

EXHIBIT 251

Tel: (916) 265-2461
Extension 260

NEVADA COUNTY PLANNING COMMISSION
USE PERMIT APPLICATION
NEVADA COUNTY ZONING ORDINANCE NO. 500

RECEIVED

OCT 12 1979

Courthouse
Nevada City, CA.
95959

Instructions:

File one copy of the application and attachments, together with the application filing fee. Following the processing of any required environmental impact statement, and/or any action thereto, your application will be set for public hearing on the earliest available meeting of the Planning Commission.

The applicant or his representative must be present at the meeting. PLEASE print or type.

name of applicant: telephone: North Star Rock Products Corp. 273-1177	name of owner of property: Mrs. Marian Ghidotti
street or p.o. box address: P. O. Box 908	street or p.o. box address: 426 Commercial Street
city: state: zip code: Grass Valley, California 95945	city: state: zip code: Nevada City, California 95959
applicant is (check one): owner[] lessee[X] purchaser[] agent[]	former owner if recent purchase: N/A

Application for use permit is hereby made to the planning commission under the terms of Nevada County Zoning Ordinance No. 500 for operation and maintenance of the following described use of land and/or buildings within a M-1 zoning district: A rock crushing and gravel retail sales operation is proposed. RA

Number of units N/A; Water supply N.I.D.; Sewage disposal Portable Toilets

ADDRESS OF PROPERTY (show location sketch on back of application):

Idaho-Maryland Mine Property, Idaho-Maryland Road Sec 26 T. 16 N, R 8 E.

ATTACH complete and accurate legal description of property based on deed or other recorded instrument.

ATTACH plot plan drawn to scale showing property lines, existing and proposed buildings and their uses, parking spaces, access to public roads, signs, landscaping, drainage, sewage disposal, water supply, and such other information as will aid the planning commission to fully understand the use applied for. The plot plan shall have an appropriate scale to adequately depict the area under consideration. Applicant shall supply the planning department at his own expense one (1) 8 1/2"x11" clear transparency and three prints thereof. (If the plot plan is larger than 8 1/2"x11" in size, a reduction process in conjunction with acquiring the 8 1/2"x11" clear transparency is easy to accomplish. It is suggested that the applicant employ a professional draftsman, engineer or surveyor to prepare his plot plan). PLOT PLANS MUST BE BLACK INK ON WHITE PAPER.

APPLICATION FEE: \$390.00 Make checks payable to: Nevada County Treasurer.

I (we) declare under penalty of perjury that the foregoing is a true and correct statement; that it is the representation of the applicant that the use applied for, if approved, will be conducted as stated herein and as shown on the attached plot plan, and that such conditions as attached to the granting of the use permit will be observed.

10-12-79 date [Signature] signature of applicant

RECEIPT NO. 7041 : DATE OCT. 12, 1979 : RECEIVED BY [Signature] secretary

NOTICE OF HEARING PUBLISHED: _____ MAILED: _____

DATE OF HEARING: _____ ACTION TAKEN: _____

PLANNING COMMISSION FILE 500(M1) U79-41
12/10/70 (RA) # 1082

AP# 09-550-13; 14, 15 - ZONED M1
09-560-02; 08 - ZONED RA

MEMORANDUM

TO: 1. Tom
2. Henry

FROM: Sharon

SUBJECT: U79-41 Use Permit Application of North Star Rock Products

1. Tom - please set for ARC and give at least one month lead time because we are going to have to have a careful evaluation by Fish and Game and Water Quality as well as Mines and Geology:

ARC date: 1-10-80

Please refer to Henry

2. Henry- please distribute to:

- ✓ ~~Mr. Ron Earles~~
Mr. Richard Wagner, Dept. of Fish and Game
12600 Banner Lava Cap Road, Nevada City, Ca. 95959
- ✓ Mr. Ron Rogers, Dept. of Fish and Game
10860 Pine Hill Drive, Grass Valley, Ca. 95945
- ✓ ~~XXXXXXXXXXXX~~ California Regional Water Quality Control Board
Central Valley Region, 220 "S" Street, Sac. 95816
- ✓ State Mining and Geology
- ✓ Mr. William N. Roberts, City Planner
City of Grass Valley-Main Street, Grass Valley, Ca. 95945
- ✓ Nevada Irrigation District
- ✓ Gold Flat Fire Protection District
- ✓ County Department of Public Works
- ✓ County Building Department
- ✓ Nevada County Resource Conservation District
- ✓ State Department of Water Resources
P. O. Box 160088, Sacramento, Ca. 95816

Use Permit Application of North Star Rock Products for an operation which will involve harvest, crushing, screening and sale of ~~the~~ waste rock left from the Idaho-Maryland Mine lying on the south side of Idaho Maryland Road approximately 500 feet east of that street's intersection with Railroad Avenue, east of the Grass Valley City Limits. The subject property, which is being leased by the applicant from Mrs. Marian Ghidotti, is within the boundaries of an "M1" Light Industrial Zoning District. This permit is being processed as an alteration of an existing, non-conforming use.

THEN RETURN FILE TO ME, PLEASE smb

Surface Mining Reclamation Plan and

7041

OFFICIAL RECEIPT
 Nevada County Planning Commission
 Department of Public Works
 Nevada City, California

DATE OCTOBER 12 19 79
 RECEIVED OF CRANMER ENGS/ INK in the amount of \$ 840.00 for fees

or services as indicated below for the application of SAME

ACTIVITY AND FILE NO.	PD FEES	DPW FEES	SANIT.	TOTAL
CONDITIONAL USE PERMIT	325.00	40.00	25.00	390.00
RECLAMATION PLAN REVIEW	200.00	100.00	25.00	325.00
ENVIRONMENTAL REVIEW FORM	100.00	25.00		125.00
# 1082 U79-41; EIS 79-204				
TOTAL	625.00	165.00	50.00	840.00

RECEIVED

NOV 27 1979

BLDG. DEPT.

NEVADA COUNTY PLANNING DEPARTMENT

Cash _____
 Check # 3220
 Draft _____

By Kenneth G. Maguire
 Deputy

SIERRA COLLEGE

M E M O R A N D U M

TO: H. Thomas Unsell Date January 31, 1980

FROM: Peter Chamberlin

SUBJECT: North Star Rock Products Corporation File U79-41

Enclosed are the cross-sections of the Idaho-Maryland Mine site as required by the

"Preliminary Erosion Control Plan" for the proposed project.

RECEIVED
FEB 4 1980
BLDG. DEPT.

1980
FEB 5
U79-41
1-6-1980
To file
Gustafson

1 INCH = 200 FT.

PRESENT CONDITION
OF PROPOSED
NORTH STAR ROCK
PLANT SITE
(GHIDOTTI PROPERTY)



1 INCH = 200 FT

CONDITION OF GHIDOTTI PROPERTY AFTER REMOVAL OF SAND & ROCK

GENE WEST LOG DECK

TOP OF HILL

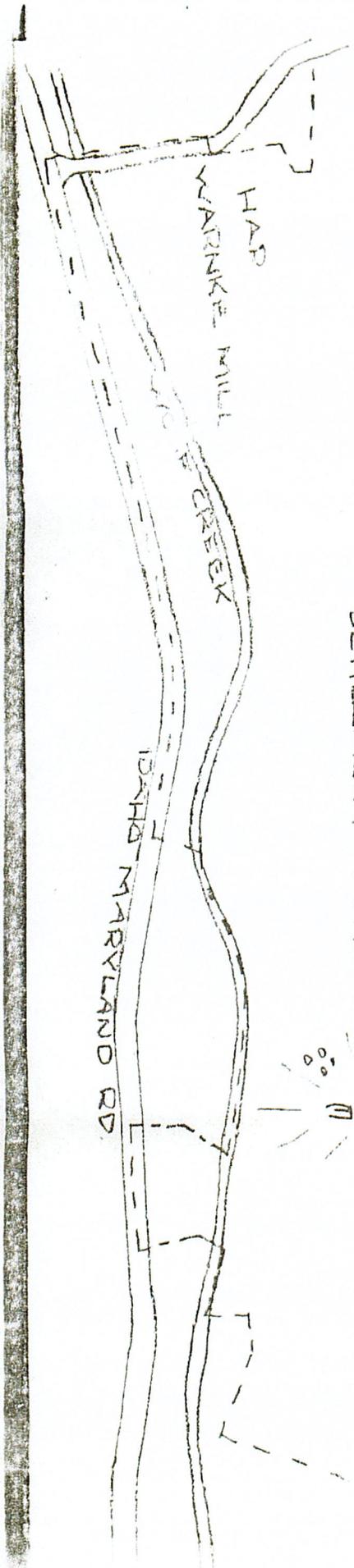
AFTER REMOVAL OF SAND, THIS AREA WILL BE APPROX. 8'-12' LOWER THAN SURROUNDING AREA FOR SETTLEMENT OF RANOFF

