Idaho Mining and Exploration 2008

Virginia S. Gillerman
Idaho Geological Survey

NWMA, Reno, Dec. 4, 2008
Idaho Minerals by Commodity

2006f: $797 million

2007p: $817 million (est.)

USGS data
2008: A scary ride!! (and it ain’t over yet)

- **The Rosy Beginning**
  - Dow at 12,600
  - Optimism unbridled
  - Au tops $1000/oz. in March, Moly up, Ag at $20/oz in March.

- **The Autumn Fall**
  - Stocks drop to 8000
  - Housing Meltdown
  - Credit Crunch
  - Most Metal Prices nose dive, but Au stronger:
More Indicators for 2008

- Housing, Automakers, Financial Companies all in trouble.
- Trillion Dollar Bailouts and government takeovers?
- Record Deficits; an “economy on life support” (CNN.com)
- Fuel, steel costs way up, then down.
- And a sweeping mandate for change in the White House.

History in Progress
Coeur d’Alene District: $1.197 \times 10^9$ oz. Ag

Since 1884, one of the world’s most prolific silver districts
Hecla Mining Company: Lucky Friday Mine

Lucky Friday mine and Gold Hunter deposit: 3.1 million oz. in 2007. Expansion and Exploration. Mill upgrades, plans for new shaft. Flexibility!

Slusher mining, 110 vein, 4860 level
Hecla’s Gap Drilling Program

Gold Hunter

Gap Target

Lucky Friday Expansion
Hecla: Computerized 3D Mine Models

Hercules
Sherman
Tiger-Poorman
Standard-Mammoth
Tamarack
Hecla
Gold Hunter
Star
Lucky Friday
Gap area
Lucky Friday Expansion
Sterling Mining Company: Sunshine Mine

- **Up and Down**
- **First half of 2008**
  - 3100 level production on Sunshine vein
  - 2700 level rehab of West Chance escapeway, diesel shop, etc.
  - Stope sandfill controls
  - Upper Country Sunshine vein ore off Sterling Tunnel
- **Diamond Drilling**
- **May management changes**

1st Con Shipped, Dec. 2007
May 27, 2008- Management Change.

July 23- Merger with Minco Silver. $5m loan.

Sept. 2- Minco backs out.

Sept. 15- Sterling suspends production.

Sept. 16- Will continue 3400 ramp and 3700 dewatering exploration project.

SHUT DOWN AGAIN

And market conditions have deteriorated since September.
>282 miles of land position
Galena 3000 Level

AgCu
PBS goes underground

Galena Mine
Drilling: Over 64,000 feet in 144 holes
New Jersey Mining Company

- Silver Strand Mine: development done
- Golden Chest mine, Murray:
  - Drifting on new Au-W vein (scheelite)
  - Decline intersected #3 level, better access to reserves.
- Mill and Au Con leach plant complete
Silver Strand Mine
(5.4 g/t Au; 361 g/t Ag)

2008 – put in facilities, wait till next year to truly start production

Gold Rush to Murray: Golden Chest Mine and lots of exploration
Concentrate leach tanks installed.

New Jersey Mill

2008 - installed electrowinning Au recovery system and pastefill tailings plant
NEW BUNKER HILL MINING CO.

AZTECA GOLD CORP.

35.8 mt, 8.76% Pb, 3.67% Zn, 4.52 oz. Ag.

2008 - NO DEAL. Delays due to DEQ/ EPA a factor?
Thompson Creek Mine, Custer County

Over 300 million pounds of Mo!

October 14, 2008

2008: Stripping Phase 7 pushback, Mining Phase 6, Development Drilling

Oct. 6, 2008: $31.40/lb. Mo oxide
Late Nov., 2008: $10/lb.

Company optioned Mt. Emmons deposit in Crested Butte, CO
Thompson Creek Metals: Awarded 2008 BLM Community Outreach and Economic Security award

2008: Ground Probe Radar
Hecla: Grouse Creek Mine Reclamation

2008: 60% reclaimed site. Tailings pond fill/embankment work.
AMLs: Closures by BLM (and FS)

Closing Silver Star Adit, Hailey area (1 of 35 sites)

Buckhorn Mill Cleanup, Phase 2. South of Salmon, Idaho
The Phosphate Cycle

- **Mineral:** Apatite \( \text{Ca}_5(\text{Cl},\text{F})(\text{PO}_4)_3 \)
- **Rock:** Phosphoria Formation (265-275 million years old).
- **Mining:** Large, open pit mines with ore assaying about 25-30% \( \text{P}_2\text{O}_5 \).
- **Processing:** Phosphoric Acid for fertilizer, and Elemental Phosphorus for chemicals, foods, herbicides, and other high purity uses.
GEOLOGY OF THE IDAHO PHOSPHATE DISTRICT

- Phosphoria Fm.
- Meade Peak Member (5 m.y. of deposition about 265 m.a.?)
- Permian (290-248 m.a.) west coast of North America
- >300,000 km²
- Phosphatic black shale – restricted marine basin with upwelling organic-rich currents

(Piper, 2001)
Monsanto: South Rasmussen mine

Permitting: Blackfoot Bridge property, DEIS in 2009
Monsanto: Reclamation in Phosphate Reserve


September planting
J. R. Simplot

Don Plant, Pocatello
Smoky Canyon Mine

Smoky Canyon Mine Panels F and G
Authorization for Off-Lease Activities

RECORD OF DECISION

FEDERAL AGENCIES
U.S. Department of Agriculture
Forest Service
Caribou-Targhee National Forest

U.S. Department of the Interior
Bureau of Land Management
Rocky Mountain Region
Pocatello Field Office
Pocatello, Idaho 83201

June 2006

Released by BLM, October, 2007: Expand to Panels F, G

2008: Lawsuit against DOI, agencies; Nov. 2008 - judge rejects prelim injunction to stall expansion.
Agrium: Conda Phosphoric Acid Plant
Agrium Dry Valley Mine

D pit

B pit reclaimed
Phosphate - Vanadium Exploration, 2008

RMP Resources

(Rocky Mountain Resources)

Paris-Bloomington Area: old underground phosphate mines

6 RC holes for P, V
Emerald Creek Garnet: WGI Heavy Minerals

- Mining near Fernwood in north Idaho -
  - 2 wash plants
  - Change from trommels to flat screens
  - Upcountry and St. Maries floodplain
- Sold its investment in Transworld Garnet India
- Agreement with V.V. Mineral to mine and supply garnet from India

New flat screen

Trommel
Louise Darby
Idaho's
"GARNET QUEEN"

As shown on TV
USFS Garnet Dig
A big success
Construction Aggregate: Sand and Gravel and Crushed Stone

- Many operators all over state
- Aggregate is second most valuable commodity in Idaho
- Consolidation by Oldcastle Group
- Was booming, hit hard by downturn
- Commercial more steady than residential
L & W Stone

FEIS near end of 2008
Northern Stone Supply
Oakley Valley Stone
American Stone
Scrivanich Natural Stone
Ash-Grove Cement

>300K tons cement
Rocky Mountain Travertine

- Formerly Idaho Travertine Corp.
- Sold in 2008 and renamed
- Quarry is 40 miles east of Idaho Falls
- Large saws and equipment to cut and finish stone
Table Rock Sandstone and G. Borbonus Landscaping

Idaho Capitol Restoration Project: adding 2 new underground wings

Cutting grooves to match historic facing stones

Special Cut Blocks
Bear River Zeolite
Preston, Idaho

Markets: Animal nutrition, water filtration, oil well reagents, waste water treatment, soil conditioning, etc.

