

Community Transition Advisory Committee (CTAC)
Meeting Minutes
March 10, 2011

CTAC meeting was held on 3/10/11 in the Extension Office conference room in Whitehall. *Attendees* were Tim Dimock, Mark Thompson, Dave Donnelly, Gary Sundseth, Paul Buckley, Ann Geiger, Gerry Keogh, Ed Handl, Roy McBride, Justin Gibson, Leonard Wortman, Paul Shaw, Tom Harrington and Nancy Wheeler. *Guests*: Greg Corr, Bill Brown, Holli Parrow

1. Tom called the meeting to order at 8:03 a.m. with introductions.

2. Minutes of Last Meeting

Gerry made a motion to approve the meeting minutes from 2/10/11; Ed seconded the motion. Minutes were approved as published.

3. Golden Sunlight Mine (GSM) Operations

a. Current Operations Update / Mill Operations Update

Tim reported 203 employees and 85 contractors currently at the mine. February was a good month from a safety and environmental perspective. The mine is now achieving targeted through-puts in the mill after initially struggling due to the clay ores causing problems in the crushing circuit. The mine is also making improvements on the recovery side and has been achieving goal production targets the last few days.

The mine had their first gold pour since 2009 this month. Tim shared an article and pictures of the gold pour from the mine's intranet site. Establishing the new south access to the bench has been more challenging than expected and anticipate being finished with the project this week which will help greatly with the mine production rate. This is important because the mine needs to be in the Mineral Hill Pit ore in August to keep the mill operating.

Tim reported the mine is not yet accepting third party ores but anticipate doing so in April. The mine is still completing some construction on site and working on the fire system upgrade. GSM is working on becoming certified under the International Cyanide Code in June so had a gap assessment last week and will have another internal audit the end of this month. Tim said there will be a number of environmental audits this year.

Mark and Tim have been attending the Legislature in Helena on a regular basis as there are a number of legislations of importance to the mining industry and Barrick GSM.

Paul Buckley, GSM's Engineering Superintendent, gave a brief overview of the mine's growth plan and exploration and said there are now two drill rigs on site as a second drill arrived this week. The mine's long term project is to extend mine life and are looking at developing some satellite areas around the pit for ore sources where there has been some historical indication of gold and to continue operations with no mill shut down period. Paul explained the different activities involved and said the mine has accelerated the exploration program anticipated last fall. Paul said the legislation going through right now affects the project. After the upfront work is completed to determine what resource is present, the permit process starts. The length of time to bring areas into production to sustain operation is significant and the permitting process is a huge factor. The legislations are of a practical nature and would make a difference for the mine's operation to flow smoother.

Tim said the mine's current tailings dam has a capacity for mine life into 2015 and then approximately another couple years. If mine life is to be extended beyond that time frame, the mine is looking at a fairly lengthy permitting process to permit another tailings facility. Paul said GSM's goal is to know by the end of this year if mine life will be extended. Tim said in order to avoid any interruptions, the mine will need to submit a permit application fairly early next year.

Bill asked about the Highlands Mine and Rochester tailings. Tim said GSM did accept ores from the Rochester Basin tailings material that helped sustain the mine's operation but currently have no contract with them. Leonard said there will be a public meeting in Whitehall regarding the haul route and a status update on March 22nd, 6:30 p.m. at the High School Commons.

b. Pit Backfill Update

There is no update since last meeting.

c. Concentrator Status

When test results are received, will do a gap assessment and brainstorming session. Montana Rail Link remains in contact with the mine.

d. Wind Development Update

The mine sent an email this week asking the wind developers of their status and reminded them their contract expires next month.

4. GSM Environmental Update

a. Legislature Update – SB 312, SB 306

Mark reported no incidents since last CTAC meeting. The only permitting occurring at this time is the exploration permitting. The mine is working toward getting Environmental Management Certified this year and Mark said it is a very difficult process with a lot of third party audits.

The mine has been working on reclamation on the south dump and is starting to see some progress; Mark said it's a big project that will take a lot of time to finish. Ron Spoon from FWP is doing a streambank stabilization project at Candlestick Ranch; a demonstration project using willows to stabilize eroding streambanks. Dave and Mark have a meeting with FWP regarding reintroduction of Big Horn Sheep in the area and another meeting regarding improving recreational opportunities at the Candlestick Ranch.

Mark explained and discussed Senate Bill 312 which is a change to the Metal Mines Reclamation Act, supported by the mining industry who believes it will help streamline the permitting process and Senate Bill 306 for clarification of the cyanide ban to allow the grandfathered cyanide processing facilities to accept open pit ores from off site. Two MEPA bills, sponsored by Senator Keane and Senator Vincent, are progressing. Tom and Tim met with Evan Barrett of the Governor's Economic Development Office on legislative issues.

