

Why not a bond for a crude oil pipeline?

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## Board expands gold mine's bond

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PIERRE — The state Board of Minerals and Environment decided Thursday to increase the environmental-protection bonds for the Wharf Resources gold mine in the northern Black Hills.

Wharf's reclamation bond, intended to cover the costs of restoring the land if the company doesn't, was raised \$236,000. The new total is \$10,966,400.

The company's cyanide-spill bond was raised by \$31,000 to the maximum \$500,000 allowed under South Dakota.

Wharf uses a leach-pad process, where piles of ore are treated with cyanide solution that separates the gold for recovery. A pond

### *Black Hills operation affected*

system is used as part of the solution processing.

Wharf's expansions of two of its four leach pads, and the accompanying increase in the amount of solution being used, were the main reasons for the bonding increases.

"When we reviewed the plans, the ponds were all adequately sized to contain the extra solution," Eric Holm, a natural resources engineer for the state's mining and minerals program, told the board.

Wharf made a series of small expansions in 2006 and this year, designed to prolong the mine's life into mid-2010.

Wharf is the last remaining large-scale gold mine operating in South Dakota. Wharf mined nearly 3.3 million tons of ore in 2006 and produced 63,039 ounces of gold and 184,444 ounces of silver worth an estimated combined value of \$40 million.

For its processing system, Wharf withdrew more than 42 million gallons of groundwater and used in excess of 330 tons of cyanide.

In addition to its cyanide and reclamation bonds, Wharf also has a third financial guarantee, known as a postclosure bond, to protect against any long-term environmental effects after mining has ceased and the site is reclaimed. Wharf's amount for that is \$8,120,700.