Idaho Non-fuel Mineral Production

$906 million in 2005 - a state record!!

(USGS Data)
Idaho Non-fuel Mineral Production

2005f: $906 million

2006f: $797 million
Near-record Gold Prices

Sky-high Silver

Shining Base Metals

Moly on the way up

Exploration Commodities of Interest – U, others

Fertilizers; Construction

2008 is such a roller coaster. Metals still good but some, like zinc, are down. Construction-related should show drop in second half, especially.
2008 Financial Alert

► First Half 2008: Looking good! But fuel and other costs up. Affect bottom line.

► Second Half 2008: $ drying up for exploration, investment risk capital, construction.

► Why? Greed and Arrogance on Wall Street; Lack of Oversight by Federal Govt. in DC. Tight credit markets, businesses can not get loans, no hiring or putting $ into projects, new claims, etc.

Note: Personal opinion and not agency position!
TV ALERT: Oct. 30 – Outdoor Idaho: Emergence of Silver Mining on IPTV.

The Fabulous Coeur d’Alene

1,193,000,000 ounces Ag

1,193,000,000 ounces silver and still climbing!
2007 estimate: 3.2 million oz. Ag

2007 Actual Production: 3.1 million oz. Ag  At Negative Cash Costs per ounce!! Go Lead!

2008 2nd Qtr. Update: 42% decline Zn price and increased smelter, energy, steel costs. Bought 100% Greens Creek mine in AK in April. First Half at Friday: 1.4 mill. Oz. at $3.76 cash cost after byprod. Credits.
Lucky Friday Exploration Drilling
Lucky Friday Expansion Potential

GAP

Expansion Area Future Resource Potential
Galena Mine
Be safe – today and every day

>18,000 acres
U.S. Silver – Idaho, Inc.
us-silver.com
US SILVER 2008: tremendous year. Mining 2 ore types at Galena. Esp. NESilver vein

Production in 2008 will be 2 M oz. Ag, 1 M lb Cu, 5 M lb Pb

**COEUR MINE**
Selected 2008 Targets
Purchased Dayrock mine, July, 2007; 6 million oz. Ag.
2008 Update: Sunshine mine closed
Sept. 13, 2008
New Hagby diamond drill at the Golden Chest

2008 – Great year. Will talk more about exploration later.
Cretaceous, related to granites. Main vein is the Katie Dora.

Working the Idaho Vein with about 300K Au probable.
225 Portal

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

Silver Strand Mine

(5.4 g/tonne Au; 361 g/t Ag)
Concentrate leach tanks installed.

New Jersey Mill

2008 – installed Au electrowinning recovery system and pastefill tailings plant
35.8 mt, 8.76% Pb, 3.67% Zn, 4.52 oz. Ag.

2008 - NO DEAL. Delays due to DEQ/EPA a factor?
2008 good for moly and phosphate?
Thompson Creek Mine
Custer County, Idaho

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

Over 300 million pounds of Mo!

2008 Definition drilling to expand to depth.

Company optioned Mt. Emmons deposit in Crested Butte, CO
Thompson Creek Metals

3rd Qtr 07 Production 1.1 million pounds at cost of $15/lb.

Phase 6 Pushback: Electric Shovel with 40-cubic-yard bucket ($17 million)

2008: New Equipment; Stripping Phase 7, Mining Phase 6. Ore till 2014 but need amended mine pla

2008: GroundProbe Radar monitoring pit wall
Hecla: Grouse Creek Mine Reclamation

2005 Tailings Pond

No update currently.