BEAR RIVER ZEOLITE mines, processes, packages and sells the finest quality natural zeolite at the best price.

50% higher sales in 2008. Added 60” vertical roller mill and other plant improvements. Added 200 tpd capacity.

Diverse Customer Base
Shoshone Silver: Lakeview District, Bonner County

Processing (50 tpd) stockpiled ore at Lakeview Mill, refurbished last year. Flotation – Pb, Zn cons

Drilled 1200 feet at Keep Cool and Weber Pit. Silver-lead veins in Belt rocks.

2008: Deal with Kimberly Gold Mines to Acquire Rescue mine at Warren
Two Mile Gulch, Silver Valley

2008:

Announced earn-in to 50% on JV with Silver Royal Apex. Expanded claims and did additional drilling in 3 holes. May deepen one from 2007. Evaluating results.
Crescent Mine

25.4 million oz Ag; 1917-1984

2008 - over 35,000 feet of drilling

SNS-901: 27 optAg over 3 ft
Murray, Idaho

East Fork Eagle Creek
- New Gold District Coming to Light
- Evidence of Alkaline Intrusive Gold System
  - Gold & Silver Telluride mineralization
  - Prichard & Related to Structural Zones
  - Potassic alteration
  - Alkaline rocks peeking out
  - Lead age dates show similar ages
- Newly Staked Properties (2,900 acres)
  - Golden Reward (240m x 400 m soil anomaly)
  - Mineral Ridge (2 @ 45m wide gold soil anomalies)
  - Gold Butte (75 m wide zone)
  - Snowslide
  - Independence
  - CA Claims

Toboggan JV
with Newmont

Historic and Current Murray Gold Placers
New Jersey Mining: Murray District

- E. Fork Eagle Creek
- Niagara (14 mt Revett-hosted stratabound), drill permits (2008 drilling – 3 holes)
- Staked Giant Ledge prospect, Murray

Historic Murray placers
2008 Toboggan J V Project with Newmont: East Fork of Eagle Creek
Toboggan JV
(Newmont/NJMC)

Mineral Ridge

- Au Soil Anomalies
- High Grade Float
- 38.4 gpt Au, 19.6 gpt Ag & 61.4 ppm Te
- Previous Exploration
  - 865 meters RC: 1.5 m of 18.9 gpt
  - Trench 18m of 1.5 gpt
  - Soil Anomaly 1,600m x 240m
- Drill Plan Submitted

7,300 acres in Murray area
Elk City Mining, LLC

- JV of Premium Exploration/Clearwater Mining
- Start EIS process on Buffalo Gulch
- Public scoping in August
- Open pit, heap leach
- Bema permitted deposit in 1990
- 100,000 oz. oxide Au
- Premium has Orogrande Shear/Petsite property

Financing?
2.64 million tons reserve at 0.559% Cobalt, 0.596% Copper, and 0.014 opt Au; more inferred, potential.
Formation Capital Corporation
Idaho Cobalt Project - 2008

• ROD issued on June 12 by Salmon-Challis Forest

• Sept. 30 – ROD remanded by Regional Forester for rewriting

• Nov. 28 – FS expects to issue new ROD in Jan. 2009

• FCC agreements with Idaho Conservation League (Aug.), Boulder White-Clouds and Earthworks (Nov.) resolve environmental appeals

• Sept. – Court appoints commissioners to rule on access valuation across Xstrata ground
Artist’s Schematic of Cobalt Concentrator

75% complete on engineering design
More North and Central Idaho Exploration

- **DDR Copper, Inc.**, quiet at the Pope Shenon Cu mine south of Salmon
- **Journey** announced 2 high grade zones cut by 2007 DDH at Musgrove
- **Bear Lake Gold** JV on Unity Mine (Warren) and started 3,600 m drill program
- **Thorium Energy** staking claims/sampling
Gentor Resources Inc.: Ima Mine

- Moly-Tungsten-Silver
- Private Land, underground
- Extensive prior work
- May 2008 – completed 21,000 feet drilling
- Inferred resource 5.7 million tons at 0.15% Mo with higher grade
- Drilling stopped by funding
- Have special-use permit to use private land for mill
- High grade intercepts > .3% MoS$_2$
Mosquito Consolidated: Cumo

• Large, deep, zoned Cu-Mo-Ag porphyry at Grimes Creek, Boise County

• 4 drills going

• 11 holes complete at > 25,000 feet core

• Hole 40-08: 686m of 0.114% MoS$_2$

Talk and Core Shack
Eastern Idaho:

Otis Capital: Kilgore Project

Doe Run Mining: Birch Creek
Atlanta Gold Corporation: Atlanta (Idaho)

Portal – Monarch Decline

Scenic Drill pad
Thunder Mtn. Gold: South Mountain, Owyhee County

DMEA 2 Drill Site

Massive Sulfide & Skarn
Agnico-Eagle
Hydrothermal Metals – Raft River

Freegold Ventures – Almaden Mine

Silver Falcon

Otis Capital
Energy: Geothermal the hot spot, Oil?

US Geothermal – Raft
River Power Plant

2007 CPC
Oil Well
Idaho Geological Survey
www.idahogeology.org

- 338 downloadable geologic maps
- 520 downloadable publications, inc. older ones
- Statemap
- Teacher Workshop
- Lemhi Pass
Idaho Mining and Exploration
2008
Virginia S. Gillerman
Idaho Geological Survey

With a big thanks to Earl Bennett

Idaho Non-fuel Mineral Production

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- And a sweeping mandate for change in the White House.

Coeur d'Alene District: >1.197 x 10^9 oz. Ag

Since 1884, one of the world's most prolific silver districts
Coeur d'Alene has history of ups and downs and surviving historic troubles.
Labor Wars, Assassinated Governors, Mine Fires, Superfund sites, etc., can't disguise the fact that there is a heck of a lot of silver hidden in these enigmatic, high grade silver-base metal veins cutting folded and faulted Belt Basin metasediments. Lots of activity in 2008 – maybe the most in 20 years. Very deep mines, with quartz-siderite-sulfide veins.
2008: Mining mostly from 5900 level of Gold Hunter with 75% from Main Vein (30 vein). Rest is from intermediate veins. 1000 tons/day. 2008 total about 3.1 million ounces (similar to prior year). Had to deal with prices up then down. Adjusting mine plan. Currently at full capacity of 250 employees. Lucky Friday production in 2007 was 3,071,857 oz of silver, 18,297 tons of lead and 8,009 tons of zinc from 323,659 tons of ore milled compared to 2,873,663 oz silver, 16,657 tons of lead, 6,537 tons of zinc from 276,393 tons milled in 2006. Average cost per ounce of silver in 2007 was -90 cents, cash cost was -75 cents and total production cost was 52 cents/ounce compared to $3.57 per ounce, $3.65 per ounce and $4.90 per ounce in 2006. Hecla allocated $1.3 million for exploration at Lucky Friday and $5.7 million for the rest of Hecla's Silver Valley assets for 2008.

