

Slide in the price of gold brings an end to mining operations near Trona

John Cox, Bakersfield Californian, 9-1-15

Good news for the U.S. economy is spelling bad news for workers at an open-pit gold mine near Kern County's northeastern corner.

CR Briggs Corp. sent a letter last week informing Kern's Board of Supervisors the company is laying off six workers as it winds down mining and crushing operations at the mine, located just across the Inyo County border near Trona. Four of the layoffs were directly attributed to the shutdown of the mine's crusher plant.

Built in 1995, the mine ran through 2004, when it was closed because of conditions in the gold market. It reopened in 2009, and the company's owner, Golden, Colo.-based Atna Resources Ltd., says the mine has produced more than 700,000 ounces of gold.

But gold prices have declined sharply since peaking at about \$1,900 per ounce in 2011. On Monday, gold for December delivery closed down a dime at an even \$1,134 an ounce.

The pullback at what's known as Briggs Mine isn't expected to last indefinitely. Atna estimates the mine still contains more than half a million ounces, and depending what happens with the price of gold, the company said it may crank the operation back up again.

Though the mine's general manager could not be reached for comment Monday, Atna's website says the company has developed plans to extend the life of the mine for several more years, "assuming sustained gold prices above \$1,300 per ounce."

Whether that happens — or rather, how soon — is anyone's guess. The price of gold generally rises as the value of the dollar declines. And these days, a strong dollar, combined with expectations that improving economic conditions will soon bring an increase in interest rates, would seem to conspire against a near-term recovery for gold.

The Briggs Mine has not shut down entirely. Although mining operations were discontinued there in July, Atna said it will take another two to three years to recover some 17,100 ounces of gold that remain to be processed there.

What's more, the company sees possible opportunities to expand the mine. It controls four "exploration targets" outside the permit area of the mine. Atna's website says a 2012 economic study done at one of these four, known as Cecil R, "justifies continued work on the project."