

Gold mine near French Gulch to begin operations soon

Operations to begin within four months

Dylan Darling, Redding Record Searchlight, 3-6-11

Before miners start going for the gold in the hills west of French Gulch, their boss says they're doing all they can to make the Washington Mine green.

"We've been making improvements to our proposed operation," said Tim Callaway, president and CEO of the French Gulch Nevada Mining Corp.

The company has run the mine for almost a year since emerging from the bankruptcy of Bullion River Mining Corp. but hasn't started mining again.

Miners should start pulling ore out of the mine in the next four months, Callaway said. Once in full production he has said the mine may produce 100 tons of ore per day, with each ton yielding $\frac{3}{4}$ of an ounce of gold.

Gold was selling at more than \$1,400 per ounce on the open market Thursday, meaning the mine could generate about \$105,000 per day.

But that doesn't mean the crew of 29 people now working for French Gulch Nevada Mining Corp. haven't been busy.

"We've been rehabilitating the mine and rebuilding the mining equipment," Callaway said.

Projects include an overhaul of the processing plant and the addition of a water treatment plant. The plant is designed to remove "toxic constituents" out of water from the mine before it's sent down French Gulch Creek, said Phil Woodward, senior engineering geologist in Regional Water Quality Control Board's Redding office.

"The goal is to remove all constituents that may adversely impact water quality, including arsenic, heavy metals, nitrates, and hydrocarbons," Woodward wrote in an e-mail.

While the company behind the mine was in bankruptcy court, water filled its shafts and miners are still draining them. The miners are draining about 30 gallons of water per minute from the mine, Woodward said. Once the mine is up and running, its control board permit allows for up to 300 gallons of water per minute to flow from the mine into the creek, but Woodward said it likely would be less.

Callaway, the mine's manager, has said the mine will likely pour out 20 to 30 gallons of water per minute.

The water control board is set to hold a public hearing about the mine's water in early April in Rancho Cordova. Water discharged from the mine caused concern from its downstream neighbors in early 2007, but the control board didn't find any pollution in the creek. Later that year, the control board did order the mine to replace arsenic-rich waste rock it used to patch potholes along the dirt road leading up to the mine from French Gulch.

Serving as Bullion River's acting chief operation officer in 2007, Callaway said his goal to keep the new company clear of the environmental issues of the past.

And while trying not to damage the environment near the small town 20 miles west of Redding, he said the mine's boosting the local economy. Of the 29 workers, Callaway said, six are from French Gulch.

While the miners won't be taking home gold nuggets, Callaway said they will bring in good wages. Workers there make \$18 to \$30 per hour.

"We are proud that we are able to provide the jobs," Callaway said.

That type of jobs gives people money to spend at other businesses in their town, such as restaurants and retail shops, said Mark Lascelles, president of the Economic Development Corporation of Shasta County. He said \$18 an hour is good for an industrial job and \$30 is very good.

"To have jobs close to home of that caliber is going to make a difference," Lascelles said.