HECLA DEVELOPMENT 2008: Below existing Gold Hunter at LF Expansion area – below and laterally to current mine reserve. Just started a very deep hole off the 5900 level to go down. Encouraging results in drilling below current operation. Bought assets of Independence Lead property this fall to close property gap between Gold Hunter Deposit and old Star mine.

Second mine exploration area: The GAP Target, between current mine area and historic Gold Hunter workings.
Here are the slides you requested. In the Gap program, we drilled 7 core holes totaling 21,620’ using down-hole directional drilling. Let me know if you need anything else. By the way, I’m sure you heard that Sterling suspended production at Sunshine effective today. From Steve Petroni, Hecla, 8/15/2008.

Hecla Regional Exploration: Took 110 years of historic mine maps, digitized them in India. Create computerized 3D model of mine workings (245 mines and prospects) on Hecla’s lands in district. 3D modelling (with special glasses and 3D projection) to generate exploration targets. Mapping and sampling of strategic areas underway in 2008.

May 2008: Ray Demotte no longer President
Sterling, 2007- Ray Demotte, Mike McLean
Silver Summit Hoist rebuilt and commissioned on Sept 10. Along with Sterling Tunnel and Polaris-Silver Summit drift, this is the secondary escape way for the mine and had to be completed before mining commences.
Jewell Shaft recommissioned and good to the 3100 level.
Company raised some $25 million during the year.
5700 foot Sterling Tunnel project completed by Atlas Faucett in April. Connects to Polaris-Silver Summit drift that extends 5850 feet to the Silver Summit Shaft and then 5,225 feet to the portal. Will have over 100 employees by year’s end as production resumes. Mill is being recommissioned and all surface building repaired. New diesel jumbos and other equipment on the way. Diesel electric equipment in the Sunshine mine will be repaired in the near future. First ore mined from upper Sunshine vein and sent to the mill bins on September 14, 2007. January, 2007, Acquired tailings pond. ConSil hoist room rehab finished in August, 2007. Sterling Tunnel started on January 17, 2006 and was completed on April 27, 2007 and connected to the Polaris Drift driven by Atlas Faucett from the east for a distance of 4,213 feet. 230 feet of drifting on Sunshine Vein. First load of ore sent to the ore bins at the mill on September 14, 2007. Mike McLean, Mine Manager. Mill will be operational in September. More drilling in Sterling Tunnel. 

As of Nov. 28, 2007 had 110 people employed. Rehab of Silver Summit shaft was down over 1100 feet and can’t mine until it is completed. Mill is up and running fine tuning on mineralized rock from the Sterling Tunnel.
From Monique, Sept 16, 2008;
Although Sterling recently suspended production activities, the Company continues to view the Sunshine Mine as an important silver resource and will proceed to dewater the mine and pursue a development and limited exploration plan. Underground development will focus on completing a ramp connection to the 3400 Level and dewatering the mine to the 3700 Level. After rehabilitation of the 3700 Level is completed, a comprehensive exploration and development program will begin, focused on major target areas in the eastern portion of the mine in order to further define resource estimates. In the event that market conditions improve and the additional financing is secured, the Company may resume production as part of its ongoing strategy to advance and maximize the value of the Sunshine Mine Property.
March 25, 2008
Sterling Mining Company Sunshine Mine Update

Wallace, Idaho -- March 25, 2008 -- (Marketwire) -- Sterling Mining Company (TSX:SMQ / OTCBB:SRLM / FSE:SMX) provided an update today of production and development activities at the Sunshine Mine.

Recent highlights include:
• Initiated ore production from the 3100 level Sunshine Vein area and commenced development in the sunshine ramp system to access a new production area
• Completed rehabilitation work on the West Chance escapeway system in preparation of production from identified ore blocks on the 2700 level
• Re-established essential mine services and the diesel shop on 2700 level and began re-assembling diesel equipment
• Installed new controls on the mine sandfill system to service lower level stopes
• Continued mining activities in the upper country on the Sunshine Vein area
• Next shipment of concentrate scheduled to occur before the end of March

Current mining activities are focused on resuming production and development from both the 3100 level in the Sunshine vein area and 2700 level in the West Chance area.

May 27, 2008
STERLING ANNOUNCES MANAGEMENT CHANGE
Wallace, ID - May 27, 2008 - Sterling Mining Company (TSX:SMQ / OTCBB:SRLM / FSE:SMX) announces that Raymond De Motte is no longer President of the Corporation. Ken Berscht has accepted the position of Interim President, effective immediately, pending a search for a replacement fulltime President expected within the next 60 days. In addition, Kevin Shiell will continue his role as Executive Vice President.

July 23, 2008
Sterling Mining and Minco Silver Announce Proposed Business Combination
Minco Silver Corporation ("Minco Silver") (TSX: MSV) and Sterling Mining Company ("Sterling") (TSX: SMQ/OTCBB: SMRL/FF: SMX) are pleased to announce that they have signed a letter of agreement whereby Minco Silver will acquire 100% of the issued and outstanding shares of Sterling (the "Transaction"). The transaction will result in Minco Silver controlling two world class silver deposits including the Fuwan Silver property in China and the Sunshine Mine in Idaho, USA.

For Immediate Release September 5, 2008

In addition, Minco Silver is working with Sterling Mining Company ("Sterling") on the repayment of the US$5,000,000 loan (the "Loan") provided to Sterling pursuant to the Credit Facility Agreement dated July 30, 2008. The Loan is fully secured by substantially all assets of Sterling pursuant to
an All Assets Security Agreement and a Mortgage, Assignment of Leases and Rents Security Agreement.

Sep 15, 2008 08:00 ET
Sterling Mining Company Suspends Production at Sunshine Mine
COEUR D’ALENE, IDAHO--(Marketwire - Sept. 15, 2008) - Sterling Mining Company (TSX:SMQ)(OTCBB:SRLM)(FRANKFURT: SMX) today announced it has suspended commercial production activities at the Sunshine Mine in Idaho.

Two Main Objectives: Return Galena to optimal production level of 2.5-3.5 million ounces/year, and increase ore reserves with aggressive exploration program. Achieved significant increase in production over 2007, with first 3 quarters 2008 production over 1.2 million ounces silver. Infrastructure improvements, personnel training and help from hedge contracts.

Two major themes- Making progress in all aspects of the operation while lowering production costs and exploiting the potential of the silver-lead vein system.
Highlights and Milestones of Second Quarter 2008

- Achieved Comprehensive Income of nearly $1.7 million
- Net Loss of $890,000 from operating activities
- Production of approximately 414,000 ounces of silver, up 36% vs. first quarter 2008
- Production of approximately 77,950 silver equivalent ounces in the form of copper and lead, an increase of 85% vs. first quarter 2008
- Revenues of over $10 million
- Increased daily production in second quarter to 778 tons, an increase of more than 235% vs. the average daily volume in 2007
- Increased proven and probable reserves by 61% to over 17 million ounces of silver
- Galena Shaft repair progresses on schedule, with completion expected in late 2008
- Completed over 15,000 ft of underground development and exploration drilling
- Completed over 2,500 ft of underground development drifting

The costs at the Galena Mine in the second quarter remained high at $14.04 per ounce of silver. Management believes that costs will decline, particularly in the fourth quarter of 2008, as the fixed costs of both mining and milling will be spread over greater silver production. In addition, grades in both ore types will increase as ore production moves from development into regular production where dilution levels will
shrink. Management remains focused on improving grade control at the Galena mine as such control will reduce costs of production.

