

QUARTERLY EXPLORER

The Voice of Nevada Exploration

NEWSLETTER OF THE NEVADA MINERAL EXPLORATION COALITION October 2020 Vol. 1 Issue 4



PRESIDENT'S MESSAGE

DAVE SHADDRICK

It may be hard to believe in this day of all-virtual meetings, but we actually had an in-person event in September: the 8th annual Great Basin Rendezvous at the Royal Peacock Opal Mine in the Virgin Valley of northwestern Nevada. Everyone was well behaved and socially conscious and no one, to my knowledge, got sick (except possibly a bit of "morning after"). It was a great deal of fun! JoAnn Newbury tells us all about it further in this newsletter.

Our next event is the 11th annual Mineral Exploration Summit to be held on October 20th, 2020. The meeting will be a fully virtual event and I am learning more than I want to about Zoom meetings. Luckily, I have Tyson Falk and Mark Travis (who are really smart) to keep me out of trouble. Check out the program and registration information further on in this newsletter and sign up today.

We are just getting started on our annual membership and fund raising drive, and I encourage you to renew your membership as early as possible. All additional contributions of any amount are deeply appreciated and absolutely necessary to continue and, hopefully, expand our work. There are many more issues that significantly impact Nevada Mineral

Exploration than we can currently address. If you want to be involved in helping us respond to these threats just let me know (dshaddrick@aol.com). No pressure, no big commitments, just contributing comments or editing when and where you can. We truly need an expanded pool of people willing to chip in (or even take charge).

Finally, we usually do our elections of officers and directors at the Annual Mineral Exploration Summit but since this year's event is virtual, we will be doing it by email. You should have received an email with the recommendations of the nominating committee and I urge you to respond as soon as you can.

EDITOR'S NOTES

When I agreed to develop a quarterly NMEC newsletter Dave asked me to approach subjects from a lighter side. I have tried, but at times it is a difficult task. Dave also intimated that I could express myself from time to time, which I tried to do in gentle style, which at times is also difficult. Our industry supplies the materials to make our lives better in a safe and environmentally responsible manner, but it seems like we are under attack from many directions. My intent is to present a balanced

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view of what is going on in Nevada's mining/exploration industry, and not be too one-sided. I will leave that to others. Enough said, now the news.

GOVERNMENTAL ACTIVITIES

IN CASE YOU MISSED IT

The Tiehm's buckwheat continues to be a thorn in the development of Ioneer's Rhyolite Ridge lithium-boron project. Apparently, this plant lives only on a 10 acre plot near Silver Peak, Esmeralda County. Ioneer Ltd. stated that they will develop the project in an "ethically and environmentally responsible manner." Ioneer has a protection plan on the property, and is collecting seeds for a relocation project. The opponents claim there is a need to "put a halt to the plant extinction crisis." After these positions were staked out the Wall Street Journal reported that a "loss of a significant swath" of the plant occurred. State and Federal authorities are investigating and are considering that small mammals may have eaten the plant. Of course, the opponents to development are claiming a more sinister scenario; someone dug them up. Stay tuned as this is just the start of the battle.

NuLegacy Gold (I know them from somewhere, but just cannot place it) in concert with Crawford Cattle LLC are the first to partner in the Nevada Conservation Credit System. NuLegacy purchased 44 credits from Crawford to offset Greater Sage grouse habitat degradation as part of their Red Hill, Eureka County, drilling program.

In somewhat of a surprising move, Nevada Gold Mines is suspending expansion plans for the

Long Canyon gold mine in Elko County. Facing fierce opposition from several groups, Nevada Gold Mines stated that it wants to complete additional studies to develop plans for reducing the environmental impacts of the expansion project. No schedule was given as to the timing for the additional studies.

Local tribes and national conservation groups are working with the Nevada Washington legislative delegation to have the Avi Kwa Ame area turned into a National Monument, and be included in the Southern Nevada Economic Development and Conservation Act lands bill. The proposed monument would consist of 380,000 acres in eastern Clark County. The group's immediate concern is two proposed wind farms and the expansion of Las Vegas.

NEVADA LEGISLATURE UPDATE

Early in special session discussions, lawmakers looked to the mining industry to help restore the state's budget. Legislators considered a bill during the first special session that would have reduced tax deductions available to mining operations, but the bill failed by a single vote.

During the second special session, three resolutions proposing constitutional changes to the way the state taxes the mining industry were introduced and passed. Two resolutions offered the cap on the gross proceeds of minerals taxed from 5-percent to 7.75-percent while the third proposes to tax 12-percent of the net proceeds. Without access to the legislative building, the mining and mineral exploration industries were forced to rely on

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limited public comment, along with text messages and emails to legislators to present arguments. These resolutions all passed on partisan votes with all democrats in favor and all republicans opposed.

The three resolutions mark the first step in the process to change Nevada's mining tax structure, a process engrained in the state Constitution. The various proposals will be taken up during the 2021 regular session and, if passed a second time, be considered by a vote of the people at the general election in November 2022.

