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4. MINING: Sides drawn on Mount St. Helens-area copper mine lease

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The Bureau of Land Management has received over 9,000 mostly opposing comments regarding a proposed lease agreement and preliminary environmental assessment (EA) for a potential copper mine on lands adjacent to the Mount St. Helens National Volcanic Monument in the Gifford Pinchot National Forest in Washington state.

The lease application from Spokane-based Idaho General Mines Inc. contemplates an initial hard rock mining lease on 219 acres, called the Margaret deposit, for which the company claims a 50 percent reserved mineral interest. Potentially, the lease area could be expanded to 900 acres.

What is particularly upsetting to opponents of the mine is that the lands in question were purchased in the 1980s by the Trust for Public Lands from another mining firm and turned over to the National Park Service in the hopes that they would be protected from development. However, NPS could not accept the land with and conditions attached, and now BLM says it is obligated to at least entertain an application from a qualified mining firm, under the "multiple uses" policy for public lands.

BLM spokesman Michael Campbell told *Land Letter* that the public comment period on the EA and lease application ended Monday, with more than 9,000 letters and forms filed with the agency. "We're still in the process of tabulating comments," he said this week. There was some support received from local communities that are counting on economic benefits from a new mining operation, he said, but "the large majority of comments expressed concerns about potential environmental impacts."

Analysis of the comments and a final decision on the lease could be made by September.

Leading the opposition is the Gifford Pinchot Task Force, a nonprofit group active in southwestern Washington. The group this month jointly filed comments in opposition to the lease with about 20 other environmental organizations ranging from American Rivers to the Wilderness Society.

Ryan Hunter, program director for the task force, said that the kind of lease sought by Idaho General Mines is unprecedented and rests on legally questionable grounds. Also, the EA fails to adequately assess future environmental impacts of granting the lease, he said, which would probably result in creation of a large open pit mine or underground mine that would pose significant risk to fish, humans and agriculture in the Green River valley, north of Mount St. Helens.

'Not worth the risk'

The coalition has been joined in its opposition by the nearby cities of Kelso and Castle Rock, which last year passed resolutions opposing the lease. "It's just not worth the risk to our community," said Kelso Mayor Don Gregory. He cited the "real potential" that the mine could release arsenic, cadmium and other toxins that would contaminate municipal water supplies.

BLM, however, said that it is not yet at the stage of addressing environmental considerations. "This is just an analysis to see if the lease application conforms with the Minerals Leasing Act of 1947, the Gifford Pinchot forest management plan and the Northwest Forest Plan," Campbell said. "This is the first step in what will be a long process. Other steps would require the company to provide a plan of operations and whether that would involve exploration or extraction activities. Assuming we get to that stage, that's the point we would have a full blown environmental impact statement and the public will be afforded another chance to comment."

Campbell added that the lands acquired from the Trust for Public Lands are designated under a matrix of potential uses, including timber harvesting, that does not preclude mining. "Under the Northwest Forest Plan we are required to follow multiple use mandates," he said.

The argument does not convince the local opposition. "This lease gives [Idaho General] exclusive rights to develop in the area," said Hunter. "We view it as inevitable that the company will say they need the remaining acres. The rest is a foregone conclusion."

Idaho General Mines executives were traveling this week and unavailable for comment. However, the firm in March told investors that the Margaret deposit contains copper, molybdenum, silver and gold. The federal lease, if granted, "would enable the company to seek federal approvals to carry out further mineral exploration drilling of the deposit to enable the preparation of a feasibility study for a future mining proposal," the company stated. That would take at least two years following lease approval, if drilling results are favorable.

The company said that any mining would be done in full compliance with state and federal requirements to minimize environmental impacts.

Idaho General Mines has two other prospective mining operations, both located in Nevada. One, the Mount Hope Project, is on BLM land in Eureka County. BLM approved the company's plan of operation for the site last December. An independent company is currently compiling environmental impact statements for the project. The firm said that the site contains 1.2 billion pounds of recoverable molybdenum, making it "the world's largest primary molybdenum project in development." Even at half of today's spot market price of roughly \$30 per pound for the mineral, the Mount Hope project would be highly economical, despite projected capital costs of \$700 million over the first 10 years of operations, the company said. It expects initial construction to begin in late 2008.

The firm has spent over \$20 million on land and exploration activities since 2002, but has shown no revenues to date. In 2006, it reported a net loss of \$12.7 million.

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