While the per ounce costs are calculated on a net of by-product credit basis the copper and lead production has not yet significantly lowered costs. However, lead production, is forecast to increase significantly in the final quarter of 2008 as the Coeur Mill moves from milling approximately 200 tons per day of lead-silver ore over a five-day work week to over 400 tons per day on a seven-day work week, coupled with an improved grade. July lead-silver ores averaged 3.9% Pb and 5.0 ounces Ag per ton. Year-end grades are forecast to reach approximately 7% Pb and over 7 ounces Ag per ton. Management believes this increase in lead production is one aspect that will help lower per ounce silver costs.

The repairs to the Galena shaft continued on schedule with final repairs still expected to be completed by the end of 2008. The shaft repair started at the 2400 level and is currently down to the 2930 foot elevation with nearly 550 feet of shaft repair complete. The shaft will be completely cement-lined from the 2400 level down to the 3200 level when the repairs are complete in four months. The completion of this shaft repair will allow for the hoisting of men, materials, and rock through the shaft and will significantly increase overall hoisting capacity at the mine. Additionally, access to a number of key high-grade silver-lead and silver-
Copper resources will be enhanced once the Galena shaft is restored to full functionality.

Property includes both Coeur mine and mill and Galena mine and mill. Coeur mill processed Ag-Pb ore from the Galena mine and Galena mill Ag-Cu ores. In October, due to rapidly changing economic scenario, announced that mine reduce employment, cease exploration drilling and limit capital expenditures to Galena shaft repairs and changes to Galena mill circuit to process both types of ore there after end of year. This will reduce planned work at the Caladay Shaft (which connects with Galena underground) and other exploration in the district.
Galena Shaft Repairs – Major to repair shaft between 2400-3200 levels; damaged from timber failure 10 years ago. New concrete-lined and done in mid-2009. Major mining and development work on both Pb-Ag and Ag-Cu ores on 6 levels of the mine. Development of 175 high grade vein on 5200 level will add ounces to reserves. Dec. 2007 reserves were 17.4 million ounces, a 60% rise from 2005 figure before US Silver took over.

Aggressive exploration program drilled over 64,000 feet in 144 holes with recent exploration identifying multiple veins of both types. Geologists currently going through year’s worth of core to compile results. Galena Mine and US Silver, with chief Geologist Dan Hussey on right, hosted a PBS show on mining, that was shown statewide in late October. Former State Geologist Earl Bennett supplied some of the background information on the district. US Silver also achieved another honor in February, 2008, when US Dept. of Labor’s MSHA (mine safety and health administration) awarded a Sentinels of Safety Certificate of Achievement in Safety Award to the Galena Mill for its outstanding record in 2006. The mill crew completed both 2006 and 2007 without a lost workday injury.
Silver Strand received its operating permit from Forest Service last year. Small ug Ag-Au high grade mine NE of CDA. Constructed surface facilities, portal, etc., so ready to mine next year if prices hold up. Producing from Golden Chest mine and hit a massive scheelite vein (with Gold). Construction on Silver Strand, mill improvements. Several exploration programs, will cover those later.

Silver Strand mine portal. Permitted Silver Strand last year. Located NE of Coeur d’Alene, High grade AuAg vein. Finishing the new #3 portal, but no production yet. Infrastructure for new adit

New Jersey also driving drift on 5 meter wide quartz vein at New Jersey mine near Kellogg. In prep for increased production next year, working on mill, located at Kellogg. Installed the concentrate (cyanide leach) tanks and finished the paste tailings impoundment in 2007. Installed electrowinning circuit and can now produce dore metal at the mill. Lots of exploration – will talk about that later.
Follow up on last year’s news

July 24, 2008: Matt Russell, President of Azteca, announced the company let terminate option with Bunker Hill Mine, after failure of negotiations with owner and especially the Environmental Protection Agency.

August 30, 2007: Azteca Gold Corp has an option (till March 20, 2008) to buy the BH mine for $46,000,000. Has paid $4 million on signing and will pay $100K/month until it either exercised or drops the option. Plan on doing 50,000 feet of diamond drilling and lots of underground sampling and mapping. Matt Russell is the president of Azteca Gold Corp.
2008 Phase 7 pushback stripping. Top of east high wall is about 8900’ while lower shovel and blasthole rigs are at about 8050’.

3 electric shovels, 1 hydraulic shovel, 4 blasthole rigs, New trucks. Until recent price drops, Thompson Creek has been really raking in the $.

Working on new ore reserve and mine plan for expansion.

Bought for $ 575 million by Blue Pearl in 2006. Large open pit mine produced over 16.1 million pounds of Mo in 2006. Early October market price of Mo was $31 per pound.

Company also owns 75% of Endako and the Langeloth, Pennsylvania, metallurgical roasting facility. One of last metals to drop in price. Recently (Nov. 08) about $ 10/pound.

2007 production estimated at 10 + million pounds. Mine was in Phase 6 waste stripping project for most of year.

Compilation by Ken Gardner, BLM, Challis – April, TC mined its 300 millionth pound of Mo. Mining started 1983.
2008: New Equipment; Stripping Phase 7, Mining Phase 6. Ore till 2014; so working on amended mine plan for agencies.

Phase 6 Pushback: Add mine life to 2012.

Won BLM HardrockMineral Community Outreach and Economic Security Award.

Stripping waste most of 2007 and processing lower grade stockpiled ore. Just reaching Phase 6 ore in last quarter of 2007.

2008 updated resources: 99 million tonnes proven and probably reserves at 0.098 % Mo  
4 new CAT haul trucks

Plus significantly more measured and indicated and inferred resources. New 10-year mine plan with 192 million pounds for 2008-2017.

Also will be doing Phase 7 pushback (another 5 years or so) and evaluating new mine plan options in light of changed economics.

2009 production should be up substantially after all the stripping done.
Hecla: Grouse Creek Mine Reclamation

2008: 60% reclaimed site. Tailings pond fill/embankment work.


Hecla has made progress in dewatering tailings pond at closed Grouse Creek precious metal mine in central Idaho.

Since 2003, decreased pond elevation by 34 feet (to 7204-foot elevation).

AMLs: Closures by BLM (and FS)

Some examples of ongoing programs of BLM to remediate safety and environmental hazards at old mines. Forest Service had similar efforts, with a few on State land, esp. new Bayhorse Historic Mining area, soon to be a state park.