The Council on Environmental Quality (CEQ) announced its final rule titled Update to the Regulations Implementing the Procedural Provisions of the National Environmental Policy Act. This is the first modernization of NEPA in 40 years and attempts to make the act easier to understand, implement, speed up the process, and bring in modern science and Supreme Court decisions. The law does not change, only Congress can do that, but alters now the law is administered. Now the law suites can start and if a new administration and congressional make up comes about in the coming election there will be challenges to this new rule.

NEW EXPLORATION AND MINING DEVELOPMENTS

Another new mine is being developed in Nevada, the Gemfield operation is progressing under the banner of Waterton Gemfield Resources. The development required the relocation of 2.5 miles of U.S. Highway 95. The project is an open-pit heap leach that is anticipated to produce an average 125,000

ounces of gold per year over the projected 12 year mine life. Mineralization is associated with silicified and argillized Tertiary flow banded Sandstorm Rhyolite. Initial production will come from the oxidized portion of the deposit.

With the renewed interest in gold, and its elevated price, the metal has even attracted the attention of the Wall Street Journal. One recent article contained some interesting observations. Mark Bristow, CEO Barrick, stated "We are definitely past peak gold." He estimated that new metal added to reserves since 2000 has only replaced half of the gold mined since then. Other interesting notes include that the average mine grade has fallen from about 10 grams per tonne to about 1.46 grams. All the gold ever mined can fit into a 69 foot cube. Last year's total world production was 108 million ounces of gold. My question, why are you reading this and not out finding more gold?

PLAN OF OPERATIONS FOR PUBLIC COMMENT

Nevada Vanadium submitted a draft EIS to the BLM Battle Mountain office for the development of the Giballini vanadium mine east of Eureka. Virtual public meetings were held in early September followed by the 30 day comment period. If the Plan of Operations is approved, and subject to financing, development of the mine would begin in 2021 with initial production by year's end. The plan is to process about 10 million tons yearly by heap leaching and employ about 120 people.

Americas Gold and Silver Corp. has submitted a Plan of Operations for an expansion of the Relief Canyon mine to add an additional three

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year life to the operation. A virtual public meeting was held in early September followed by the 30 day comment period.

UPCOMING AND PAST EVENTS

Great Basin Rendezvous 2020

a summary from JoAnn Newbury

A group of cabin-fevered camping enthusiasts gathered at the Royal Peacock Opal Mine for the 8th annual Great Basin Rendezvous September 11-13. We enjoyed good weather, improved air quality, some digging and much-needed camaraderie.

Geologist John Churchill had the best find, a limb which came out of the wall in pieces, one of which contained black opal. Julie Eaklor from Pilot Gold found a nice twig surrounding a mocha-colored opal while sifting through the tailings.



Opal replacement of tree limbs

None of us came back any thinner. Friday night’s meal, sponsored by National Gold, featured grilled Cornish game hens and rice pilaf; Saturday night we dined on prime rib and twice baked potatoes courtesy of Envirotech Drilling. Both meals were followed by homemade desserts and fresh-churned ice cream. Dinners were prepared by mine owner



Prospecting is in our blood

Julie Wilson and her staff. Catherine Lee of EM Strategies, along with helpers Christine Ballard and Elizabeth Zbinden, kick-started our Saturday and Sunday with breakfast provided on Saturday by Falcon Drilling and by EM Strategies on Sunday.

“Big Jim” Hutchins, a volunteer at the mine, gave a great PowerPoint presentation on opals after dinner on Saturday night. Julie surprised us with live music around the campfire on



And of course, what geological event is complete without food?

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Saturday night provided by friend John Witzel playing guitar and singing.

NMEC would like to sincerely thank our other sponsors for their support: Boart Longyear, Drift Exploration, Magee Geophysical Services, TonaTec Exploration, Chris Henry and Elizabeth Zbinden. We couldn't have Rendezvous without you!

The 2020 Annual Mineral Exploration Summit meeting will be held virtually this year on October 20, 2020.

The full program and topics, and [registration information can be found on the NMEC website](#) .

FINAL WORDS

Thinking back to my childhood one of my favorite fairy tales was the killing of the goose that laid the golden egg. I think the state legislators missed that story. What would the rural counties be without our industry? Would Clark and Washoe counties step up to support them? This does not even address the many families whose lives are enriched because of the good jobs our industry provides. Maybe, just maybe, at current gold prices a case could be made for additional revenue from some of the more profitable operations. Having said that, any increase in the operating cost, such as taxes, will likely raise the mining cut-off grade resulting in more metal being left behind and shorter mine life. Is that environmentally responsible? And one size fits all does not contribute to the industry's health. The several lower grade operations that are in production, or are anticipated, do not need another financial burden. And of course, the non-gold mines do not have the luxury of elevated metal prices. It is past-time to educate the public on the value of our industry. Maybe we need to recall all the copper we use daily to get the point across. This is my personal opinion as editor and not necessarily that of NMEC.

Editor: Roger C. Steininger

Contact Us

To join as a member, to renew your membership, or for more information about the NMEC, please visit us on the web at:

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About the NMEC

The Nevada Mineral Exploration Coalition (NMEC) is a not-for-profit, nonpartisan coalition of small businesses and individuals engaged in, or in support of, mineral exploration and development activities in the State. Our Mission Statement: To Preserve and Promote the Exploration Industry of Nevada.

Our Mission

To Preserve and Promote the Exploration Industry of Nevada