September, 2007
Hecla: Grouse Creek mine Reclamation and Pilot Tests

Installing storm water ditches

Aquafix – lime addition to remedy ARD in ditch below. Also looking at passive treatment.
Idaho Phosphate

2008??? You tell me, please.
Monsanto: South Rasmussen mine

Permitting: Blackfoot Bridge property
Monsanto: Reclamation in Phosphate Reserve

- September planting
- Horseshoe Dump: out-of-pit with grass growth
J. R. Simplot

Don Plant, Pocatello
Smoky Canyon Mine

Final EIS

Released by BLM, October, 2007: Expand to Panels F, G
Pole canyon pipeline diversion

SI MPLOT: Pole Canyon Waste Dump Selenium Remediation

10,400’ pipeline 30” hdpe
2008: Typically these smaller industrial minerals operations are stable and we see little change. For 2008 though, I expect decreases in cement, aggregate and possibly other construction-related materials. Still, prices and volumes in first half of year should be pretty good.
Soil cover on top of the gravels. The soil is composed of silt-fine sand-sized loess (wind blown) mixed with gravel and organic matter.

Soil formation continues ~5 ft or more into gravel. Mainly shown by coating of gravels with CaCO3.

Below the level of soil formation, gravels are weakly consolidated—easy to rip and move.

Gravels are >80% Quartzite—very hard

2006 Sand and Gravel production up substantially.
Emerald Creek Garnet

30,000 tpy
Louise Darby
Idaho's
"GARNET QUEEN"

USFS Garnet Dig
Remodel a big success

8/23/2006 12:51
Ash-Grove Cement

>300K tons cement
Owens-Corning

Perlite

Hess Pumice

Wrights Creek Mine

HESS PUMICE

Malad, Idaho
Lipari, Italy

► Italian pumice mines shutdown as island designated World Heritage site (due to its unique volcanic activity).

► Hess picking up European contracts to supply fine pumice.

► Idaho wins.
Bear River Zeolite
Preston, Idaho

Raymond Mill, June 2007 start up

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

BEAR RIVER ZEOLITE ORE

Aggressive Marketing and research into new uses. Expanding since they opened in 2002.
Mineral Specimens and Gems: Rat’s Nest Mine, Challis region

Exploration for other zeolite mineral specimens in region
WHY?
Because it’s there!
And the price is right.
And the geology is right.
i-minerals: Helmar-Bovill

► **Feldspar:** Kelly’s Basin feasibility study (SRK), block model, mine plan

Over 5 million tons feldspar

CL photo of feldspar

► **Clay:** Drilled 3500’ of HQ core in 25 holes, to evaluate residual clay in weathered granodiorite

► **1812 acres of State lease**

No 2008 update at present.
Shoshone Silver: Lakeview District, Bonner County

Lakeview Mill refurbished and reopened in September Summer 2007. 100 tpd processing stockpiled ore. Silver-lead veins in Belt rocks.

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

2008: Drilled 3 holes, inconclusive wildcats.
Crescent Mine

25.4 million oz Ag; 1917-1984

2008
New Jersey Mining: Murray District

- E. Fork Eagle Creek
- Niagara (14 mt Revett-hosted stratabound), drill permits (2008 drilling)
- Permitting drill programs for 2008; ground mag; prospecting
- Large anomalous areas with multi-million ton potential Staking in ’08

Historic Murray placers

Niagara Cu-Ag

Gold Butte
2008 Toboggan J V Project with Newmont: Drills Turning

East Fork of Eagle Creek

Mineral Ridge

Golden Reward
Formation Capital Corporation

IDAHO COBALT PROJECT

Final EIS and ROD expected in 2008

2008: ROD issued, appealed, remanded

2.64 million tons at 0.559% Cobalt, 0.596% Copper, and 0.014 opt Au
Formation Capital Corporation
Idaho Cobalt Project - 2007

► EIS – hurry up and wait for ROD
► Feasibility Study – very positive at lower Co prices
► Spot Nov. Co: $ 33/lb.
► Geotech Drilling and Test Pits
► Land and Ball Mill Purchase
DDR Copper, Inc., reopened the Pope Shenon Cu mine south of Salmon.

Check ug video tour at [http://ddrci.com](http://ddrci.com)

Did surface drilling, started ug drill.

