

# In Historic Gold Country, Old Mines Get New Life

**Lauren Sommer, KQED (San Francisco radio), 1-18-13**

It's not the frenzy of 1849, but gold mining is quietly making a comeback in California. A soaring gold price is drawing miners back into the Sierra Nevada foothills, in some cases, to the very spots exploited by the original 49ers.

Not everyone is happy to see gold mining return. While some communities are concerned about the environmental costs, others see the chance for a "greener" gold rush this time around.

The return is being heralded in Sutter Creek, about 45 miles southeast of Sacramento. Just a few years ago, local resident Dan Boitano was a tour guide there. He led tourists into the empty, underground Lincoln Project Mine. In the late 1840s, miners flooded into these foothills when gold was discovered nearby.

"I'm actually a fifth generation miner in the area," Boitano says. "My family came here for the Gold Rush."

Boitano still works in this mine, but now, he's mining. Hundreds of feet below ground, in a narrow tunnel, two of his colleagues drill into a solid face of rock. Matt Collins, chief operating officer of Sutter Gold Mining, Inc., looks on.

"This is December's gold production right here in the palm of my hand," Collins says, holding out a half an ounce of gold. "This is the first of what we hope will be many, many, many ounces of gold."

Sutter managers hope to produce almost \$200 million in gold over the next five years. The company is just starting full-scale production in this web of burrows – tunnels that only get darker and narrower the deeper we go.

"Remember when they first started mining here, they would have been mining with candles," Collins says.

Mining was treacherous work for the original 49ers. They used hammers and dynamite in search of what's just above my head: a vein of white quartz rock with dots of gold. "This one runs for many hundreds of feet," Collins says.

This is a slice of the Mother Lode – the most legendary gold deposit in the state. There are two dozen old mines within ten miles of this one. They produced millions of ounces of gold up until World War II, when work was suspended for the war effort.

"After having let the mines flood, the timbers rot, the neglect and the lack of maintenance, it became very expensive to reopen the mines," says Collins.

The Mother Lode still holds plenty of gold and with gold prices having steadily risen to around \$1,700 dollars an ounce, reopening old mines has become tempting, but not necessarily easy.

"California is burdensome. I would say this is one of the toughest regulatory climates there is on the planet," Collins says.

Some of the Golden State's strict environmental laws spring from the legacy of environmental damage that

“Today we have to have a much different approach. We have come into a project like this thinking about these potential impacts,” Collins says.

Those potential impacts are a big issue in another community where a local gold mine is trying to reopen. About two hours north in Nevada City, the San Juan Ridge Mine originally tried to get going in the 1990s, but things didn’t go so well.

“My wells right around us here in the north Columbia area started to go dry,” says local resident Kurt Lorenz.

The mine had hit an underground formation full of water. As workers pumped the water out, 14 neighborhood wells dried up. The mine paid for deeper wells to be drilled, but Lorenz says the new wells had poor water quality. The local school, Grizzly Hill Elementary, was told it couldn’t drink the water.

“The solution was the mine started paying for bottled water to be delivered to the school,” Lorenz says.

The mine put in a water treatment plant but Lorenz, who was on the school board at the time, says it was years before the school was using tap water again. In the end, the mine shut down because of the added costs and flagging gold prices.

Now, the issue is surfacing again because the mine wants to reopen. “We don’t want a repeat of what’s happened in the past,” says the schools current principal, James Berardi. “We can’t take that chance. We don’t want to do it again.”

“I don’t expect the community to take any significant risks for the benefit of my operation,” says Tim Callaway, CEO of San Juan Mining Corporation. He says the risks are lower this time because the mine will use better surveying and engineering.

Callaway knows it’s a tough sell in this community, but points to the economy. “What this project offers is really high-paying jobs,” he says. “There are very, very few industries or jobs in rural communities.” The decision will ultimately be up to Nevada County, which is doing an environmental review.

All of this adds up to an interesting moment for gold in California, says Izzy Martin of the non-profit Sierra Fund. There are environmental risks, she says, because not all counties are equipped to do thorough reviews of proposed mines.

But Martin also sees an opportunity. “Gold mining around the world is heart-breaking to think about,” she says. “People use really toxic chemicals. There’s no doubt that if we could open a mine in California that met our environmental quality act standards, our clean water acts standards, it would be the cleanest, greenest gold in the world.”

Martin wants to see "green" gold standards set up in California that would enable consumer labeling. Responsible mining, she says, has the potential to give gold an entirely new legacy in the state. A handful of other proposed mines are hoping to join that legacy.