years of experience in rock slope stability and design, will assist in presenting the optional third day.

The basic course will be presented Monday September 16 and Tuesday September 17, from 8:30 a.m. to 5:00 p.m. at Harrah's Resort in Reno, with the optional third day on Wednesday September 18. Registration deadline is September 6. The course fee of \$600 for the basic two day course, \$900 including the optional third day, includes all instruction, detailed course notes, lunches, and refreshment breaks. Course content meets the criteria of the Nevada State Board of Professional Engineers for continuing professional competency.

To register or for more information, please contact Rhonda Knupp at Golder Associates, 6165 Ridgeview Court, Suite F, Reno, Nevada, 89509, Phone: (775) 828-9604, Fax: (775) 828-9645, E-mail Address: rknupp@golder.com.

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The 9th International Platinum Symposium, July 21-25, 2002. The Symposium will be held in Billings, Montana. Fax 409/880-8246 for details. E-mail: cooperrw@hal.lamar.edu. Website: www.platinumsymposium.org.

Georgia Mining Association Annual Convention, August 8-11, 2002, Ponte Vedra Inn & Club, Ponte Vedra, Florida. Call Georgia Mining Association for details at 478/757-1211 or fax 478/757-1949. E-mail: gamining@mindspring.com.

Northwest Mining Association Trusted Meeting, August 9, 2002 in Reno, Nevada. For details, contact Kathy Wilson at 509/624-1158 or fax 509/623-1241. E-mail: kwilson@nwma.org.

Economic Evaluation and Investment Decision Methods - A Course in Discounted Cash Flow Analysis Techniques, September 9-13, 2002. Sponsored by Colorado School of Mines and Investment Evaluations Corporation, Beaver Creek, CO. For details, call 800/859-8242 or E-mail: space@mines.edu.

Short Course "Blast Design and Assessment for Surface and Underground Mines and Quarries." September 16-18, 2002. Sponsored by Golder Associates in Reno, Nevada. For details, contact Rhonda Knupp at 775/326-8599 or E-mail: rknupp@golder.com.

4th Annual Platinum Group Metals Seminar, September 18, 2002 in New York City. Sponsored by CPM Group and the International Precious Metals Institute. E-mail: info@cpmgroup.com or go to their website at www.cpmgroup.com/pgmseminar2002.pdf.

Call for Papers - Nuclear Energy Institute's International Uranium Fuel Seminar, 2002 Grove Park Inn Asheville, NC. September 29 - October 2, 2002. For more information, contact Cheryl Moss Herman - phone 202/739-8124 Fax: 202/293-3451 or E-mail: cam@nei.org.

Northwest Mining Association Trusted Meeting, October 18, 2002 in Spokane, Washington. Contact Kathy Wilson at 509/624-1158 or fax 509/623-1241 for details. E-mail: kwilson@nwma.org.

Call for Papers - 6th International Conference, Scientific Committee on Education and Training in Occupational Safety and Health, ICOH, in Baltimore, Maryland, October 27-30, 2002. Contact North Carolina ERC, Chapel Hill, NC for details at 919/962-2101 or fax 919/966-7579.

Email: oshercww@sph.unc.edu.
Website: www.sph.unc.edu/osherc/

Denver 2002: Science at the Highest Level - The Geological Society of America Annual Meeting and Exposition, October 27-30, 2002. For more information, contact Melissa Trotter, GSA Registration Coordinator at 1-800-472-1988 or 303/357-1013. To reserve booth space, contact Brenda Martinez at 1-800-472-1988 or 303/357-1038, fax 303/357-1072. E-mail: mtrotter@geosociety.org.

Manitoba Mining & Minerals Convention 2002 - Its All About Results, November 14-16, 2002. For more information, contact the Manitoba Industry, Trade and Mines in Winnipeg, Manitoba, Canada toll free at 1-800-223-5215 or 204/945-8093. Fax 204/945-8427. E-mail: convention@gov.mb.ca. Website: www.mineralsconvention.com.

Northwest Mining Association Trusted Meeting, December 3, 2002 being held in conjunction with our Annual Meeting & Exposition in Spokane, Washington. Contact Kathy Wilson at 509/624-1158 or fax 509/623-1241 for details. E-mail: kwilson@nwma.org.

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