Layoffs At CA Gold Mine

Associated Press

SUTTER CREEK, Calif. (AP) — An attempt to unearth new riches from some of the Gold Rush era's most productive mines has stalled, with the owners announcing Tuesday that they must spend more than $1 million before work can resume.

Most work has stopped and nonessential workers have been laid off at the mine in Amador County, about 50 miles southeast of Sacramento, Sutter Gold Mining Inc. said in a statement.

About 1,000 tons of stockpiled ore was processed before flooding led operations to be shut down at the end of February, the company said. The remainder of the 3,500 tons of stored material has yet to be processed.

The mine will need to remove the water, move equipment and install a gold smelting room at a projected cost of more than $1.1 million before production can continue, the company said. It said it is working with its lender, RMB Australia Holdings Ltd., as it develops a new mining plan.

"There is no sense operating the mill and incurring additional costs until we have addressed the issues we know preclude efficient commercial processing," Rick Winters, the company's interim president and chief executive, said in a statement.

The halt was confirmed in an email from the company's chief financial officer, Robert Hutmacher.

The company has mining rights under a region of the Mother Lode that once was home to eight gold mines. The company's land is located between the quaint Gold Rush communities of Sutter Creek, population 2,500, and Amador City, with 200 residents.

Sutter Creek was named after John Sutter, of gold discovery fame. The nearby mines once made Hetty Green the nation's richest woman and enriched railroad baron Leland Stanford, who eventually become California governor and founded Stanford University.

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