

BLACK PINE MINE: SAWTOOTH NATIONAL FOREST

Black Pine Mine is located on National Forest System (NFS) land in the Black Pine Division, Burley/Twin Falls Ranger District, Sawtooth National Forest (approximately six miles north of the Idaho/Utah state border and 12 miles northwest of Snowville, Utah). Early exploration activities took place here in the late 1800's with gold first produced from the Tallman Mine as early as the 1920's with the majority of production from 1949 to 1954. During the 1970's several mining companies (including Newmont and Noranda) conducted extensive exploration activities. Noranda defined a potential ore reserve and submitted a mine plan to the Forest Service in 1987. Black Pine Mine, Incorporated (BPMI), a subsidiary of Pegasus Gold Corporation, purchased the rights to develop the mine from Noranda in June 1990. BPMI revised Noranda's plans and proceeded with mine development on March 4, 1991. The first gold was poured in January 1992.

In November 1997, BPMI and its parent company, Pegasus Gold, Inc., notified the Sawtooth National Forest that they were taking a \$350 million write down due to financial problems

with their Mt. Todd Mine in Australia. Although Black Pine Mine was financially successful, the unfavorable corporate financial situation prompted the filing of bankruptcy. On January 16, 1998 Pegasus Gold filed Chapter 11 Bankruptcy in the U.S. Bankruptcy Court in Reno, Nevada. Once notified of the bankruptcy process, the Forest Service sought representation through the U.S. Attorney's office to insure that the Forest Service interests were protected. The primary concern was that there would be sufficient reclamation bond funds available to continue with the heap closure and mine reclamation. At the date of the bankruptcy, the Forest Service was holding a surety bond for \$3.4 million.

From the beginning of mining in 1991, BPMI has concurrently reclaimed components of the mine as they were completed. Since December 1997, activity at the mine has centered on rinsing the heap leach pad. This phase began in November 1999 and concluded May 2001. The drain water quality is approaching release standards. The final phase is the establishment of the long-term water treatment and release of the surface water that percolates through the heap. The ultimate goal is for the water coming through the heap to be at release standards and not require any treatment prior to discharge. The water quality will be monitored through 2006.

Approximately 750 acres have been affected by mining operations here at Black Pine. Of this, 700 acres have been reclaimed. More than 133,000 feet (more than 25 miles) of exploration roads have been reclaimed. In addition, 13 miles of main ore hauling roads have also been reclaimed. The heap leach pile continues to drain, and the Forest is implementing a land application program for managing excess fluids through a state permit.

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Seeding of the slopes of the heap leach pile, after side tracking and roughening.



First spring after seeding heap leach pile.



Overview of recontoured heap leach facility.



Two years after seeding the haul road.