

Miners hope to find gold in the hills

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PROSPECT — A Salem mining company is expecting to find gold, and lots of it, in the hills north of Union Creek.

Diamond Rogue Mining and Timber plans to test ore samples from 14 sites this fall to determine whether a large-scale operation, which could involve hundreds of acres of Rogue River National Forest land, would be feasible.

General Manager Donald Wyant said Friday that his company expects to find gold in concentrations that would warrant a commercial operation.

"I'm spending quite a few dollars in hopes it will," he said.

The company holds more than 50 claims in the Union Creek area of the Rogue Forest's Prospect district, roughly scattered around Forest Service Road 6200-200, 18 miles north of Prospect, said Norman Grenell, the district's resource manager. Claims average 160 acres each.

Principals in Diamond Rogue began staking claims in the area three or four years ago. Later they organized Diamond Rogue and leased the claims to the company, Wyant said.

Grenell said another party has been staking claims during the same period and holds about a dozen now, but Diamond Rogue holds most of the area in the Prospect district where gold is likely to be found.

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About a month ago the Forest Services gave the company permission to remove 100 yards of pumice material from each of 14 sites, Grenell said. He said the Forest Service won't require reclamation at the test sites because only a small amount of surface material will be taken for the tests.

Wyant said the ore will be hauled to Shady Cove for tests at a processing plant Diamond Rogue intends to build at an abandoned rock quarry on Long Branch Road.

He said tests should start in six to eight weeks, but a state Department of Environmental Quality engineer in Medford said it would take close to three months for the department to review and approve the test project, or longer if opposition develops.

DEQ regional engineer Dennis Belsky said Diamond Rogue will have to obtain a state water quality permit to operate the processing plant. He said the DEQ would hold a

hearing on the permit if the proposal generates "sufficient" interest.

The company applied for the DEQ permit Aug. 26.

Some Shady Cove residents already are concerned about the pilot project, primarily, they say, because it would bring heavy truck traffic to Rogue River Drive, and because cyanide will be used to extract gold from the ore.

City Mayor Jim Collier said about 15 people told the City Council Thursday that they were worried about Diamond Rogue's plan.

Wyant said the company will wash the ore — generally, crushed pumice — in water containing a low percentage of cyanide.

"People can get awfully emotional about the term cyanide," Grenell said, "but this is only going to be a very minute amount."

He estimated that the solution will contain less than 1 percent cyanide. Cyanide extraction is a process that has been used since the late 1800s to dissolve gold and other metals from crushed ore. Later in the process, the

valuable metals are drawn from the cyanide solution, which is recirculated through the ore.

The Shady Cove quarry could become the site of a permanent gold-processing plant if the tests show that the project would be worthwhile, Wyant said. The DEQ permit Diamond Rogue is seeking would allow operations to continue beyond the test phase.

But the company also is considering building a commercial processing facility, which would be larger than the test plant, north of Union Creek, near its mineral claims. Belsky and Grenell said they also are reviewing Diamond Rogue applications for permits to process ore near Union Creek.

Wyant said company officials will decide which of the two sites they'll use for processing after they decide whether to go ahead with the project.

At the Shady Cove site, Diamond Rogue will have to haul in water by truck for the cyanide solution. In Union Creek, Diamond Rogue probably will file for water rights on the

Rogue River.

At either site, Belsky and Grenell said, operating restrictions would be similar. None of the cyanide or rinse solution could be discharged from the plant. The processed ore, or tailings, would have to be rinsed so that the concentration of cyanide left behind from the wash would be less than .01 milligram per kilogram of tailings. Belsky said that level is standard for plants that use cyanide to extract metals.

The plant would have to be set on a concrete slab and surrounded by a concrete berm to limit the possibility of cyanide spilling and seeping into the ground. Grenell said a set of vats, open on the top, would hold the crushed ore. The cyanide solution would be poured onto the top. As the liquid drains through the ore, it carries with it dissolved gold and other metals including silver, lead and mercury.

Toxic materials brought out by the process, such as lead and mercury, probably would have to be hauled away from the plant, Grenell said.

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