



STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

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NEWS RELEASE

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NDEP TAKES FIRST ENFORCEMENT ACTION UNDER NEW MERCURY REGULATIONS

CARSON CITY – The Nevada Division of Environmental Protection (NDEP) has issued five Notices of Alleged Violation (NOAV) and an enforcement order against a northern Nevada gold mine, marking the first enforcement actions taken under the state’s new mercury air pollution control regulations.

The alleged violations at Queenstake Resources’ Jerritt Canyon gold mine, located 50 miles north of Elko, involve leaks in the mine’s ore processing systems that prevent some particulate and mercury emissions from reaching the required pollution control devices.

NDEP’s concerns with emissions at the Jerritt Canyon mine come after more than a year of on-site inspections, evaluation of required records, and several compliance meetings.

The issue came to head in late October of last year when Queenstake conducted mercury emissions speciation testing to satisfy the initial requirements of the new regulations. NDEP inspectors observed the testing and conducted an inspection of the mercury-emitting units in question. The inspectors observed that Queenstake failed to control process fugitive emissions (uncaptured dust which contains mercury) from the ore grinding circuit of its mill. This followed previously observed permit deviations at the plant’s milling and ore roasting operations.

“The new mercury control regulations have significantly improved our ability to identify and address instances in which mercury emissions are not being appropriately controlled,” said Michael Elges, chief of NDEP’s Bureau of Air Pollution Control. “We are now able to take more decisive action to bring Jerritt Canyon’s mercury emissions into compliance.”

The Enforcement Order, issued by the Bureau of Air Pollution Control, requires Queenstake to:

- Have all employees working in the vicinity of the ore dryer and its components wear respiratory protection to prevent exposure to mercury and particulate matter, until all repairs to ore processing and air pollution control equipment are completed to the satisfaction of NDEP;

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- Provide NDEP with a report summarizing the date and type of service performed on the mercury scrubbers for its ore roasters;
- Conduct mercury emissions testing of the ore dryer and the roasters to determine total mercury emissions from each unit;
- Submit a plan to NDEP for fixing all leaks in the ore processing system by April 1, 2007;
- Submit a revised application under the new mercury regulatory program for an ore dryer;
- Submit a plan to NDEP to install continuous opacity monitoring systems on the roaster stacks to monitor and record visible emissions.

In its order, NDEP puts Queestake on notice that “failure to meet any of the conditions listed above shall result in the immediate shutdown of all ore processing facilities at Jerritt Canyon.”

NDEP has begun a formal investigation of the alleged violations, and will issue a report when the probe is completed. Penalties could range from a warning to a monetary fine of up to \$10,000 per day per violation.

In an effort to address potential mercury emissions from mining operations and activities, NDEP is preparing to issue a \$250,000 contract for a research project to study fugitive mercury emissions from mines and their potential effects on the environment. The research will look at fugitive mercury emissions from heap leach pads, waste rock piles, and tailings areas, and compare those to emissions from naturally occurring mercury-enriched soils. It is one of several mercury research projects in which the agency is involved.

The Nevada Mercury Control Program is the first program in the nation to regulate mercury emissions from precious metal mines. It was unanimously approved in March of 2006 by the State Environmental Commission and is in the early stages of implementation. There are no federal regulations to control mercury emissions from mines. The new Nevada regulations were developed in 18 months, a very short timeframe for regulations of this type to be developed and implemented. Federal environmental regulations can take more than a decade to be implemented.

For more information on the Nevada Mercury Control Program, visit NDEP’s website at:
http://ndep.nv.gov/mercury/mercury_briefing0207.htm

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