Salmon Ridge project – porphyry copper target????

# 8 Portal with new timber
In June, 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. (Atlas, Newmont)

Reopened 4,700’ road.

Drilling 7,500’ in 9 holes in second half 2007.

Also have Empire Project at Mackay (polymetallic skarn with SX-EW copper-zinc potential)
Gentor Resources Inc.: Ima Mine

- Tungsten-Molybdenum
- Private Land
- Extensive prior work
- 3 holes, at 4579 feet and still drilling. IMA 21 stopped at 1957 feet in Mo-mineralized granite; results pending. IMA 22 in mineralized granite – Mo, with Cu, base metals at 2000 feet depth.

2008: Stopped drilling May due to lack of funds. Inferred Mineral Resource of 5.7 million tons at 0.15% Mo with higher grade part.

Have Special-Use permit for private land to support mill, logistics.
Mosquito Consolidated: Cumo

► Large and deep, zoned Cu-Mo porphyry deposit at Grimes Creek, Boise County
► 2 drill rigs, 6 holes
► Amax Block Model: 1.5 billion tons at 0.09% MoS$_2$
► More drilling 2008

2008: 4 drills going in September. Still hitting lots of Mo, need info for block model.
Freegold Ventures: Almaden Hg

Classic Hot Springs Deposit: Hg in sinter, Au below

100% Freegold lease, from ICAN

2005 resource: 24.7 million tons .021 opt gold plus inferred

2006-7: 97 RC holes and 42 core holes as of November (44,000 ft.)

Metallurgy - grinding, Mo credit?

Feasibility study planned

Multigeneration quartz veins, breccias
Atlanta Gold Corporation

- Exploration Focus
- Bought Core Rig
- 33 drillholes, core + RC
- Extend Monarch Pit to east
- Prepare for ug exploration
- Controversial Project

2008 Update:
Strategy shift to exploration for underground and small pit operation targets.
Drilling away.
Decline being developed.

900 level, diversion piping for As treatment (98% removal)
Thunder Mountain Gold: South Mountain, Owyhee County

► Patented Claims- bought in Sept. ‘07
► Polymetallic Zn Skarn
► Surface, ug sampling, compilation

2008 Update: Surface core drilling, started Sept. 16, with first hole, DMEA-2 hitting 40 feet of massive sulfide, 300 feet below Sonneman level. Tunnel portal has been rehabed.
Energy: Geothermal, Oil

Raft River

First Oil Well since 1988

Private: Grays Lake

Raft River Pump Test
Idaho Geological Survey Activities
www.idahogeology.org

► Geologic Mapping: Headquarters 100K, others
► Pubs: Moly (T-07-3, Worthington)
► Teacher Education - Summer Field Workshop
► Minerals Research, MPM, Mine Histories
► AMLs with BLM, FS   most on pdfs
Big thanks to Earl Bennett for Silver Valley information

Mining Employment in Idaho – estimated at about 2,557 jobs (Idaho Dept. of Labor) (not inc. chemical processing in phosphate industry. REVISED Final USGS data for 2006 was $793 million.

The final value of $906 million in 2005 was a record for Idaho. Big jump due to sharp rise in molybdenum prices and substantial production from Thompson Creek mine. In 2006, moly prices backed off a bit, though other commodities rose. USGS 2007 estimates are a month away still. Should be a very good year, though some impact from need for development work as opposed to ore production. End of year started to see housing market slowdown impact construction materials. Likely to accelerate in 2008.
Final 2006 number (Mar. 2008) was $797 million, vs. $906 million in 2005. 2007 preliminary data is $817 million. 2008 will probably show falloff in construction-related materials, so hard to say.

Based on USGS data; 2005f is final, revised information; 2006pf is final data (Nov. 30, 2007) except for Cement preliminary.