STORM DRAIN

NATURAL RIDGE

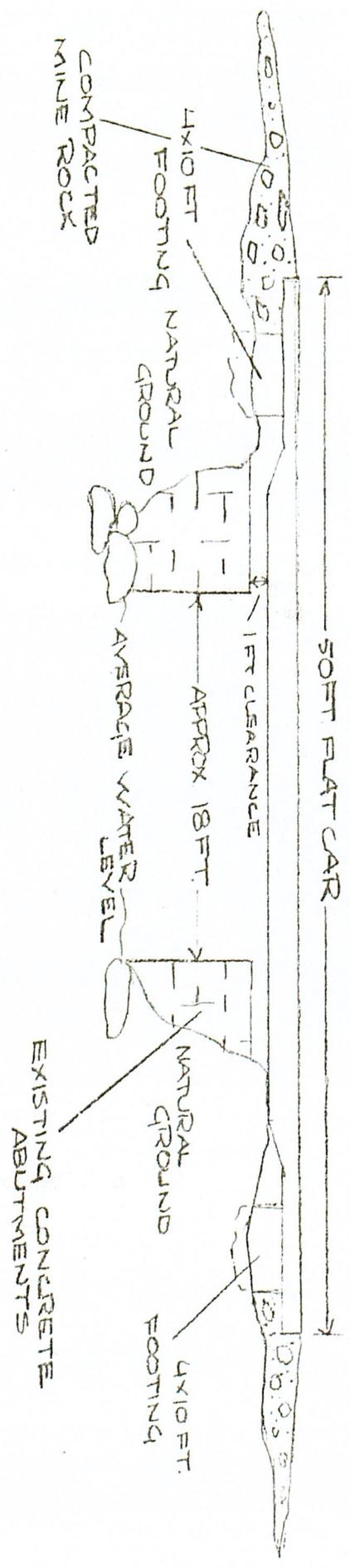
GHIDOTTI PROP

HAD WARRAKEE MILL
CREEK
IDAHO MARYLAND RD



PROPOSED TEMPORARY
CROSSING
OF WOLF CREEK

1 INCH = 20 FT.



1 INCH = 30 FT.

PROPOSED CROSSING
OF WOLF CREEK

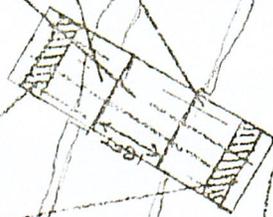
NORTH



SOFT FLAT
SAB

EXISTING
CONCRETE
ABUTMENT

CONCRETE
FOOTINGS

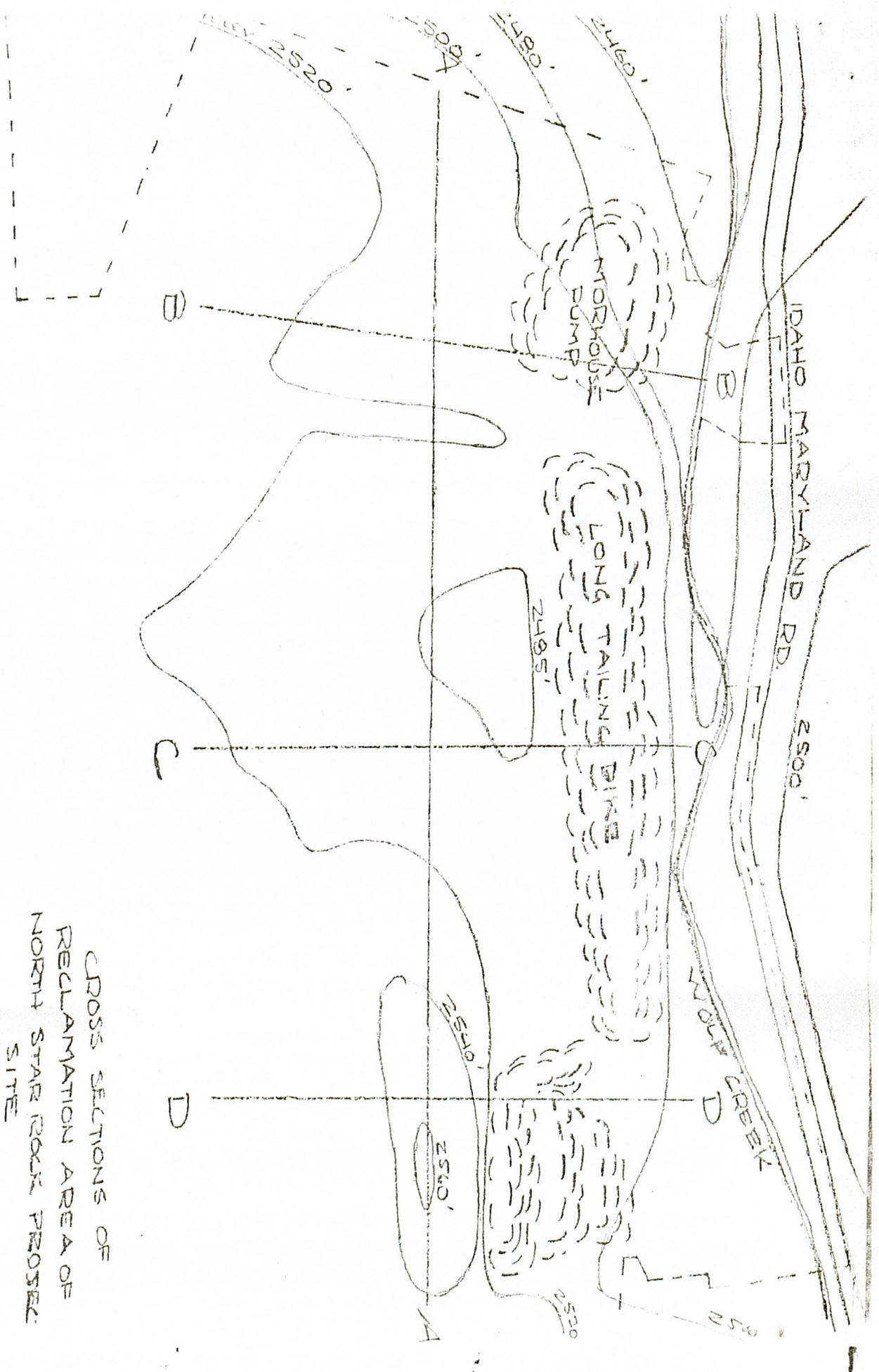


WOLF CREEK

TURNOUT AREA

IDAHO MARYLAND ROAD
N 87° 42' E

GRASS VALLEY



CROSS SECTIONS OF
 RECLAMATION AREA OF
 NORTH STAR ROCK PROJECT
 SITE
 1 INCH = 200 FT.