-Buckhorn Mill Cleanup - Phase 2 south of Salmon: (See attached file: IMG_0214.jpg)

-Bayhorse Physical Safety Hazard closures:

-Physical safety hazards: Closures at 35 sites (backfills, bat grate, and
One of few commodities still doing well (sort of) at end of year. Agriculture helped by ethanol subsidies and drought. More need for food grains and fertilizers. Also, Idaho has only elemental phosphorus plant in western hemisphere. Exploration interest by outsiders – 2008 first time in 20 years.

New agency regulatory framework: BLM, FS, and State Leases with minor private. Congressional mandate for “Service First” leading to better cooperation and efficiency. BLM regulating new mine plans and active operations. FS is lead in CERCLE actions in Phosphate District. In SE Idaho, lots of cooperation, with “Jeff and Jeff” team. Very busy.
Crustal Abundance of P2O5 is only 0.23 %, so the ore is enriched by factor of 130x typical crustal rock.

Phosphoria and black organic shales enrich other elements: P, plus C, V, U, Mo, Se, etc.

Monsanto, Elemental Phosphorous Plant, Soda Springs.
Monsanto continues to operate the sole elemental phosphorus plant in the western hemisphere in Soda Springs and source it from its South Rasmussen Mine. Plant manufactures elemental phosphorus – used internally by Monsanto. Much is for Roundup herbicide.
EIS permitting for Blackfoot Bridge mine started last year.
Mine at S. Rasmussen Ridge, haul ore to tipple at Enoch Valley.
Use own trucks and road system to haul ore.
Mine about 1.25 million tons of ore. Most elemental phos goes to Roundup. Employ 450 Monsanto employees with another 250 contractors. Permitting for Blackfoot Ridge with draft EIS expected next year. Feasibility plan underway along with EIS. Hope to be mining Blackfoot Ridge by 2011 or 2012. Blackfoot Ridge is the north end of Woodall Mt. mined by Simplot years ago. Chinese competitors with good price and quality but unsure delivery schedules. Mining Contractor is ______________.

Have own road system and ship from the mine to the plant using unit trucks.

South Ras is about 50% through its mine life and exploration and development and permitting underway on next mine – Blackfoot Bridge mine. Closer to plant and haul road but undergoing extensive environmental and baseline studies. Exploring since 2002 there. Extensive testing and modelling of deposit, groundwater and geochemical aspects. Agencies are BLM, FS, DEQ, IDL, etc. Mine: 1 million tons ore, approx., and 4 million cu.yds. Waste by Degerstrom Ventures – contract miner. Waste is backfilled.

Drilled holes in South Ras pit and also mined at West limb – satellite ore body.
Slide 30

Monsanto: Reclamation in Phosphate Reserve


September planting

Exploration drilling and evaluation of other phosphate leases in area, with drilling on Caldwell Canyon reserve property. Extended deposit and anticipate additional exploration there in next few years.

Slide 31

The Simplot company has been an Idaho institution for decades. In May, billionaire J.R. Simplot, potato baron and founder of the company died at age of 99. In addition to developing dehydrated vegetables for the military in WWII and later frozen French fries sold to McDonalds, Simplot also got into mining and later grubstaked the founders of Micron Technology, a Boise-based manufacturer of DRAMs and computer memory.

The J. R. Simplot, Don Fertilizer Plant, Pocatello, ID — manufactures various phosphoric acid fertilizers and precursor ingredients using ore from
massive Smoky Canyon mine, located near Wyoming border. Over 400 people work at the plant which is 63 years old.

2008 saw the continuation of mining at Smoky Canyon. The mine was finishing Panel B, the last of prior approved mine panels. Big news was the approval by agencies of EIS but then the expected appeals by a coalition of various environmental groups. The expansion has generated controversy due in part to its location in a Roadless area and necessity for a new crossing over Sage Creek. Simplot notes that the expansion is critical to keeping its phosphate mine and plant in business and about 2 years are need for necessary pre-mining construction activities. Cities and others joined Simplot’s side of suit.

2007 was extremely good year for Simplot’s phosphate operations. Smoky Canyon mine and mill was only 2 days short of a new record production level. Mined well over 2.5 million tons. Mining Panel B, finished C panel and started backfilling it. Purchased new D11 dozer. Others are D10s. Big news was release of Final EIS (Oct. 29) for expansion to panels F and G to
south of mine. Really needed as mine will be out of reserves in a couple of years. Expansion (1,300 acres) will add 14 years of mine life. Controversial for a number of issues in both Idaho and Wyoming. Public comment period extended by BLM recently to Dec. 26. Hope to start construction in 2008. Roadless areas and access over private property for one of the roads were top issues. Agency preferred alternative now picks access through USFS property.

Slide 33

Make and sell phosphoric acid fertilizer.

2008 was good year for Agrium corporate, a Canadian ag resources industry. Potash and phosphate doing very well in marketplace until last quarter of year. Agrium, the only publicly traded phosphate company in Idaho, announced record results for 3rd quarter earnings with net earnings over 7 times the 3rd quarter in 2007. Phosphate (not sure what form they report it as) sales prices were almost 3x that of the previous year. Realized sales prices in 3rd quarter were $1321/tonne, while cost was $508/tonne. However, they note major crop prices have declined 30% in recent months, and their stock price dropped dramatically late in the fall like all other mining companies. Demand and prices have dropped significantly at end of year.
Agrium had good year for 2007 in general. Fertilizer prices and markets good.
Closed S. Rasmussen and moved to Dry Valley mine in 2005
Ship by rail to Conda plant.

2.3 million tons from Dry Valley.
Washington Group Int does contract mining with about 100 people.
Agrium has about 12.
About 260 in the plant in Conda.
Reclamation award from Dept. of Lands for Rasmussen Ridge haul roads.
Use rail system to ship from Dry Valley to Conda.

Agrium, Dry Valley - Mining in D pit, got permission to renew operations at Central/North Rasmussen Ridge mine. So also preparing that area to transition mining at Rasmussen Ridge in 2009.
Washington Group International is the mining contractor.
Mined 2 million tons from Dry Vally in 07. Mostly C pit. Concluded reclamation on B pit on behalf of FMC, mined C, backfilled B and reclaimed. Started pre-stripping overburden from D pit to south. No exploration but some delineation drilling on D pit.
Washington Group does contract mining.
Rocky Mountain drilled 6 RC holes with total footage of 5,669 feet. Area of past drilling by ESI (Earth Sciences Inc.). Confirmed historic grades and thicknesses of phosphate beds (20-30% P2O5) and the presence of Vanadium rich bed. With up to .77% V2O5.