Shift due to lower (but still very healthy) moly prices, rise in Ag price and aggregate price and volume. Probably some increase in employment. Several mines adding miners in 2007. Exploration also.
2008 Financial Alert

- First Half 2008: Looking good! But fuel and other costs up. Affect bottom line.
- Second Half 2008: $ drying up for exploration, investment risk capital, construction.
- Why? Greed and Arrogance on Wall Street; Lack of Oversight by Federal Govt. in DC. Tight credit markets, businesses can not get loans, no hiring or putting $ into projects, new claims, etc.

Note: Personal opinion and not agency position!

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Slide 6

THANKS TO EARL BENNETT  It was a busy year for miners and investors in the fabulous Coeur d'Alene District in Shoshone County in north Idaho. Over 1.193 billion ounces of silver have been produced from the extensive and high grade quartz-siderite-sulfide veins, which contain significant lead or copper in addition to silver.

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Slide 7

Hecla produced 2.87 million ounces Ag in 2006. Structural analysis would also be used in predicting the extension of the Gold Hunter vein system by Brian White in the late 1970s, the discovery of the West Chance vein system by Craig Wavra (Sunshine Mining Company) in 1994 and new ore bodies in the Galena mine that are still being mined today.

Hecla operated Lucky Friday mine at Mullan. Production from Gold Hunter orebody, mine expansion and development projects started in last
year or two. Deep mine, accessed from Silver Shaft and two long xcuts on 4900 and 5900 levels. Drilling has proven ore deeper.

Levels at 4050, 4900 and 5900.

2008 capital expenditures to 1st half: $10 million, enc. New tailings pond and evaluating #4 shaft project. Also expl. Drilling off 5900 level to East—significant grads. Some mineral. Across fault to west. LOTS GOING ON. Mill Upgrade in 06 means more efficient mill and increase in ore milled. To access deep ore -- Basic engineering contract for the No. 4 internal shaft (GH side) awarded to Nordmin Engineering of Thunder Bay, Ontario. Shaft will be collared on the 4900 level and extend to 6500 level with the potential to later go as deep as the 8000 level.

Mine expansion pre feasibilty study under way. Expansion could include an additional surface shaft, the internal underground shaft and a new mill. Some 45 diamond drill holes totalling 24,000 feet will examine veins between the 4900 and 5900 levels.
The mine has a potential reserve of some 120 million ounces according to the company.

2008: 7 holes drilled. Intersected multiple vein zones. Results being evaluated.

Not only deep reserves and resource (purple areas), but a large 2500 ft. gap between the historic near-surface workings of the Gold Hunter and deep orebody in production. Surface drilling started and will continue next year.
Hecla has 25-square mile property in Silver Valley with 328 million ounces of silver historic production. Compiling and digitizing 100 years of historic records. Silver Summit 2008: 3D glasses WOW. Lots of targets obvious. Presentation on Star Morning mine area. Deepest mine in district – 8000 ft. approx. and zoned system laterally.

Mark Hartman- General Manager
Took over from Coeur in mid-2006. Production in 2006 from Galena was 1.3 million oz. Ag plus Cu. 2007 productions was 2008 estimate is: 2 million oz.? Resource has increased 60% over 2 years ago when US Silver bought property. 2007 estimate is: 3.2 million ounces Ag plus Pb, Cu

In September, US Silver started up Coeur mill and production of Pb-Ag concentrates. Ore from Galena mile 1.5 miles to east. Ore from Galena hauled underground through connecting tunnel and hoisted up Coeur shaft.

Galena mill will process the Ag-Cu ore from Galena mine. Two mills - estimate 900 tpd output. Smelter contract with Teck Cominco.
2008 drilling will be 79,000 ft. by end of year.  2008: Targets from Dan Hussey, Ag Summit: 2400 level 114 vein, Polaris Fault, Deep 175 vein area, upper Silver Vein. Galena shaft repair 24-3200 levels. Circular concrete lining. Finish end of year. Needed but limits production. $6 million cost. U.S. Silver will mine from the lead zone on the 3000 level opening the B Vein No. 1 and No2 veins. The ore will go down a bore hole to the 3700 level and then be hauled to the 400tpd Coeur mill for processing. The lead veins could go to at least the 4300 level.