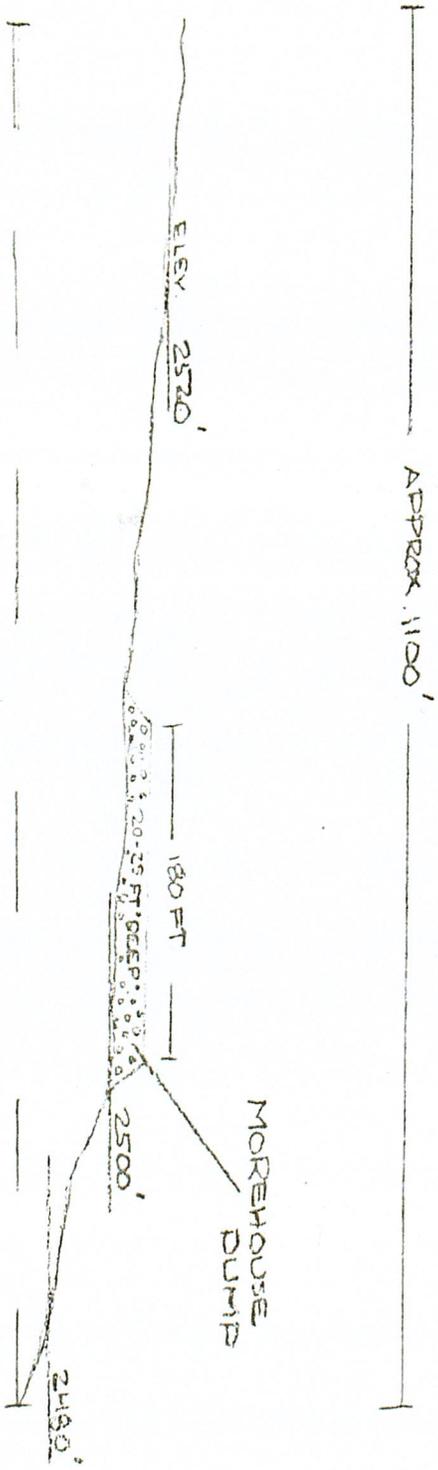
CROSS SECTION

A



CROSS SECTION
LOOKING NORTH

CROSS SECTION
B
BEFORE REMOVAL
OF TAILINGS

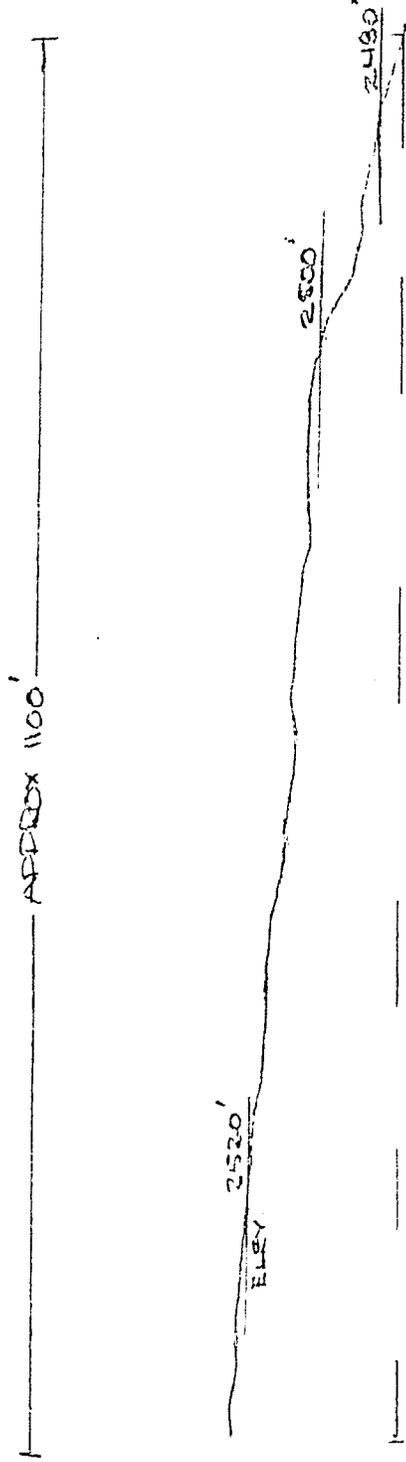


CROSS SECTION
LOOKING WEST

CROSS SECTION

B

AFTER REMOVAL
OF TAILINGS



CROSS SECTION
LOOKING WEST

CROSS SECTION
BEFORE REMOVAL
OF TAILINGS

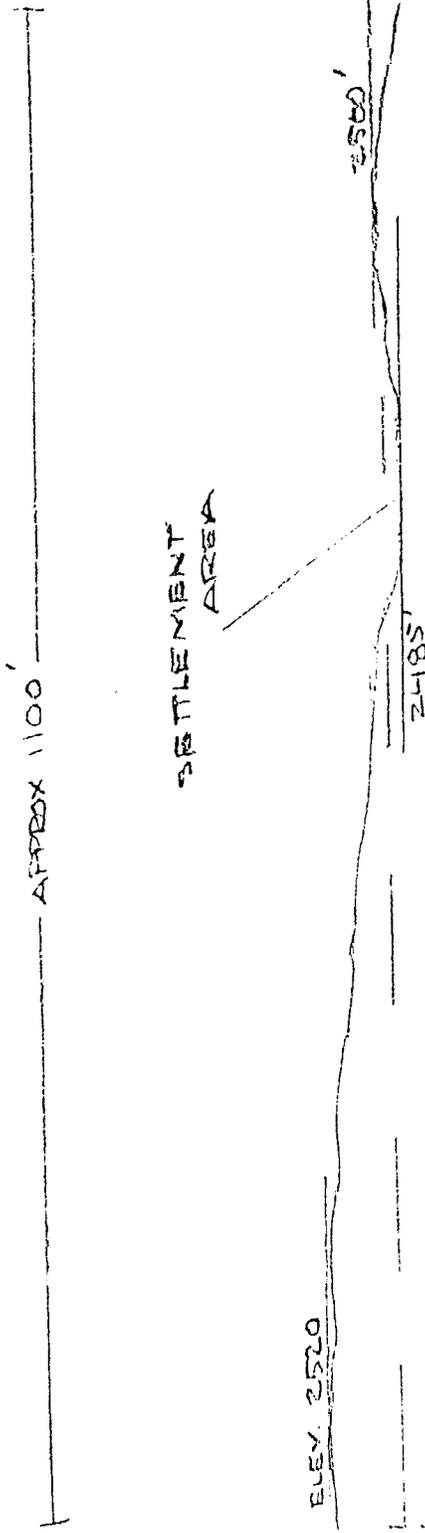
APPROX. 1100'



CROSS SECTION
LOOKING WEST

CROSS SECTION

AFTER REMOVAL
OF TAILINGS



CROSS SECTION
LOOKING WEST

CROSS SECTION

D

BEFORE REMOVAL
OF TAILINGS

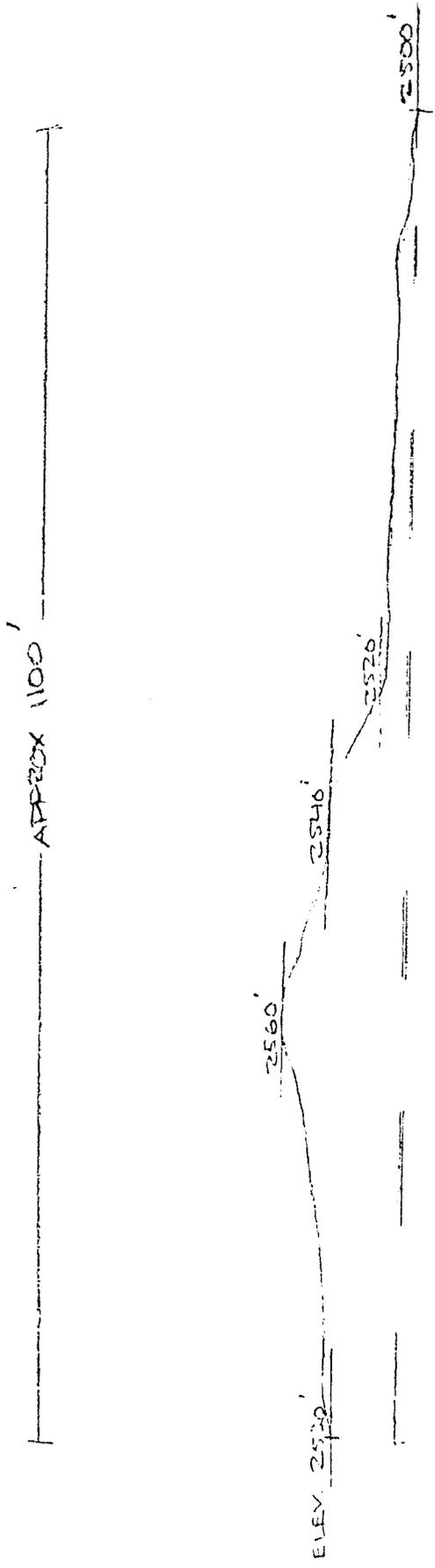
APPROX 1100'

SMALL SCATTERED
TAILING'S AREA WHERE
ROCK HAS BEEN
REMOVED BEFORE



CROSS SECTION
LOOKING WEST

CROSS SECTION
D
AFTER REMOVAL
OF TAILINGS



CROSS SECTION
LOOKING WEST

County

RECEIVED

OCT 12 1979

NEVADA
PLANNING DEPARTMENT

ENVIRONMENTAL INFORMATION FORM:

IDAHO-MARYLAND MINE
ROCK CRUSHING PROJECT

RECEIVED
NOV 27 1979
BLDG. DEPT.

PREPARED FOR:

NORTH STAR ROCK PRODUCTS CORPORATION
GRASS VALLEY, CALIFORNIA

PREPARED BY:

ENVIRONALYSIS
NEVADA CITY, CALIFORNIA
OCTOBER, 1979

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INTRODUCTION

This Environmental Information Form was prepared by Environalysis, Environmental Planners (Nevada City), for North Star Rock Products Corporation (Grass Valley). The purpose of this report is to provide Nevada County with an outline of the preliminary project proposal itself, and present an overview of the possible environmental consequence of this proposed rock crushing operation. The site is located on ±108.5 acres immediately east of the Grass Valley city limits on Idaho-Maryland Road.

The format and content of this report are patterned after the Nevada County Planning Department's Environmental Information Form which is further based upon the amended Guidelines for Implementation of the California Environmental Quality Act, ("State EIR Guidelines") which became effective statewide on March 3, 1978.

Generally, Section 15080 (a) of the "State EIR Guidelines" dictates that:

Sw
"If a project is subject to the requirements of CEQA and not exempted by these guidelines, the Lead Agency shall conduct an initial study to determine if the project may have a significant effect on the environment....."