Smaller but typically consistent industrial mineral operations. Rural areas. Some hurt by slowdown in construction and housing markets. Aggregate rumored down 30% or more. Nationwide trends.
Idaho operations about the same but some reduction in employees and production due to costs and ore grades. Market still good but who knows when it will change. Biggest change was away from trommels to flat screens for more efficiency. Coeur d’Alene, Idaho, September 15, 2008 – WGI Heavy Minerals, Incorporated (WGI) (TSX: WG) today announced that it has completed the sale of its investment in Transworld Garnet India (Pvt) Limited (TGI). The sale consists of WGI’s 74% equity interest in TGI and the repayment of debt financing. WGI has repatriated from India US $4.85 million in cash for its 74% equity interest in TGI. (Sept. 2008)
The sale marks the beginning of WGI’s three-year distribution agreement with V.V. Mineral covering garnet, ilmenite and other minerals that may be present in the beach sands mined by V.V. Mineral. The agreement provides WGI with an assured minimum supply of 60,000 metric tons of garnet annually, which is a significant increase over current production rates. Garnet grades and quality levels will be consistent with material currently supplied to WGI by TGI, and additional quantities of garnet will be supplied as V.V. Mineral’s capacity expands. In addition,
WGI will act as a broker for the sale of V.V. Mineral’s ilmenite products.
Slide 38

FS garnet dig even more popular this year. About 6500 visitors after TV exposure on the “Learning Channel” Panhandle national Forest had major project to revamp Public Garnet dig near Clarkia. Eliminated public access to stream and put in settling pond; FS mines and stockpiles ore. Constructed these sluices. Sold 4275 permits this 2007 season, twice previous amount. Great for kids and families.

Slide 39

One operator confessed to a 30-50% downturn in all aspects of the business – mining, crushing, ready mix concrete.

Slide 40

L and W Stone owns Three Rivers Stone quarry located west of Challis. Will ship a bit less (28000 tons in 2008) Ships about 35,000 tons of stone per season. EIS process dragging on. Expect Final EIS and ROD near end of year. Experimented with staining the quarry face to reduce visibility. Darker oxidation color. Nearby Ramshorn quarry of local company Rockworks also active. Challis area
Oakley Stone. Northern Stone Supply, Oakley Valley Stone, American Stone, Scrivanich Natural Stone, all operating near Oakley. Not much change in operations but reports of sales down due to extra competition from small quarries and economy. Reports of demand down. Story about less demand due in part to lack of installers in southern California. Mexican landscaping crews just disappeared due to crackdown on immigration/border. Presumably they were all illegal aliens.

Table Rock Sandstone, Hans Barbonus Landscaping.

Northern Stone reported a good year in 2007. A bit slower than last year and sales down slightly. California dealers reporting change in market – most likely due to housing crunch.

Shipped about 315,000 tons of cement in 2005, a new record. Will do the same this year, which is over plant capacity and are importing clinker from another plant. Employees in 71 people total. Nothing new in plant expansion. Ash Grove is still the largest US-owned cement company. The company started in 1882.
Slide 43

Rocky Mountain Travertine
- Formerly Idaho Travertine Corp.
- Sold in 2008 and renamed
- Quarry is 40 miles east of Idaho Falls
- Large saws and equipment to cut and finish stone

Slide 44

Table Rock Sandstone and G. Borbonus Landscaping
- Cutting grooves to match historic facing stones
- Gerhard Borbonus Landscaping has large saws and special machines, like this one which puts grooves on the stone. Needed to match detail in historic facings on Statehouse. Also doing custom cut blocks to detailed design specs for facing and parts of new wings and restoration on Capitol. Table Rock Sandstone used to build original from quarry in Boise. Early 1900s. Project is about $130 million.

Slide 45

Owens-Corning Perlite
- Hess Pumice
- Malad, Idaho
- Wrights Creek Mine
- 2007-Hess Pumice had good year with pumice market steady. About 10-15% of their production went to new Owens-Corning artificial stone plant constructed next door. Shut down recently due to softening in housing
market. 30 people laid off. Not Hess employees. Owens will probably mothball facility.
Produced 180,000 tons of pumice in 2005. A lot is used into making lightweight aggregate for the new Owens Corning Plant built by Hess Pumice. The plant produces a trademarked cultured stone.
Idaho Minerals, also owned by Hess mines Perlite that is largely used for potting soil. The perlite is processed at a new expander plant built by Hess at Malad. Perlite also steady in 2007. Canadian peat bogs mix it with their stuff. Also U. S. Grout.

From Mike Hess, 11/30/2006
BK Pumice is a new company started by a Hess employee who makes cosmetic products from pumice. This replaces the Italian pumice producers who used to have a lock on the cosmetic abrasive business. Italy is out of luck now as the UN declared the site of the main pumice mines a World Heritage site and shut the mines down. This allowed Hess to move into European markets. Owens Corning plant will probably expand next year. The company makes various products from cultured stone made from pumice and cement. TV tube polishing has moved to China and Hess has lost a lot of this business. There are no TV glass plants left in the U.S. Hess now has an office in London to capitalize on the loss of the Italian pumice producers. Hess built a new ultra fine grind plant for the European paint business and hopes to expand this into U.S. paint market.
2008-Bear River Zeolite (subsidiary of US Antimony) believes that its sales will be fifty percent higher for 2008 than they were during 2007. The higher sales are a result of a broader and more diversified customer base. Key markets include animal nutrition, water filtration, oil and gas well carriers for reagents, waste water treatment, soil conditioning, air filtration, and numerous retail products. Potential new uses include plastic food containers to adsorb ethylene gas that causes ripening and rotting of vegetables and fruits, a pozzolan for cement, oil and gas well cementing, and alkaline soil remediation. The Company has added a 60 inch vertical roller mill to its circuit that has increased capacity by 200 tons per day. Other improvements have included more product silos, a new semi-automatic packaging plant, increased quality control, truck scales, and more mine equipment. Bear River Zeolite is regarded as one of the finest zeolites in the world.

US Antimony Corp. of Montana is 75% owner of BRZ (and essentially...
operator). 15 employees working 24-7. Production for 2004 around 10,000 tons a year. Sales in 2003 up 120% over 2002 and prices up as well. Major markets: water filtration and remediation, animal nutrition, odor control for animals (CAFOs etc.), animal liter, household odor control; wastewater treatment, [confidential], soil amendments. Hope to double sales next year. [Drinking Water filtration for municipal water supplies represent large potential market.]

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ZEOLITE, (known as "La Rocka Magica" in Italy) is mined in southeast Idaho. Development of the mine and construction of the plant began in 2001 and sales commenced in 2002. Although the deposit has never been drilled, dozer cuts and outcrops indicate mineralization of more than 200,000,000 tons.

2007: installed Raymond Mill Company expanding and improving facilities.

Mining includes stripping a soil layer, drilling and blasting, then trucking the rock to the processing plant, which is less than one mile from the mine. The plant consists of crushing, drying, blending, screening, packaging equipment, warehousing, and silo storage.

Some $5,000,000 has been spent for the plant, sales development, and mine. A recent expansion during the first quarter of 2005 increased the plant capacity to more than 150,000 tons per year (tpy). Management believes that this is one of the
best quality zeolites in the world due to its high cation exchange capacity, purity, low clay content, low sodium content, homogeneity, and hardness.

Opened in 2001; USAC major owner
Sales/tons increasing
Adding new screens to up mill capacity
Aggressively pursuing new markets, uses
Uses: water filtration & remediation, animal nutrition, odor control, soil amendments, etc.

Although the deposit has never been drilled, dozer cuts and outcrops indicate mineralization of more than 200,000,000 tons.