Silver/copper from the Galena is processed in the 700 tpd Galena mill which could be increased to 1100tpd. The mill runs 5 days a week now.

Have a conservative 48 million ounces in reserve but this could be much larger if they chose not to be conservative in their estimates.

Stopped drilling at the Alice Mine as the ground conditions were very bad with lots of faulting.

October Results of drilling on 3400 level (11 holes at total of 5,100 feet): Hole 34-111 with 5.6 ft grading 14.25 opt Ag and 21%Pb. Check website – looks like some very heavy core. Continuation of multiple veins seen on 3000 level. Anticipate more exploration drilling and development work to bring production into those areas. Some development and rehab work at Galena (inc. Galena shaft)

Day Mines closed and salvaged the mine in 1977. Located 3.5 miles NE of Galena. Ag-Pb ore. Part of surface and district exploration. Started drilling last week or so in MacFarron Gulch south of Osburn.

The company is also drilling at Gold Creek with 12 holes planned. The will also drill in McFarren Gulch and near the TinCup mine.

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.

November – Sterling had 119 employees with over 100 at mine. For year’s end when 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 re 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 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 McClean, Mine Manager.

Mill will be operational in September. More drilling in Sterling Tunnel.

January, 2007, Acquired tailings pond. ConSil 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.
Sterling Mining, Sunshine Mine, Mike McClean, 8/03/2006

Upper Workings
The Sterling Drift is in some 1,100 feet and projected to go to 4,500 feet including some 1,200 feet of secondary drifts. Have established some drill stations and are drilling in the Silver Summit. Are cutting the main electrical station and will drill to the north in September. First target is the projection of the Silver Syndicate and deeper veins using 1500-1800 foot long holes. The Yankee Boy and Sunshine veins are also targets. Looking adjacent to known workings in these areas and are also working on the Polaris 1000.

Lower Workings
Went underground last fall and this spring to assess conditions. The 3100 is in good condition with good ventilation. A shaft repair crew is working to repair the Jewell shaft and stations. Will work on power next. Rebuilding pumps on the 1700 and 2700 level. Infrastructure needs a lot of work. The repair of the Silver Summit hoist and shaft has to be completed before mining can start in the Shine as it is the secondary escapeway for the mine. This should be completed by February 2007. There are 20 people employed now and will have 28 by the end of the year. They started with 8 people.
Slide 17

230 feet of drifting on Sunshine Vein. First load of ore sent to the ore bins at the mill on September 14, 2007. Mike McClean, Mine Manager. Mill was operational in September and new conveyor installed to send Upper Country ore direct to mill from Jewell Shaft. More drilling in Sterling Tunnel. Rehab on Silver Summit shaft continues, to 3000 level for secondary escapeway.

Slide 18

SUNSHINE VEIN

2008 Update: Sterling started well. Mined a bit on E. Yankee Girl and Chance. Wanted to dewater to 3400 ramp level.

Slide 19

Use of Silver Summit escapeway required refurbishing of hoist. Before and After pictures. Shaft repair about 1/3 complete, and lots of other ug work in Sterling tunnel and lower levels of Sunshine.
May 2008 – Management change; July 23 – announced merger with Minco Silver and $ 5 million loan; Sept. 2 – Minco pulled out and cancelled deal; Sept. 13 – Sterling suspended production to “keep resource intact.” Recently sought delisting from TSX. Off-the-record: lots of problems, esp. on milling and sale of concentrates, smelter contracts. ? Whether reserves truly there. A shame.

Fred and Grant Brackebusch

112_1299.JPG - Our new Hagby diamond drill at the Golden Chest. The Niagara project is a Revett Cu/Ag disseminated deposit with some gold. The Cliff adit is in the middle of the orebody about 200 feet from the Murray Peak fault to the west. This is all in the upper Revett.