The County's format is utilized in the following sections to provide the Lead Agency, Nevada County, with the basic project data and pertinent supplemental environment information.

Appendix I of the Guidelines, which is intended to satisfy the remaining Initial Study requirements, will be prepared by the County's staff in accordance with local CEQA implementation procedures, and will be attached to this Environmental Information Form. The combined consultant and the County reports will constitute the complete Initial Study, for the project, from which the County's decision making body will ultimately determine whether a (Mitigated) Negative Declaration or an Environmental Impact Report will be required to meet CEQA review criteria.

The project applicant is leasing the 108 acres of the site from the property owner. The project is located on the historic Idaho-Maryland Mine Property. The project site is leased by North Star Rock Products Corporation of Grass Valley, California.

NEVADA COUNTY PLANNING DEPARTMENT
ENVIRONMENTAL IMPACT STATEMENT FORM
(TO BE COMPLETED BY PROJECT APPLICANT)

RECEIVED

OCT 12 1979

FOR OFFICIAL USE ONLY:

NEVADA COUNTY
PLANNING DEPARTMENT

EIS
FILE NO: 79-204 DATE REC'D: OCT. 12, 1979 DATE ACCEPTED: _____ BY: _____

Name of Applicant: North Star Rock Products Corporation Telephone: (916) 273-1177

Address of Project/Location: Idaho-Maryland Road, Grass Valley, California Assessor's Parcel No. 95945 09-550-13, 14 and 15
09-560-08 and 02

Contact Person: Peter Chamberlin Telephone: (916) 265-4686

Address: 13790 Gas Canyon Road, Nevada City, California 95959

A. General Information:

Existing Zoning: (M-1) Light Manufacturing and Industrial General Plan Classification: (M) Industrial
(RA) RES. AGRICULTURAL - RECREATIONAL OR OPEN SPACE
List other related permits and approvals required for this project from other agencies (special districts, city, state and federal):
City of Grass Valley Encroachment Permit; Gold Flat Fire District;
Nevada Irrigation District

B. Project Description (attach site plan/map):

Proposed Use of Site: A rock crushing and gravel retail sales project is proposed on the project site.

Project Site Size: 108 acres Sq. Ft. of Construction: N/A

Anticipated starting date: January 1, 1980 Completion date: January 1, 1984

Anticipated future or phase development: None

Project Information (answer only the applicable questions):

If residential, include the number of units, schedule of unit sizes, range of sale prices or rents, and type of household sizes expected.

PROJECT INFORMATION (Site plan next page)

This proposed project is industrial. The applicant intends to operate a regionally oriented gravel plant. He would crush and remove mine wastes from former "hard rock" gold mining operations. Mill sand would also be removed. The sites of mineral recovery will be reclaimed following the waste removal.

This project would employ 4 to 10 people, working from 8:00 A.M. to 5:00 P.M., Monday through Friday. Maintenance would take place on weekends. Crushing equipment would be utilized an average of 2 to 3 days a week. Equipment used on site would be bull dozers, scrapers, rubber-tired loaders and a fire/water truck. Fifteen ton dump trucks will haul the rock products from the site. A portable truck-weighing scale and a chemical toilet would also be on site.

Off-street parking will be provided at the rock crushing plant.

This project does not involve a variance, rezoning or general plan amendment.

ENVIRONMENTAL SETTING

1.a. Topography

The project would be located on the gentle to level northern slopes of the Idaho-Maryland Mine Site. The project elevations range from 2,500 to 2,560 feet. The project land slopes from the south to the north (to Wolf Creek).

Geology

The surface geology and the mine wastes are composed of diabase and ultramafic intrusive rocks. The site is on a contact zone between these two rock types. Mineralization has taken place in this contact zone and veins of gold, quartz, and metallic sulfides were produced.

Soil Stability

The Soil Conservation Service indicates that the mine waste dumps onsite are composed of a mixture of stones, cobble stones and some soil. The dump sides tend to be devoid of vegetation, but on top are growths of young trees and brush. The larger dumps rise to 55 feet above the level of the surrounding lands. Water permeability is moderately rapid with the run-off being very rapid. The hazard of erosion is slight on the waste piles.

The mill sand wastes are finely crushed silica sand from which gold was extracted. A blue-gray clay has developed from the finer sands which would tend to lower the permeability of this material. Erosion potential is high because this sand and clay mixture is located at the bottom of a settling pond which has a 30" diameter drain pipe open to Wolf Creek. Arroyos, or erosion channels, can be seen leading to this drain pipe.

Wolf Creek Siltation

The natural ground is composed of shallow and poorly developed serpentine (ultramafic) soils. Many rock outcrops and cobbles are on surface. Water permeability is low due to large amounts of clay which tends to form in pockets of the parent rock. The hazard of erosion is high in these soils due to scant vegetative ground cover.

Vegetation

The vegetation is surprisingly complex on site. Along Wolf Creek many wildflowers, escaped fruit trees, and shrubs grow in abundance. The major plant grouping, however, are the Cypress-Ceanothus association which is indicative of the nutrient deficient serpentine soils. The soils are so poor that Poison Oak won't even grow. The soils are lacking in calcium, high in magnesium, and can have toxic amounts of nickel and chromium. *-leaching into wolf?*

Trees and shrubs have established themselves on both the rock and sand wastes. Only on the well-drained or easily eroded areas of the waste areas are plants not to be found. (See next pages for a list of plants observed on site).

A PARTIAL LIST OF PLANTS AT THE IDAHO-MARYLAND MINE PROPERTY

<u>Common Name</u>	<u>Scientific Name</u>
1. Digger Pine	<u>Pinus sabiniana</u>
2. Ponderosa Pine	<u>Pinus ponderosa</u>
3. Douglas Fir	<u>Pseudotsuga menziesii</u>
4. Incense Cedar	<u>Libocedrus decurrens</u>
5. McNab Cypress	<u>Cupressus macnabiana</u>
6. Leather Oak	<u>Quercus durata</u>
7. Black Oak	<u>Quercus kelloggii</u>
8. Black willow	<u>Salix spp.</u>
9. Sandbar willow	<u>Salix hindsinana</u>
10. Red Willow	<u>Salix spp.</u>
11. White Alder	<u>Alnus rhombifolia</u>
12. Madrone	<u>Arbutus menziesii</u>
13. Broad-leaf Maple	<u>Acer macrophyllum</u>
14. Honey Locust	<u>Robinia pseudo-Acacia</u>
15. Black Locust	<u>Robinia spp.</u>
16. Black Walnut	<u>Juglaus spp.</u>
17. Apple, Cherry, Pear	<u>Rosaceae</u>
18. Sierra Plum	<u>Prunus subcordata</u>
19. American Dogwood	<u>Cornus stolonifera</u>
20. Hawthorn	<u>Crataegus douglasii</u>
21. Buckbrush	<u>Ceanothus cuneatus</u>
22. Chapparel Pea	<u>Pickeringia montana</u>
23. Deer Brush	<u>Ceanothus tenua folia</u>
24. Flannel Bush	<u>Fremontia californica</u>
25. Scotch Broom	<u>Cytisus scoparius</u>
26. Golden Fleece	<u>Happlopappus arborescens</u>
27. Congon's Silk-tassel	<u>Garrya condonii</u>
28. Common Snowberry	<u>Symphoricarpos rivularis</u>
29. Blue Elderberry	<u>Sambucus mexicana</u>
30. Yerba Santa	<u>Eriodictyon californicum</u>
31. Toyon	<u>Heteromeles arbutifolia</u>
32. Sierra coffeeberry	<u>Rhamnus rubra</u>
33. Holly Leaf Redberry	<u>Rhamnus crocea</u>
34. Chaparell Honeysuckle	<u>Lonicera spp.</u>
35. Blackberry	<u>Rubus vitifolius</u>
36. Manzanita	<u>Arctostaphylos spp.</u>
37. Mugwort	<u>Artemesia spp.</u>
38. Cat-tail	<u>Typha spp.</u>
39. California Rose	<u>Rosea californica</u>
40. Rush	<u>Juncus ensilifolius</u>
41. Poison Oak	<u>Toxidendron diversiloba</u>
42. Common Mullein	<u>Verbascum thapsus</u>
43. Yarrow Milfoil	<u>Achillea millefolium</u>
44. Wood Fern	<u>Dryopteris argua</u>
45. Horsetail	<u>Equisetum arvense</u>

A PARTIAL LIST OF PLANTS AT THE IDAHO-MARYLAND MINE PROPERTY (Cont.)