Tom said, with the high metal prices, the Fraser Institute in Canada that does a thorough analysis on various industries, one of them being mining, did a mining report and Montana ranked about eighth from the bottom out of approximately 80 counties/states throughout the world for putting investment dollars into mining in Montana. Montana ranks low in environmental policies, the inconsistencies of the regulations, etc. and the ability to have stability when companies put in big investment dollars. Tim said the biggest impact, in his opinion, for the future of hard rock mining is exploration. Mines that already exist have been able to survive the last decade but the future is really limited. In the early 1990's there were 140 exploration projects in Montana and currently there are only five. Tim said exploration is the upfront, critical process to mining activity. Discussion followed on the huge ripple effect mining creates.

Tom said the group discussed nutrient loads last meeting and the impact to potential wastewater systems. Senate Bill 367 on nutrient standard criteria and variances and the other bill that pertains to the total daily maximum load development are seeing positive movements. These bills are being done in conjunction with DEQ. Tom said contacting/emailing the legislators letting them know what you want does have an impact.

b. Whitehall Wastewater Update

Tim and Mark attended the Whitehall Town Council meeting last month as they heard from many of the business owners and irrigators that share water downstream in the slough with the mine that there was a lot of uncertainty on the facts associated with the proposed wastewater system in Whitehall. The mine offered to the Town Council to fund a study to re-verify the facts and take into account merging legislation and how all this plays together in the wastewater system here. As the mine was not on the meeting agenda, no decision could be made. The mine is on the agenda for this coming Monday evening, March 14th at 7:30 p.m. Mark talked with the mayor and a council member to discuss the mine's thought on the wastewater system. The system, as of now, has a discharge permit issued by DEQ and there are some non-compliances associated with the discharge permit and a compliance order was issued by DEQ. Mark said the mine's first priority on the study would be to have people look at the noncompliance issues on a short term basis and make sure the action plans being developed will address those compliance issues and to get the town in a favorable situation with DEQ. Would then look at that and roll into an overall review of the wastewater system, its capacities, its maintenance status, etc. and then roll that into what needs to happen in a longer term scenario, so looking at a fairly detailed review. This is what the mine is offering but will do whatever the Council asks them to do. Mark said the mine would use Hydrometrics, a consulting firm, whose main office is in Helena. Mark and Tim will attend the March 14th Council meeting and find out what the Council would like them to do as they want to support the Council. The mine's goal would be to make sure that the decisions are made with a thorough understanding of the issues and facts. Some discussion followed. Mark said there is new legislation on nutrients and TMDL that will hopefully allow some flexibility of what could happen in the future.

5. Sunlight Business Park Overview

a. Construction Status

Tom said infrastructure construction at the business park resumed this week. There was a reported safety issue and Tom said the issue has been addressed. There were also some concerns with the contractor locating the mine's water line before digging as a broken water line would shut down the mill.

b. Subdivision Update

JLDC has preliminary plat on the entire 200 acres at the park but needed to scale back to Phase 1 only and do preliminary and final plat on that. Staff had the opportunity to go to the Commission last week and received preliminary plat approval on Phase 1 for the park. JLDC will go for final plat when the infrastructure is in. The engineer is working on the final plat documents and will send to the mine for review.

c. Billboard Update

JLDC staff met with the sign developer and she is working on a proposal for a double-sided billboard.

d. Business Assistance Center / Interpretive Center

Staff has been in discussion with the Economic Development Administration (EDA). JLDC has a project in Boulder with an EDA grant/loan that is a 15-year project into its 11th year. A party is interested in doing a purchase of some of the property but the EDA grant/loan is tied to the project. It was suggested that JLDC look at building an Interpretive Center at the business park and possibly move the Boulder South Campus funding obligation to the Interpretive Center and expand funding for building. A key part is a feasibility study will need to be done; staff is working on funding for the study.

e. Science, Technology and Innovation Committee

Earl Dodd did a presentation at the last CTAC meeting and good discussion resulted. It was decided to form a Science, Technology and Innovation Committee to explore opportunities and options. A tentative date of March 23rd, 8:00 a.m. at the Extension Office is set for the first Committee meeting at which goals and objectives will be developed. If interested in being on the Committee, please email or call Tom Harrington.

About one year ago, JLDC went through the seven-eight month process of developing the Tax Increment Finance Industrial District (TIFID) which was completed in December, 2010. The north end TIFID now has a \$2,000 increment for the past year and the South End about \$26,000 to help with infrastructure needs and build-out. The TIFID is a separate line item the county is now tracking. A Tax Increment Advisory Committee meets when needed, establishes budgets and advises the Commission.

6. Safety Fair

John Stratton will help with the Safety Fair. The tentative date for the event is Saturday, April 16th at the Community Center. The Jefferson River Rally will not be held this year.

7. Montana Mining Conference

The Montana Mining Conference will be held May 25 & 26 at the Butte War Bonnet. Tim hasn't yet received the agenda for the conference.

8. Next Meeting Date/Time

Next meeting is scheduled for **Thursday, April 14th, 2011**, 8:00 a.m. at the Extension Office Conference Room. Meeting adjourned at 9:05 a.m.

Respectfully submitted,

Nancy Wheeler