Katie Dora mine at Murray. This shows the old Martin level near our present ramp. It's not a mill, but a mine compressor plant instead. They are drilling on the Idaho vein that may be the same as the Katie Dora or in the same structural zone. Newmont had 250K ounces and Fred has 300K probable in the Idaho vein. 160,000 TONS OF 5 gms Au reserve.

WILL COVER OTHER EXPLORATION LATER IN TALK.

Driving the 600 meter long Idaho Ramp in 2007 below the No. 3 level to
the main mineralized Idaho Vein in 2007.
1-crew on ramp so production down.

Mineral Ridge gold property is a new discovery found by soil sampling 6 kilometers north of the Golden Chest Mine
Also have the Coleman vein, but not sure where this is.

Slide 23

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.

Slide 24

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.
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.


Bought for $ 575 million by Blue Pearl in 2006. Large open pit mine produced over 16.1 million pounds of Mo in 2006. Current market price of Mo is $33 per pound. Company also owns 75% of Endako and the Langeloth, Pennsylvania, metallurgical roasting facility. 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 updated resources: 99 million tonnes proven and probably reserves at 0.098 % Mo

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 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).

Hope to have site reclaimed in 2010. Some ARD from old waste rock dumps and pit area at Sunbeam. Looking at passive and unobtrusive treatment options.

Permian Phosphoria
3 plants
Fertilizer, elemental (Monsanto)
Monsanto, Elemental Phosphorous Plant, Soda Springs.
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.
Monsanto: South Rasmussen mine


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

Monsanto: Reclamation in Phosphate Reserve

Exploration drilling on Blackfoot Bridge property in works for next mine. DEIS underway, Extensive testing and modelling of deposit, groundwater and geochemical aspects. Mid-2008 DEIS target for agencies. Joint FS and BLM.

J. R. Simplot, Don Fertilizer Plant, Pocatello, ID
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.

BIG issue at Simplot is Selenium leaching from the Pole Canyon Cross-canyon fill waste dump. $3 million project to divert creek water around the fill. Installed 30inch pipeline so clean water bypasses it.
Also constructed infiltration basin just above the Pole Canyon cross-canyon fill so water will infiltrate into the limestone bedrock and not go through the waste dump.
Also standard reclamation of over 100 acres in E and A panels, recently mined.
Experimenting with causes and controls on Se uptake in plants.

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- C pit mining
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.

Gravels are generally >80-90% quartzite with lesser volcanic and plutonic rocks, metasediments. Basalt gravels quite rare. Soil overlies the gravels and is typically stock-piled for use in reclamation or sold for use in housing projects. The gravels generally easily ripped except perhaps in soil area where carbonate cementation may be present. Water table almost always below the level of pits (may have some seasonal flooding but no pumping required).
Sedimentary environment seems to be braided streams. You can see some bar forms in the photos. The sands present occur on bar tops—most seem to be removed by the next pile of gravel deposited. It is pretty tough finding sand to date.

Emerald Creek Garnet at Fernwood in North Idaho is owned by WGI Heavy Minerals, located in Coeur d’Alene. Production steady but grades dropping a bit as move downstream onto St. Maries River floodplain expansion area. Will be looking at new technology to improve recovery of finer (-50 mesh) size garnets and thus increase production. Area on floodplain next to plant is about 2/3 current production. 50 employees; 5 washing plants. Markets steady. Changing to flat-topped triple deck screens vs. trommels. Finished an oxbow creation project in St. maries River wetlands. Looks great.