<u>Common Name</u>	<u>Scientific Name</u>
46. Barberry	<u>Berberis dictyota</u>
47. Western Serviceberry	<u>Amelanchier alnifolia</u>
48. English Ivy	<u>Hedera Helix</u>
49. Pine Mistletoe	<u>Arceuthobium campylopodum</u>
50. Large seed Dodder	<u>Cuscuta indecora</u>
51. Yellow Cinquefoil	<u>Potentilla glandulosa</u>
52. Devil's Beggarsticks	<u>Bidens frondosa</u>
53. Common Cocklebur	<u>Xanthium pensylvanicum</u>
54. Curly Dock	<u>Rumex crispus</u>
55. Blue Dicks	<u>Brodiaea capitata</u>
56. Bed Straw	<u>Galium spp.</u>
57. Star Thistle	<u>Centaurea melitensis</u>
58. Sierra Thistle	<u>Cirsium californicum</u>
59. Klamath Weed	<u>Hypericum perforatum</u>
60. Self-heal	<u>Brunella vulgaris</u>
61. Meadow Goldenrod	<u>Solidago elongata</u>
62. Tarweed	<u>Madia elegans</u>
63. Oyster Plant	<u>Tragopogon dubius</u>
64. Western Star Flower	<u>Trientalis latifolia</u>
65. Black Mustard	<u>Brassica nigra</u>
66. Field Mustard	<u>Brassica campestris</u>
67. Wyethia	<u>Wyethia augustifolia</u>
68. Gumballs	<u>Grindela spp.</u>
69. Soap Plant	<u>Chlorogalum pomeridianum</u>
70. Pearly Everlasting	<u>Anaphalis margaritacea</u>
71. Milkweed	<u>Asclepias cordifolia</u>
72. Common Plantain	<u>Plantago major</u>
73. Carpet Clover	<u>Trifolium monanthum</u>
74. Western Dock	<u>Rumex occidentalis</u>

Wildlife:

The project area currently is an excellent wildlife habitat. Few people visit this 108 acres and the site has much brush in which the animals can hide and escape the "elements". Historically, the area has been extensively disturbed by mining and logging activities. The project area is adjacent to other large tracts of relatively undeveloped lands which help increase the diversity of animal life. (See next page for a list of animals observed on site).

~ wildlife disruption
~ encroaching development
- buffer zone

ANIMALS OBSERVED ON IDAHO-MARYLAND MINE PROPERTY

<u>Common Name</u>	<u>Scientific Name</u>
1. Valley Quail	<u>Lophortyx californicus</u>
2. Scrub Jay	<u>Aphelocoma coerulescens</u>
3. Belted King Fisher	<u>Megaceryle alcyon</u>
4. Valley Coyote	<u>Canis ochropus</u>
5. Black-tailed Deer	<u>Odocoileus hemionus</u>
6. Rattlesnake	<u>Crotalus viridis</u>
7. Western Fence Lizard	<u>Sceloporus occidentalis</u>
8. Meadow Mouse	<u>Microtus californicus</u>
9. Dusky-footed Wood Rat	<u>Neotoma fuscipes</u>
10. Banana Slug	<u>Ariolimax columbianus</u>
11. Acorn Woodpecker	<u>Melanerpes formicivorus</u>
12. Mole	<u>Scapanus latimanus</u>
13. Oregon Junco	<u>Junco oreganus</u>
14. California Ground Squirrel	<u>Citellus beecheyi</u>
15. Black-tailed Jack Rabbit	<u>Lepus californicus</u>
16. Yellow-legged Frog	<u>Rana boylei</u>
17. Red-winged Blackbird	<u>Agelaius phoeniceus</u>
18. Killdeer	<u>Charadrius vociferus</u>
19. Turkey Vulture	<u>Cathartes aura</u>
20. Red-shafted Flicker	<u>Colaptes cafer</u>
21. Red-tailed Hawk	<u>Buteo jamaicensis</u>
22. Mourning Dove	<u>Zenaidura macroura</u>
23. Great Horned Owl	<u>Bubo virginianus</u>
24. Evening Grosbeak	<u>Hesperiphona vespertina</u>
25. Robin	<u>Turdus migratorius</u>
26. California Gray Squirrel	<u>Sciurus griseus</u>

Scenic Aspects:

The project area is relatively uninspiring from a distance. The light-green brush and unsymmetrical digger pines offer little shade and lots of spines to persons walking through the site. The mine wastes are interesting due to their unique topography and varied mineral patterns in the individual rocks. The white mill sand piles are also interesting. There are no buildings on the site.

aesthetics

The project land has high visibility from surrounding lands, including the Golden Center Freeway and the hills of Grass Valley.

Historical Aspects

Little remains of this illustrious mine except the concrete head frame and some metal buildings on the east adjoining property. Two concrete pillars, used as overflows for the mill sand pond, remain on site. Two mining drifts, rock bridge abutments, and mining rubbish can be found north of the long tailings pile.

The earliest hard rock mine on the property started in 1851 after the Placer miners had worked Wolf Creek. The Idaho was discovered in 1863 but little work was done until the Coleman Brothers bought it in 1867. They organized the Idaho Quartz Mining Company and struck an excellent vein of gold quartz. The mine produced \$12,000,000 of gold up to 1893. The Idaho Quartz Mine and the Maryland Mine merged soon after and formed the Idaho-Maryland Mines Company, which employed a thousand men through the lucrative 1930's. A World War Two mandate closed all the local mines as non-essential uses of fuel and they remained closed until the late 1940's. After re-opening the mine, which involved removal of water from the tunnels and extensive re-timbering the mine closed in 1956 due to excessive operating costs.

The site was then used as a rock crushing project for several years, and other rock and sand removing operations have continued until the present time.

Existing Uses

The project site is unused except for the occasional removal of rock and sand wastes by the owner of the property. Lumber is also stored on the property.

Existing Structures

The only remaining structures on the site are two concrete towers which were used as the mill sand pond overflows and a small rock bridge abutment. (See next page for photographs of site)

3. Land

This proposed project will remove mine waste tailings down to adjoining land contours. Soils and subsoils may be displaced or exposed as part of this operation. This project will not remove soil from the site. Any displaced soils will be stockpiled and saved for the reclamation process.

The potential exists for increased siltation and deposition of soils. Should the project continue operation through the rainy season (November through April), roads and the plant site will have to be stabilized to minimize erosion. Interim drainage protection should also be established. Drainage protection could include rip-rapping, culverting and siltation basins.

-control?

Approximately 400,000 to 500,000 tons of rock or 270,000 cubic yards, will be removed from the project area. Also 10,000 tons of mill sand will be removed. There should be no water discharge from the project. A washing plant will not be established as part of this operation. A preliminary surface mining reclamation will be filed concurrently for this project detailing how the area will be reclaimed after the mine wastes are removed.

4. Geologic mapping of the area indicates that it lacks historic faults or geologic hazards. There are no unique geologic or physical features on the site.
5. The project will not result in the loss of agricultural lands.
6. The project is not sited on filled lands. Project lands slope to the north an average of under 10%.
7. No percolation tests were performed for this project.
8. Air and Noise

Air pollutants created by this project would be primarily particulate matter (dust) and emissions from diesel powered equipment. Asbestos dust, rubber dust, and oxides of carbon, sulfur, and nitrogen would be produced.

The air movement and temperature would also change on the north side of the long tailings dump. These neighboring adjacent lands would be windier and warmer due to the removal of the sheltering pile.

As proposed, there will be crushing of rock on the site. The rock material should be kept moist during all phases of handling the rock which includes conveying, crushing, stockpiling, and loading of the rock.

The diesel powered equipment could create the following emissions, based upon the environmental Protection Agency (EPA) emission estimates:

Particulate Matter	1.3 grams/mile
Sulfur dioxide	2.8 grams/mile
Carbon monoxide	28.7 grams/mile
Oxides of nitrogen	20.9 grams/mile
Hydrocarbons	4.6 grams/mile

Disel powered equipment to be operated on site includes (1) one loader, (2) two scrapers, (3) one D-6 Bulldozer, (4) one generator for the crushing plant, (5) one fire/water truck. Fifteen ton dump trucks will be driven into and out of the site transporting rock to other areas.

Working on an average day the loader and scraper could travel up to 40 miles per day each. The generator engine would generate the same emissions as the loader. The bulldozer would operate as needed to move tailings to the loader or scraper. Based upon Table 1, the following emissions could be generated by the loader, scraper, bulldozer and generator.

Table 2 -- Average Emissions of the Diesel Powered Equipment Working an Eight-Hour Day at the Project

Particulate matter	208 grams/day
Sulfur Dioxide	448 grams/day
Carbon Monoxide	4,592 grams/day
Oxides of Nitrogen	3,344 grams/day
Hydrocarbons	736 grams/day

Total emissions could amount to approximately 9,328 grams/day from the diesel equipment, which amounts to about 20.56 lbs./day.

A total estimate of emissions from the dump trucks is difficult to make because of variable number of miles traveled and the number of trucks operating.