Three thousand tons of the new BRZ production will be sold as a "pozzolan" for replacement of 10 to 30% of Portland cement in concrete. The pozzolan increases the strength of the concrete and reduces the corrosion of the rebar in the concrete. The corrosion of the rebar can result in failure of structural concrete installations. The balance of the finely-ground BRZ production will be available for flow agents, waste water treatment, animal nutrition, environmental remediation, animal feed palletizing, dairy cow milk supplements, odor control, pond liners, and a variety of other uses.
It started out as a promising year with spectacular commodity prices, but then the bottom fell out. Still ended up with lots of activity, both Au and precious metals, molybdenum, base metals, and a few others. North Idaho was especially busy. Industrial minerals: I-minerals focused permitting with the Corps of Engineers (404 permit) and completing feasibility on its feldspar-quartz deposit at Kelly’s Basin in the Bovill clay district. Some oil and gas and geothermal interest as well. Might have been more drilling except for early difficulty getting rig, and then difficulty getting financing. Several companies returning to high priority targets drilled by majors a few years ago. New companies, old prospects. But also new companies, new prospects. Industrial Minerals Exploration: I-minerals still working on Bovill clay property. Evaluating feldspar and silica as well as clay resource. Already mentioned RMP phosphate and vanadium exploration drilling at Paris Hills. Building stone.
Shoshone Silver: 2008: Had to redo roof on mill due to record snowfall last winter. Now winterizing it with bubblor system. 50 tpd mill on patented property. Dispute with county over whether need special use permit for mill and mine.

Bonner County, historical AgPb producer plus Cu, Zn since 1880s galena tetrahedrite

Similar to CDA veins. Shear zones. About 1 million ounces Ag historic production

Shoshone Silver (late Irv Scheller) mined Keep Cool and Weber mines in early 1980s and did exploration

**Shoshone Silver's Lakeview Mill in Operation**

*September 20, 2007 -- WALLACE, ID --* Shoshone Silver Mining (OTC: SHSH) is pleased to announce that its Lakeview Mill has returned to operations. The mill is currently processing previously stockpiled material mined in the Lakeview District. Shoshone expects to continue processing this stockpiled ore through the beginning of the 2008 season.

Improvements to the 100 ton per day facility include a new, self-contained water management system capable of supporting processing of up to 1000 tons per day, and a new system for handling ore designed to simplify operations. Shoshone intends to further upgrade and expand the mill as part of its overall Lakeview strategy. Shoshone holds 920 acres of land in the immediate vicinity of the mill, which includes the formerly producing Conjecture, Idaho Lakeview, Weber and Keep Cool mines, and a total of 1100 acres in the general Lakeview area. The company plans to begin
exploration in the Lakeview District in late 2007 to early 2008.

2008 – Announced in late November but very tight-lipped.

Two Mile JV

The Company has been formally notified by Silver Royal Apex that it has earned its 50% JV position as well as operatorship of the Two Mile JV located near Osburn, Idaho. In July of 2008 the Company agreed with Silver Royal Apex, as amended conditions of the JV agreement, to do the following: (1) attempt to acquire certain patented claims within and adjacent to the Two Mile JV unpatented claim block, (2) stake additional unpatented claims adjacent to the Two Mile JV claim block, (3) to deepen substantially one of the four (4) core holes drilled in Q4 2007 as determined by Azteca to represent a "deep" geological structural section adjacent to the Two Mile Fault, and (4) file for further drill permits within the enlarged claim block as given in items 1 and 2 above.

The Company has acquired three patented claims and is in the process of assigning those to the Two Mile JV. The Company has further staked unpatented claims on behalf of the JV.
to secure exploration area adjacent to these patented claims. The Company began diamond drilling operations in the latter half of July 2008 and is currently still deepening one of the four Q4 2007 core holes as agreed. The Company has further received drill permits from the US Forest Service for an additional three drill sites within the larger Two Mile JV claim block and, based on recent geologic information obtained in late October and early November, has chosen to mobilize in a second drill rig within approximately a 1 mile separation of the current drill rig, also immediately adjacent to the Two Mile Fault.

AZTECA also drilling from surface at Two Mile property near Osburn. Three 2000-foot core holes planned. JV with Silver Royal Apex who is claim holder. Drilling started in late October. COLD.

2008: SNS rehabilitated Alhambra Tunnel, lots of drilling – surface 25000’ and 11000’ underground on Alhambra vein. Also South vein. Announced merger with Andover Ventures to form new company Clearstone Mining, but that agreement was terminated later in the fall. SNS announced plans to continue exploration of the vein systems at the Crescent.

Diamond drill hole SNS-1002 grades 17.6 troy ounces of silver per ton (604 grams per tonne) with a true width of 7.0 ft (2.1 meters) covering the interval from 934.0 to 943.4 ft.
SNS Silver had major drilling program at the Crescent mine, located just across the street from the Sunshine mine, a 350 million ounce producer. SNS geologists, including Brian White and Lisa Hardy have identified a number of exciting exploration targets. Major drilling program from surface and underground, as their Alhambra vein and South vein. Crescent mine started up in 1916 s the Big Creek Mining Co. BH took it over in 1922. Alhambra production was 2,200 tons yielding 10,536 oz Ag in 1917-1918. 2008: SNS rehabed Alhambra Tunnel, lots of drilling – surface 25000’ and 11000’ underground on Alhambra vein. Recent merger with Andover Ventures to form new company Clearstone Mining. Production from 1924 to 1977 was 868,926 tons yielding 22,570,068 oz Ag. Production from 1978 to 1984 was 2,853,677 oz Ag from 146,085 tons of ore. Total silver production was 25,434,281 oz Ag. All production prior to 1935 was from above the Hooper Tunnel.

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Got the property in January for $650,000, started drilling in May. Want to do 35-45,000 feet of surface drilling. Restore Hooper tunnel (almost done in September) by Atlas Faucett. 100,000 feet of underground drilling in lower Alhambra and South veins.
5,000 feet of drifting and x’cutting to id drill sites, which extend beyond Hooper Tunnel. Raised $12 million in private placements.

New Jersey Mining may have been busiest folks around. Focus on Murray District. Accumulating good portfolio of grass roots properties and known ones. Newmont entered a joint venture on some of the properties, NJ drilled others on their own.

Last year’s Prospecting and land acquisition paid off. NJMC has Underlying deal with Newmont, who has first right of refusal and is spending dollars on jv this year. New Jersey drilled 3 holes on the Niagara Cu-Ag deposit finding grades similar to past holes, and assaying a weak gold credit.

2007 Minimal drilling this year - Short hole on Mineral Ridge property hit 120 m of intrusive
MR and GR areas.JPG - Looking east up the East Fork of Eagle Creek at the Mineral Ridge and Golden Reward properties. Near an intrusive.

2008 JV: Newmont can earn 51% interest in JV by spending $2 million over 3 years. Etc. etc.
Au prospects with alkaline magmatism, mafic intrusives, potassic alteration. Really juiced up looking rock. Telluride minerals significant.


NJMC Banner.JPG - Corporate logo banner.
Newmont joint ventured several of New Jersey’s Murray properties early in year. Called Toboggan JV – Early stage on largely grass roots targets. 2008 work mainly geologic mapping, rock and soil geochem, minor geophysics (ground and airborne), and permitting for 2009 drill program. Gold in Pritchard is target. May be associated with intrusives and structures. Lots is unknown. Mineral Ridge is one of the properties – Au in soil anomaly is 700 meters by 200 meters. Other properties include the Gold Butte.