Company is in the process of rebuilding its operations both domestically and internationally. Changes are occurring across the organization; the political climate in India is evolving and the Company is focussed on strengthening its core businesses.
WGI Heavy Minerals, Inc. is a fully integrated miner, producer, and marketer of industrial-grade minerals and replacement parts for ultra-high waterjet cutting systems. The Company’s operations include mining and processing facilities in Idaho, U.S. (Emerald Creek Garnet), Tamil Nadu, India (Bengal Bay Garnet) and Ermsleben, Germany and a manufacturing facility in Washington, U.S. (International Waterjet Parts).

This Final Environmental Impact Statement (FEIS) analyzed a proposal by Emerald Creek Garnet, Ltd. (ECG) to mine 327.5 acres of garnet reserves in and near the St. Maries River floodplain south of Fernwood, Idaho in Benewah and Shoshone Counties. The new mining area contains 193,930 tons of garnet reserves. One hundred thirtythree (133) of the 327.5 acres are wetlands and other waters of the U.S. subject to regulation under----.

ECG has mined garnet in 16 permit areas in the Carpenter Creek and Emerald Creek basins near Fernwood, Idaho since 1992, and continues to mine in these basins, as well as in upland areas near the St. Maries River. Under the current production goal of 30,000 tons per year, ECG has four to seven years of mining remaining in existing permit areas. After one to two years of peak production, the remaining mining areas would be in upper watersheds with limited mining seasons and production would subsequently decrease for the remaining reserves.

ECG has approximately 156,000 tons of proven reserves remaining in eight
existing permit areas. Without the additional reserves within the proposed mining areas, full-time mining would end in approximately one to two years; the number of permanent employees would be reduced; seasonal employees would not be hired; some equipment would be sold; and mining would continue at a reduced rate until reserves are depleted.

Slide 44

Louise Darby in action.

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 45

L and W Stone owns Three Rivers Stone quarry located west of Challis. Ships about 35,000 tons of stone per season. Nearby Ramshorn quarry active. Challis area
Northern Stone Supply, Oakley Valley Stone, American Stone, Serivanich Natural Stone, all operating near Oakley. 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.

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. Hess now employs 115 people at their facilities.
The NGOs are operating in Europe too. Any Hess is benefiting with its unique Idaho pure pumice and flexible fine-grinding systems.
Lipari off coast of Sicily has been a prime source of high grade pumice for centuries – no longer.
Lipari does look like great tourist spot (and World Heritage Site). Check it out on vacation. Several closed pumice mines.

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.

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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.

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

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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.

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Near Challis, Rat’s Nest mine produces, seasonally, several hundred pounds of salmon-pink, museum quality heulandite crystals. This photos has Pink bladed heulandite (Ca-rich) on mordenite (compact white mass) with early stage inner rind of Na-rich heulandite (reddish pink). Very delicate.

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2007 really saw a run-up in exploration activity – and not just for gold. Silver prices were extremely attractive – i.e. mind-boggling. Moly is up there. Uranium, base metals, etc. First notable grass roots recon programs in a while – including some for different commodities and innovative conceptual targets. (which I won’t say anything about).
Helmar-Bovill is historic clay mining area in Latah County. Two projects within project – feldspar and quartz, and clay

Kelly’s Basin is feldspar deposit, subject on ongoing feasibility study by SRK (Denver). Company has done past drilling and metallurgical testing, Study includes resource calculations and block model, mine layout, plant location and transportation, marketing, etc. Completion in 2008 and if favorable, advance project to permitting and finance.


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.

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.
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.
Prospecting and land acquisition. Underlying deal with Newmont, who has first right of refusal. Minimal drilling this year - Short hole on Mineral Ridge property hit 120 m of intrusive.

MR and GR areas. 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.


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.
Formation Capital Corporation
Idaho Cobalt Project - 2007

- EIS - hurry up and wait for ROD
- Feasibility Study - very positive at lower Co prices
- Spot Nov. Co: $33/lb.
- Geotech Drilling and Test Pits
- Land and Ball Mill Purchase

More Salmon Region Exploration

- DDR Copper, Inc., reopened the Pope Shenon Cu mine south of Salmon
- Check up video tour at http://ddrci.com
- Old surface drilling, started up drill
- Salmon Ridge project - porphyry copper target???