9. Air quality in the Grass Valley Basin would deteriorate due to increased amounts of dust and diesel emissions, however there would not be a potential to approach violation of the ambient air quality standard. The drainage basin does have an air inversion in various times of the year. *cumulative effects?*

The EPA estimates that up to 100 lbs./day of particulate matter in the form of dust could be generated by a rock crushing and screening plant without dust control measures.

The use permit could require the applicant to water as necessary for the control of dust at the plant and the access road. The applicant has indicated that he is willing to provide dust control to keep the project from violating ambient air quality standards. Employees should also wear dust masks.

An average of twenty dump trucks could visit the site each day. The trucks would contribute to the diesel emissions of the area. Provided the dust control measures are adhered to, the total project generated emissions should not exceed any air quality standards.

10. The project will raise the existing noise and vibration levels in the vicinity. Between 8:00 A.M. and 5:00 P.M., Monday through Friday, a continuous noise would be generated by the increased vehicular traffic and the rock crushing plant. The noise intensity would remain at measurable levels, without interruption during a daily work regime. However, it must be pointed out that a rock processing operation is a highly seasonable business with few customers in the wet months. The crushing operation would run only a yearly average of two to three days a week. The dry months would receive most of the noise.

The Federal Government and Cal-Trans usually set their maximum permitted noise level at 70 db. Pre-project ambient noise levels at the project site and the vicinity were measured at 10 points (see map) during the week day with a sound meter. The three surrounding saw mills were in operation during the measurements.

Table 4 -- Average Work-Day Sound Levels

Station	dBA
1	65
2	60
3	60
4	60
5	60
6	60
7	70
8	60
9	65
10	60

These measurements reflect a non-irritating working and living environment.

11. Water

Ground water resources will not be utilized for the project. No wells will be drilled or septic tanks installed. Sedimentation or the potential for chemical contamination should not be a problem. No effluent will be generated. The anticipated water demand would be pumped from Wolf Creek at a rate of 2,600 gallons/day when crushing and moving rock in dry conditions. Employee sanitary needs will be provided by renting portable toilet facilities.

?

to where?

12. There are marsh areas within the project area which lie below the logging pond at the east and middle of the site. In summer months these areas are relatively dry, but water stain bands indicate that these areas rise up to three feet higher. A mine drift (see map) also has water flowing from it at approximately 2 g.p.m. Wolf Creek, a major water course, defines the north boundary of the project site.

13. The project has the potential to degrade surface water quality of Wolf Creek. The applicant has indicated that the project (at least sales) will operate year-round and that he is willing to provide rip-rap for the drainways around the plant site, roads and conduits. He will provide gravel for the access road and the plant site. He will provide a dike around the fueling station to limit any fuel spillage flows. He will further stay clear of the easily-eroded mill sand area in the wet months.

cannot rip-rap large exposed areas

When the site area is reclaimed following the gravel operation, the intermittent drainage flows will be re-established to the pre-mining patterns.

Currently the rock tailings and mill sand contribute to the degradation of Wolf Creek by releasing water soluble toxic metals such as chromium, lead and copper sulfides. The removal of these mine wastes would substantially decrease the mineral loading into the creek.

Really? Disturbing existing piles could increase discharge, leaching

A general mineral analysis was performed by Cranmer Engineering Laboratories,

the primary receptors of noise in the vicinity of the project are the homes and commercial ventures north and adjacent to the project. Areas to the south are hidden by hills which block sound waves. The nearest home to the project is 100 feet away on the north side of the long tailings pile. This home and its neighbors would be sheltered from the crusher noise if the applicant would take the sides of the long tailings pile first, and then at the last phase of the project, reduce the height. Another plan would place the rock crusher in the bottom of the mill sand pond, which has been excavated, and the clay banks would act as an effective horizontal topographic barrier to sound. The clay banks are an average of 25 feet above the bottom of the pond. The long tailings pile rests on the north clay bank.

Noise and vibration levels can be reduced on the site by following this noise abatement plan:

1. Where feasible, all metal to metal contact points will be insulated.
2. Rubberized or insulated rock hoppers and bins.
3. Provide all diesel powered equipment with approved type mufflers.
4. Required Cal OSHA ear protection be provided to employees.
5. Limit the speed of all vehicles on the access road to 25 M.P.H.
6. Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.

loaders

Table 3 -- Noise Levels Generated by Major Equipment

<u>Equipment</u>	<u>Horsepower</u>	<u>Noise Generated No Modifications (dBA @ 50 ft.)</u>	<u>Noise Generated Good Muffler/Engine Panels (dBA @ 50 ft.)</u>
Power Generator (75 KVA)	Diesel/48	85	78
Process Pilot Plant	Electric	90	82
Cedar Rapids Portable Crusher	Electric	95	90
Bulldozer (D-4/D-6)	Diesel/75	85	78
Rubber-tired Loader 966	Diesel/75	85	75
Loader 10-Wheel Dump Truck	Diesel/100	--	66

on the site and vicinity (see map). The mill sand (location #3) was found to contain the following metals concentration expressed in milligram/kilogram (Parts per Million):

Arsenic	4.0
Cadmium	2.0
Copper	19.0
Chromium	64.0
Lead	19.0
Mercury	1.3
Silver	2.0

* These metals are moderate in concentration and dissolve slowly, but the previously mentioned 30" diameter pipe does drain this mill sand area and has a detrimental effect.

The mine drift (location #2) has less than 0.005 milligrams/liter of arsenic in the water flowing out of it. This is relatively pure water as the other metals present were not measurable.

The east adjacent logging pond is filled by ground water pumped from the flooded mine tunnels directly downstream from the dam. A sample of this mine water was analyzed and found to contain arsenic at less than 0.005 mg./liter and mercury at less than 0.0002 mg./liter. Specific conductivity, which is a measure of salts in the water, is 699 micro-mhos/centimeter at 25° C; this is a fairly high amount of salt.

The logging pond (location #4) was analyzed for specific conductivity which measured 456 micro-mhos/centimeter at 25° C. It was measured for chemical oxygen demand (C.O.D.) and found to have a level of 54 milligrams/liter which is an excellent level for a logging pond. The pond was also measured for tannin and lignin and was found to contain 4.0 mg./liter, which is also a low level for a logging pond. These various sites were tested because they are all part of the project drainage area. The cumulative effect of these chemicals is that of a slight poison and a competitor for oxygen with aquatic life.

14. The project will increase absorption rates, restore natural drainage patterns and reduce impervious layers (rocks). Presently the project site is drained by the 30" diameter pipe which drains the mill sand pond. This pipe would be abandoned when natural contours are restored. Conduits will be adequately placed and rip-rapped to control erosion. Siltation basins would be used where applicable.

15. Plant and Animal Life

The project would change the diversity of existing habitat for both wildlife. The tailings piles act as a wind break and provide shade and shelter for both plants and animals. The removal of these piles would "open up" the area toward Idaho-Maryland Road for both noise, view shed, wind and rain. The removal of the piles would make the areas North of the piles turn relatively quickly into southern exposures which would change the micro-climate of the houses across Wolf Creek from the tailings.

This project will not interfere with movement of any resident or migratory fish or wildlife species.

16. Trees, shrubs and ground cover around and on the tailings will be removed. Mainly cottonwoods and ceanothus shrubs will be removed. A few commercial trees, Ponderosa Pines, and Black Oak will also be removed. These plants will be removed by bulldozer, and/or chain saw. 100% of the plant life will be removed on top of the tailings piles and mill pond. The stumps will be taken to the McCourtney Road Landfill for disposal.
17. The project does conflict with the General Plan 1990, and current zoning. The light industrial zoning (M-1) does not include mining as a permitted use, however, it does provide for the "Enlargement of Non-Conforming Use of Building". The owner of the property has established the non-conforming use by removing small amounts of rock and mill sand over a continuous period before the current general plan and zoning were enacted. The application for the use permit is based upon the premise that the non-conforming use has been established. The maximum life span of this project is four years.
18. The project will continue a general pattern of mineral recovery in the area. The scale of the rock removing activity will be increased and terminated in four years. The project will not disrupt or divide the physical arrangement of an established community, other than increasing the amount of noise in the area.
19. The project has the potential to extract 400,000 to 500,000 tons of mine rock and 10,000 tons of mill sand within a projected four year period. The rock and sand will be removed from the site and sold.
20. The project will use fossil fuels, cleaning solvents and possibly oxy-acetylene welding equipment which are all potentially explosive. The project will not require the use of explosives because the rock material is loose and unconsolidated.
21. Population
This project will employ a total of 4 people in winter and 10 people in summer, excluding the truck drivers. No one will be establishing residence on the project. The project will not alter the distribution or density of human populations in the area. No one will be displaced or need to change locations as a result of this project. No new residents will result from this project.
22. Transportation/Circulation
This project will increase the average daily traffic (ADT) on Railroad Avenue, Idaho-Maryland Road, Golden Center Freeway and Brunswick Road. The new traffic would be generated by various-sized dump trucks hauling rock off the site, and by employee vehicles. The project could produce 3,000 tons per day of useable rock, however, the applicant's former gravel operation sold 2,000 to 3,000 tons of rock a week on the dry busy season, and 800 to 1,000 tons a week in the slow season. Project employees could generate 20 to 40 trips per day related to the project. This project could generate an estimated 90 to 110 ADT at full production in the busy summer months. In the wet months an average of 5 to 10 gravel trucks a day visited the previous gravel operations.