Premium Exploration, Inc., a Vancouver junior and its partner Clearwater Mining, picked up the Buffalo Gulch and Orogrande or Friday/Petsite property near Elk City. Announced plans to reopen (and repermit) Buffalo Gulch deposit. Small open pit, heap leach gold. Started process. Will need to redo cyanide permit under new regs. Recent market developments seem to have slowed down the ambitious program. Had proposed drilling at Friday Kinross’ reported resource total at a cutoff grade of 0.015 oz/ton (0.5 g/t), highlighted in Table 5 - FRIDAY-PETSITE MINERAL RESOURCES (Kinross, 1999), has been converted by CV to metric units to be 15.17 million tonnes averaging 1.1 g/t Au. Inferred Resource of 15 million tonnes at about 1 ppm (531,890 ounces) at Friday property as determined by Kinross. But hard to
Big Permitting Decision for Idaho – New Underground Cobalt-Copper-Gold mine in Lemhi County
Formation is in Hurry up and Wait Mode: Draft EIS issued in Feb. 2007. Waiting anxiously for Record of Decision from Salmon-Challis National Forest. On new underground copper-cobalt-gold mine at Blackbird in Lemhi County.
July: Feasibility study by Samuel Engineering – positive results – updated reserves to: 2.64 million tons at 0.559% Cobalt, 0.596% Copper, and 0.014 opt Au in RAM Proven and Probable for 10 year mine life. Past Drilling: 152 holes for 98,000+ feet at RAM. Not including additional 1.1 million tons inferred ore similar grade or any exploration or Sunshine deposit. Stratiform ore horizons: 5 in hanging wall, main Ram zone (3 horizons) and 3 footwall horizons open to N, S, and down.

find economic geometry unless Au price quite high.
Remanding of ROD was to revise it better to withstand expected appeals. Current economic climate will leave usual financing of mine development issues, lower construction costs (nonwinter) and access as major unresolved issues. Formation has done historic negotiations with 3 environmental groups concerned about water quality in Blackbird Mining District. Worked with them, FS, and State DEQ to enhance water quality monitoring plan and develop potential mitigation if it was needed. Blackbird Mine Site was heavily degraded and was subject to remediation program adjacent to Formation’s deposit. Sits adjacent to wilderness areas but is in special mining zone.

No exploration during year for Formation, but a lot of waiting, negotiating, equipment purchasing, personnel and delay will give more time for improving and making more cost effective design of mill, also the remodel of hydrometallurgical plant in Kellogg. Plan 1 year construction for ug mine on RAM deposit and surface mill.
Maximus Ventures Ltd. and NFX Gold Inc. complete business combination and name change to Bear Lake Gold Ltd.

**Unity Project Highlights**

In July 2007, the Company acquired an option to earn a 60% joint venture interest in the Unity project from Unity GoldSilver Mines, Inc. Exploration began in July 2008, with a 3,600 m drilling program focused on testing the lateral and down-dip extensions of historically very high-grade (30 to 150g/t gold) and very extensive (up to 2km long) quartz veins. A striking feature of this project is the lateral extent of the gold rich narrow quartz vein system. While individual veins range from a few cm to often over 1 m in thickness, they can be traced for hundreds to thousands of metres along strike and all occur within an area of over 4 square km. With minimal exploration and development work, their extensions could potentially be mined again from an existing 1,600m long adit. **2008 Work Program**

The first phase of work at Unity started in June 2008 and involved carrying out 1,400 m of surface drilling to test the lateral and down-dip extensions of the very high grade Little Giant and Rescue gold veins. The objective is to complete, as soon as possible, a feasibility study to evaluate the economic viability of reopening the Unity gold mine.

Musgrove: In 2007, Journey acquired 100% of Musgrove Creek via option from Wave.
43-101 resource of 8 million tonnes of 1.22 g/t Au (>300,000 ounces), open on strike, dip.
Results of 2007 drilling – hit 2 5-ft intercepts of high grade.
No further work in ’08
Thorium Energy active at Lemhi Pass area and Diamond Creek (Th, REE)

Pope Shenon acquired last year by DDR Copper, Inc., - old copper veins in Proterozoic rocks. Lots of alteration, interesting property. Will require some serious geology and mining evaluation.

Kent Roche and Vineyard Gulch Resources did trenching program in Johnson/Friedorf Gulch at North Fork District
Thorium Energy working in Lemhi Pass District, mostly staking claims and doing some sampling.

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**GENTOR RESOURCES, INC.** ("Gentor" or the "Company") (OTCBB - "GNTO") is pleased to announce that the Company has established an Inferred Mineral Resource estimate at its IMA Mine project in Idaho of 5.7 million tons grading 0.15% Mo. Included in this estimate is 720,000 tons of material grading greater than 0.20% Mo and averaging 0.235% Molybdenum. E

Hole 30 (Azimuth 266.7°, dip -45°) was drilled from the D-3 drill-site constructed 1400 feet north-east of the D level portal and was collared.
from the same set-up as Hole 27, with azimuth rotated 20 degrees to the north.

The hole penetrated 1702 feet of overlying meta-sediments before hitting the main granitic intrusive, and bottomed in granite at 2,350 feet. There was molybdenum mineralization from the granite contact at 1702 feet to 2070 feet. This 368 foot interval averaged 0.280 % MoS2 with 0.105 oz/ton Ag.

Significant intervals within the 368 foot mineralized section of Hole 30 include:

30 feet (1702 ft - 1732 ft) averaging 0.378%MoS2, .044%W, .079% Cu and .058 oz/ton Ag;
65 feet (1820 ft - 1885 ft) grading 0.296% MoS2, .031%W, .177% Cu and .100 oz/ton Ag;
70 feet (1945 ft - 2015 ft) grading 0.379% MoS2, .028%W, 0.108% Cu and 0.29oz/ton Ag,
25 feet (2045 ft - 2070 ft) grading 0.908% MoS2, 0.175% Cu, and 0.100 oz/ton Ag.
2008 – mid november: 11 holes completed with 3 drills finishing up last ones for season. Final should be about 27,500’ of core.

Talk Thursday PM by Shaun Dykes and check out skeleton core at Core Shack.


2005: Kobex optioned it and drilled two holes with confirmatory mineralization and then released it back to Mosquito.
Atlanta Gold Corporation: Atlanta (Idaho)
- Portal
- Monarch
- Decline
- Scenic Drill pad

Thunder Mtn. Gold: South Mountain, Owyhee County
- DMEA 2 Drill Site
- Massive Sulfide & Skarn

A few other southern Idaho precious metal projects with drilling or development work.
Energy: Geothermal the hot spot, Oil?

IGS: 17 new 2008 publications. Major effort to scan and post online our old publications. Staff Reports done- inc. mine history. New website look soon. IGS has 477 geologic maps (inc. those inside publications like Pamphlets, etc.) – 175 stand alone maps are downloadable; 163 downloadable as part of publications. Homer Youngs Peak quad geologic map shown here is joint project with Montana. Spans stateline.