Judge Slaps Mining Company with $2M Penalty

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BOISE, Idaho (AP) — A federal judge has ordered a Canadian mining company to pay a hefty $2 million penalty for its chronic failure to follow clean water laws, and not doing enough to staunch the flow of arsenic and iron into a tributary of the Boise River system.

The order and penalty is the latest setback for Atlanta Gold Corp., which has been exploring gold deposits in the mountains around the historic mining town of Atlanta for more than 25 years.

Earlier this year, U.S. Magistrate Judge Mikel H. Williams ruled the company is legally responsible for high concentrations of pollutants flowing from an old mine shaft. His order, given Thursday, wraps up the penalty phase of a lawsuit brought by two environmental groups.

The Idaho Conservation League and the National Environmental Defense Center sued the Toronto-based company last year, accusing the company of violating its federal discharge permit and failing to reduce the levels of pollutants flowing daily into Montezuma Creek, a tributary of the Middle Fork of the Boise River.

"We are hopeful that this strong ruling will cause Atlanta Gold to come into compliance with the permit and allow for the restoration of Montezuma Creek and the Boise River," said Kristin Ruether, an attorney for Advocates of the West and the plaintiffs.

The judge also ordered the company to fix the problem by October 31 or face additional financial penalties.

Miners first discovered gold near Atlanta in 1863 and various companies have set up mining operations in the area northeast of Boise since. Atlanta Gold obtained an interest in the site in 1985 and for years has conducted exploratory drilling and excavation, but has yet to extract and process a single ounce of gold.

As part of its exploration process, the company reopened 200 feet (65 meters) of a mine adit first drilled in 1917, which is now deemed the primary source of contamination. The company has worked with federal agencies and built temporary facilities to treat the water, but, for a variety of reasons, those efforts have not successfully lowered levels of arsenic, a toxin that can cause adverse health effects on humans and aquatic life.

In court documents, the environmental groups presented monthly reports filed by the company showing the discharge from the adit was violating levels set in its EPA permit nearly every day since August 2009. In his January ruling, Williams determined that it's highly likely Atlanta Gold's work in and around the shaft

increased water flows, and consequently the levels of pollutants flowing into the stream.

Water quality monitoring reports filed by the company and cited by the judge show water discharged from the treatment facility into the creek contain arsenic that, on average, is 26 times higher than the concentrations allowed by the EPA permit.

Ernie Simmons, president and CEO of Atlanta Gold, said the penalty is a disappointment and setback for companies interested in mining gold and other metals in Idaho.

Although Williams concluded that arsenic in Montezuma Creek poses no immediate threat to human health or drinking water, he said there is a "significant possibility that harm to human health may result if the discharges continue unabated."

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