Nevada County traffic counts made in 1977 through 1979 indicate the following ADT:

Idaho-Maryland Road	May, 1977	2,400
Idaho-Maryland Road (west of Brunswick Road)	April, 1979	2,300
Brunswick Road North	March, 1978	6,000
Brunswick Road South	March, 1978	7,500
Golden Center Freeway South	Average Annual Daily 1978	17,000
Golden Center Freeway North	Average Annual Daily 1978	14,900

No traffic data was obtained through Grass Valley.

Other alternate access routes include an existing road off of Bennett Street and the road adjacent to the Community Workshop which exits on to Idaho-Maryland Road.

23. Railroad Avenue is a two-lane dead-end asphalt concrete (AC) road. Idaho-Maryland Road is a two-lane AC road. State Highway 20/49 freeway is a four-lane AC road. This project proposes no changes to these roads except for an encroachment upon Railroad Avenue, a City of Grass Valley road. Bennett Street could also have an access road tied to it.

24. Public Services

a. Police Services

The Nevada County Sheriff's Department would go to the project if called for some reason. No increase in demand for police services is anticipated.

b. Fire Protection

The project is located in the Gold Flat Fire Protection District. The nearest year-round fire station is approximately two miles from the project site. The project has fire hydrants.

The project will use on site a water/fire truck which can hold 4,000 gallons on water. The truck has a separate 4" pump and about 800 feet of 1" hard fire line.

c. Water Supply

Water supply for controlling dust and fire would be drafted from Wolf Creek. The project property owner has water rights from Wolf Creek. The project will require water at the rate of 5 to 10 gallons per minute.

d. Sewage

Sewage will be provided for an on contract basis from a private portable chemical toilet contractor.

e. Schools

The project will have no direct impact on local schools.

f. Social Services

The demand for social services will be low.

g. Solid Waste

Solid wastes will be disposed of at the McCourtney Road Sanitary Landfill. Most of the solid waste from the project will be in the form of tree stumps.

h. Medical Services

Emergency and acute medical services are available at Sierra Nevada Memorial Hospital in Grass Valley.

i. The project is adjacent to, and partially included in, the East Grass Valley Township line.

25. Energy and Utilities

The project will increase the use of fossil fuel consumption, but will not use the fuels or energy in a wasteful manner.

26. The project initially plans to use a diesel-powered electrical generator for energizing the gravel processing equipment. Approximately one year later, the project would be served with electrical energy from P. G. & E. This service would probably require an extension from the industrial area east of the project (see map). The extension of sewer lines and the installation of septic tanks will not be necessary. Natural gas will not be needed.

The projects electrical equipment, when installed, would use an average 4,000 kilowatts per quarter of a year.

27. Aesthetics

The project would be aesthetically pleasing when the mine wastes are finally removed and the area is reclaimed. A view shed would be re-opened from Idaho-Maryland Road toward the project grounds to the south. Topographically, the project lies in a natural "bowl" or broad, gently sloping drainage area. The gold mine mining wastes have covered the natural ground and essentially made a geographical "wall" over 55 feet tall in some areas. Realistically, in time, the mine dumps would have to be removed to level the ground for light industrial (M-1) uses in the near future.

28. The project will change scenic views from existing residential areas and roads. It will increase the view to the pre-mining distance of approximately one-third of a mile to the south.

29. Archeological/Historical

The mine wastes are man-made historical artifacts. In these rocks are metal artifacts which will be removed by the magnetic separator of the crushing operation. These artifacts, such as nails and iron objects, will be removed periodically and examined for historical significance.

30. General

The project will employ ten people in the summer months, although four of the employees are currently employed by the applicant of another gravel operation. The tax base of the County will be little affected by this project.

3. This project has no relationship to a larger project or series of projects which may directly cause a significant environmental impact. Siltation into Wolf Creek caused by man's activities along it flanks all have a cumulative impact. This project will clear a path for future building development on the project property. This project will have short life span due to the limited supplies of rock and sand available.

CERTIFICATION

I hereby certify that the statements furnished above and in the attached exhibits present the data and information required for this initial evaluation to the best of my ability, and the facts, statements and information presented are true and correct.

Date: 10/12/79

Jim Shultz
Jim Shultz

Date: 10/12/79

Peter Chamberlin
Peter Chamberlin

For: NORTH STAR ROCK PRODUCTS CORPORATION

Nevada County Historical Society



P.O. Box 1300
214 Main Street, Nevada City, California
95959

IDAHO-MARYLAND MINE PROPERTY

HISTORICAL and ARCHEOLOGICAL CHECKLIST

APPLICANT: Please complete the following series of questions. Please consider anything in existence prior to the year 1920. If you answer any item YES please provide us with the following information: what the item is, a description, its' location and a short statement as to its' history.

Name of person to contact for more information Peter Chamberlin Address 13790 Gas Canyon Road Nevada City, California 95959
Telephone (916) 265-4686

- | YES | NO | THE PROPERTY CONTAINS: |
|-------------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. A structure built prior to 1920. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 2. Signs of Native American activity or culture (i.e., encampments, burial sites, mortars, etc.) |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 3. Signs of Oriental activity or culture. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 4. Significant remnants of other cultures and peoples. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 5. Indications of emigrant movements (i.e., signs of emigrant trail). |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Signs of toll roads, stage roads and other roads prior to 1920. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 7. Signs of pioneer graves and/or cemetaries. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. Remnants or signs of railroad activity. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9. Signs of early day water storage and conveyance, i.e., flumes, canals, ditches, reservoirs, etc. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 10. Mining activity is known to have occurred on the property. |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 11. Signs or remnants of mining activity (i.e., equipment, shafts, mills, frames, etc.). |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 12. Signs of early lumbering activity (i.e., mills, transportation systems, trestles, etc.). |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 13. Signs of other early industrial activity. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 14. The property contains a townsite or a portion thereof. |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | 15. Other items, sites, structures, or remnants of historical or archeological importance. |

I declare under penalty of perjury that the above is true and correct.

Executed on October 10, 1977, at Grass Valley, California.

HISTORICAL AND ARCHAEOLOGICAL CHECKLIST EXPLANATIONS
FOR THE IDAHO-MARYLAND MINE PROPERTY

1. The project contains a bridge abutment north of the long tailings pile. It is built of squared granite and joined both sides of Wolf Creek.
6. A road trace runs parallel north of, and parallel to the long tailings pile. It is overgrown with dense vegetation and is of variable width. Its length was not walked out. The rock operation will probably utilize this road and change it markedly.
8. The extreme southern edge of the property is the right-of-way of the defunct Nevada County Narrow Gauge Railroad. Some rock works shoulders remain of this line.
9. A small, low flume runs north of and parallel to the long tailings pile. Water is still flowing in this flume.
10. This is the historic Idaho-Mine Property.
11. There are two mining drifts north of the long tailings pile. They are caved in. Water comes out of one of them.

County

RECEIVED

OCT 12 1979

NEVADA COUNTY
PLANNING DEPARTMENT

SURFACE MINING RECLAMATION PLAN

FOR

THE IDAHO-MARYLAND MINE

ROCK CRUSHING PROJECT

PREPARED FOR:

NORTH STAR ROCK PRODUCTS CORPORATION
GRASS VALLEY, CALIFORNIA

PREPARED BY:

ENVIRONMENTAL ANALYSIS
NEVADA CITY, CALIFORNIA
OCTOBER, 1979

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INTRODUCTION

As required by Nevada County Ordinance Number 835 (Surface Mining Permit and Reclamation Plan) and the California Surface Mining and Reclamation Act of 1975, this plan is submitted to Nevada County for its review and determination of adequacy in regard to the following standards:

- (1) That the reclamation plan minimizes water degradation, air pollution, damage to aquatic or wildlife habitat, flooding erosion, and other adverse effects from surface mining operations.
- (2) That the reclamation plan restores the mined lands to a useable condition which is readily adaptable for alternative land uses.
- (3) That the reclamation plan restores the mined lands to a condition which creates no danger to public health or safety. (Nevada County Zoning Regulations, Section L-11 31 B.6)

For a review of the potential environmental impacts of the proposed Idaho-Maryland Mine Rock Crushing Project, consult the Environmental Information Form prepared for this project.