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.

Journey Resources: Musgrove Creek

- In June, Journey acquired 100% of Musgrove Creek via option from Wave.
- 43-101 resource of 8 million tonnes at 1.22 g/t Au (>300,000 ounces), open on strike, dip.
- Reopened 4,700' road.
- Drilling 7,500' in 9 holes in second half 2007.
- Also have Empire Project at Mackay (polymetallic skarn with SX-EW copper-zinc potential)
- Project Geologist is Bob Hatch who replaces Mike McClave. 1500 acres, 87 unpat. claims
Reopened reclaimed roads built by Newmont
Deposit – epithermal gold – strike length of 400 metres,
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**Gentor Resources Inc.: Ima Mine**
- Tungsten
- Molybdenum
- Private Land
- Extensive prior work
- 3 holes, at 4579 feet and still drilling; IMA 21 stopped at 1957 feet in Mo-mineralized granite; results pending. IMA 22 in mineralized granite - Mo, with Cu, base metals at 2000 feet depth.

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**Mosquito Consolidated: Cumo**
- Large and deep, zoned Cu-Mo porphyry deposit at Grimes Creek, Boise County
- 2 drill rigs, 6 holes
- Amax Block Model: 1.5 billion tons at 0.09% MoS$_2$
- More drilling 2008


2005: Kobex optioned it and drilled two holes with confirmatory mineralization and then released it back to Mosquito.

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**Freegold Ventures: Almaden Hg**
- Classic Hot Springs Deposit: Hg in sinter, Au below
- 100% Freegold lease, from ICAN
- 2005 resource: 24.7 million tons .021 opt gold plus inferred
- 2006-7: 97 RC holes and 42 core holes as of November (44,000 ft.)
- Metallurgy – grinding, Mo credit?
- Feasibility study planned

2005 43-101 report had indicated resource of 551,834 ounces gold plus 359,802 ounces inferred.

Million ounce deposit not unlikely.

Trick is silica encapsulation and very fine grain size.
Atlanta Gold Corporation

Exploration Focus
- Bought Core Rig
- 33 drillholes, core + RC
- Extend Monarch Pt to east
- Prepare for ug exploration
- Controversial Project


Thunder Mountain Gold: South Mountain, Owyhee County

- Patented Claims, bought in Sept. '07
- Polymetallic Zn Skarn
- Surface, ug sampling, compilation

2008 Update: Surface core drilling. Surface core holes, initial drilling. First hole, Laxey-2 hitting 40 feet of massive sulfide, 300 feet below Sonneman level. Surface portal has been cleared. Extremely interesting property. Will be doing more work in future. Laxey and Sonneman adits are 300 ft apart. Intrusives, skarn and marble. High grade is 5-10% Pb and Zn, 0.5% Cu, 7 opt Ag, 0.2 opt Au. Have old mine maps.

Energy: Geothermal, Oil

Energy is key – again. Idaho has limited fossil fuel energy resources compared to some of neighboring states. But have first oil well since 1988 underway in SE Idaho in Overthrust Belt. Idaho does have abundance of clean, renewable geothermal energy potential. US Geothermal working at Raft River in southern Idaho is commissioning the first commercial geothermal power plant in Idaho. Started test production on Oct. 18, ran for about a week (company actually got revenue from Idaho Power Co. with peak output of 13.2 megawatts).
and then shutdown to fix some mechanical problems. Resumed power production on Nov. 25. Planned on 60-90 day startup phase with all electricity being sold. Ormat Nevada is contractor for plant design and construction. In September, US Geothermal and Idaho Power signed a new 13-MW full output power purchase agreement (PPA). 25-year agreement. 2008 – expect to be exploring for additional resources at Raft River and Neal Hot Springs (east OR) and anticipate increasing production wells at Raft River.