Gold Mine Delays Could Derail MT Project

Associated Press

BUTTE, Mont. (AP) — Delays in getting a proposed underground gold mine approved in western Montana could cause the company to abandon the project, a mining official said.

Steve Osterberg, vice president of exploration for Timberline Resources, tells the Montana Standard (http://bit.ly/1oXYZll [1]) in a story on Saturday that the Butte Highlands Joint Venture could be tabled.

Idaho-based ISRCapital and Timberline Resources for four years have been working through the permitting process with state and federal agencies for the mine south of Butte.

"If we incur yet another year or two of delays on this project, it's very costly to investors, and there's no reason we would as a business want to continue investing in the state of Montana when there are plenty of other opportunities in, for example, Nevada and Idaho," said Osterberg.

The U.S. Forest Service has concerns about which route the company will truck ore off the site for processing. The Montana Department of Environmental Quality, meanwhile, is working on a draft environmental impact statement.

Osterberg said the mine is expected to employ 50 workers and operate for about 10 years, producing an estimated 200,000 ounces of gold.

"We do believe there is significant exploration potential to increase that resource considerably," Osterberg said.

Dave Sabo of the Forest Service said the mine has proposed various routes for trucking ore.

"When the company was originally looking at doing a proposal here, they thought the easiest way was up Roosevelt Drive," Sabo said. "We got a new proposal last year from the company. They propose to go west from the site and then go through private landowners to reduce grade of the road."

The mine has signed lease agreements with the property owners, Osterberg said.

The Forest Service permitting process could be finished this summer, officials said.

The draft environmental impact statement with the Montana DEQ has to do with water quality, and many public comments are directed at that concern.

"DEQ has worked diligently to respond to the numerous comments we've received on this application," Chris Saeger, communications director with the DEQ, said in a statement. "Now that we have completed approval for another permit for a mine, we can turn our attention more fully to completing our review of, and final decision on, this permit application. We hope to complete that decision very soon."

Among the requirements for the mine, it must return any water it uses to streams and rivers without degrading its quality. And to make sure reclamation of the site will be completed once the ore deposit is exhausted, the company will be required to post a multimillion-dollar bond.

"The permit addresses flow and water quality into Fish Creek, Basin Creek and the Moose Creek tributary," Osterberg said. "I expect they will require us to do additional monitoring, as well as potentially they will require us to do certain mitigations so base flow remains adequate for health of aquatic environment."

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