OWNER, OPERATOR, AND AGENT

1. Applicant:

North Star Rock Products Corporation
P.O. Box 908
Grass Valley, California 95945
(916)273-1177

2. Name of Mineral Property:

Idaho-Maryland Mine

3. Property Owners:

Marian Ghidotti
426 Commercial Street
Nevada City, California 95959
(916)265-2060

4. Owners of Mineral Rights:

Marion Ghidotti
426 Commercial Street
Nevada City, California 95959
(916)265-2060

5. Lessee:

North Star Rock Products Corporation
P.O. Box 908
Grass Valley, California 95945
(916)273-1177

6. Operator:

North Star Rock Products Corporation
P.O. Box 908
Grass Valley, California 95945
(916)273-1177

7. Agent of Process:

Peter J. Chamberlin
Environalysis
13790 Gas Canyon Road
Nevada City, California 95959
(916)265-4686

8. Location: Total acreage of this project amounts to +110 acres. The areas to be mined may cover less than 25 acres. The project is located in Section 26, Township 16 North, Range 8 East, M.D.M. Complete legal descriptions are on the following pages.

9. Access to the project from Grass Valley is by Idaho-Maryland Road to Railroad Avenue.

DESCRIPTION

11. The mineral commodity to be mined is mine waste rock tailings and mill sand.

GEOLOGIC DESCRIPTION

12. The surface geology and the mine wastes are composed of diabase and serpentine. The diabase is believed to extend from the surface of the site down to an estimated 4000 feet below the surface. The diabase is Triassic/Jurassic in age and has a composition similar to basalt. The fresh face of the diabase is typically bluish-gray and extremely hard and dense. The serpentine extends deeper than the diabase. The serpentine is Mesozoic in age and is an ultra mafic intrusion.

To the West of the project a body of Cretaceous granodiorite has intruded the older metavolcanic diabase. Minor thrust faults dip into the granodiorite from the diabase areas in the vicinity of the project. The thrust faults that have remained open have allowed mineralization, producing veins of gold, quartz, and metallic sulfides.

At least two shafts were sunk into the ground on the project site to recover the gold bearing ores. Mine rock wastes that were not left underground were lifted to the surface and dumped into 6 existing dumps, plus several areas where the wastes were spread over the ground.

A major geologic feature in the region is a Cretaceous body of intrusive granodiorite. This body is five miles long from the north to the south and one-half to two miles wide east-west. The younger granodiorite has intruded the older Carboniferous Calaveras formation to the west and east of the project and the Jura-Trias diabases in the vicinity. Minor thrust faults within fracture zones at depth are associated with the intrusion of the granodiorite body. The interjacency of the granite may have led to the metamorphism of the basalt into the local diabases.

The post-mineral cover is composed of andesite tuffs and serpentine rock and soils.

Principle rock types and minerals present in the area are tabulated below:

<u>Rocks</u>	<u>Minerals</u>
Granodiorite	Quartz
Aplite	Gold
Diorite	Sulfides
Gabbro	Pyrite
Diabase	Galena
Serpentine	Chalcopyrite
Amphibolite schists	Arsenopyrite
Shale	Sphalerite
Phyllite	Pyrrhoholtite
Quartzite	Silver
Andesite	

ENVIRONMENTAL SETTING

13. Topography: The project would be located in a broad, gentle, north sloping drainage valley which drains into Wolf Creek. Project elevations range from 2500 North to 2560 feet at the South.

Soils: The Soil Conservation Service indicates that the mine waste dumps on site are composed of a mixture of stones, cobblestones, gravel, and some soil. The dumps tend to be devoid of vegetation, but on the margins there is enough soil material to support brush and trees. The larger dumps rise +50 feet above the level of surrounding lands.

Water permeability is moderately rapid and the runoff is medium to very rapid. The hazard of erosion is slight on the waste piles.

The mill sand wastes, which are mostly finely crushed and processed quartz, are a white sand and clay mixture. This material is easily eroded and permeability is low due to the clay.

The serpentine soils are shallow and poorly developed. These soils support vegetation which are unique and limited to the toxic and nutrient-deficient soils.

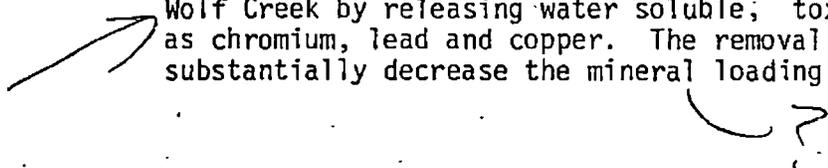
Vegetation and Wildlife: The project is located in the Yellow Pine-Black Oak Association, however the nutrient-deficient serpentine soils support only specialized trees and shrubs such as McNab Cypress, Digger Pine, Flannel Bush, Leather Oak and Ceanothus species. Cottonwoods grow mainly upon in mill sand. A few, scattered, Ponderosa Pine grow on the tailings.

Animal life prevalent in the area includes deer, coyote, rabbits, birds, reptiles, and amphibians.

Ground Water: The Idaho-Maryland Mine shaft and drifts are flooded with water. The adjacent logging pond to the east pumps water from the mine. A mining drift under the long tailings pile has water flowing out of it at a rate of two gallons a minute. It flows into Wolf Creek. A general mineral analysis was performed at both of the above locations.

Surface Water: The general area is drained by Wolf Creek, which flows into Bear Creek. A bog, or marsh area, exists South and East of the tailings piles. It is fed by the logging pond and ground water seepage. A general mineral analysis was performed on Wolf Creek water below the project and a sample of the tailings sand/clay in the project.

In the wet months the tailings piles contribute to the degradation of Wolf Creek by releasing water soluble; toxic metallic sulfides such as chromium, lead and copper. The removal of these mine wastes would substantially decrease the mineral loading into the creek.



Climate: The mean annual temperature in the Grass Valley area is 55° F., and the seasonal precipitation is 52 inches. Most of the precipitation falls in the winter as rain and snow; the summers are warm and dry. Prevailing winds are from the southwest and are cool, moisture laden, maritime air.

Surrounding Properties: The surrounding properties are M-1 (light industrial) to the East, South and West. The area North of the project has several residential homes which lie on the North flank of Wolf Creek. The current ambient noise levels are below 60 decibels (db) at all measuring locations (see site plan), except two adjacent wood milling operations which are 70 db.

Environmental Impacts: The major impacts are:

- (1) Noise generation
- (2) Increased traffic
- (3) Increased particulate emissions
- (4) High visibility from surrounding areas

EROSION
SILTATION

The primary receptors of all the impacts in the project region are residents of single family dwellings which lie North of the project. Noise would be kept to a minimum by utilizing rubber-coated rock screens and by keeping the crushing equipment "hidden" behind the long main tailings pile until they exhaust supplies of rock elsewhere on the site.

Increased traffic would come mainly in the dry months. The potential Average Daily Traffic (ADT) in Summer could be as high as 110 ADT. In Winter the ADT could drop to 28 ADT. The Golden Center Freeway would probably receive most of the vehicular traffic.

Increased particulate emissions would be mitigated by surfacing all roads and the aggregate plant area with gravel to stabilize disturbed soils resulting from this project. A water truck and processed-rock water sprinklers mounted above the conveyor belts would also be implemented to minimize dust.

The applicant intends to use the tailings piles as a screen to block both sight and noise from the public.

PROPOSED SURFACE MINING OPERATIONS

14. Proposed starting date of this project is January, 1980. Estimated life of operation is 4 years. This operation will have no phases.
15. The operation will be continuous throughout the year. The site is developed but not yet in operation. Large mine waste stock piles exist on the surface. Portable rock processing equipment will be transported to the site.

16. The operation will crush approximately 66,000 cubic yards per year, or 100,000 tons of rock a year.

17. Total Anticipated Production

Mineral commodities to be removed are an estimated 400,000 to 500,000 tons or 266,600 to 333,300 cubic yards over a 4 year period.

No mine waste will be retained on site, nor will mine waste be disposed offsite.

18. Mining Method

Gravel/Sand Pit operation

Tailings Pond

Tailings Pile

19.a. Mine wastes will be crushed on site with a portable secondary crusher. There should be no waste resulting from this project. All crushed materials, including the mill sand, will be hauled and sold offsite. A screen will sort out rocks larger than 6" diameter to be sold as building stone.

19.b. The anticipated water demand would be approximately 2,600 gallons per day when crushing and moving rock in dry conditions. The water would be supplied from Wolf Creek. Water would be used to control dust emissions. Water would be pumped from Wolf Creek to the spray nozzels and the fire/water truck. The overflow of water should be slight as only enough water to control dust would be used. A siltation basin would be utilized to catch water overflow before it reaches Wolf Creek.

leaching through basin into creek

20. The applicant, overall, plans to keep dust, noise, and erosion to a minimum. The underlying ground will be exposed slowly and reseeding will then take place as new areas "come to light". The long main tailings will be taken from the creek-side first along its length so that it may continue to contain the mill sand and screen the neighboring houses from noise and particulate matter.

21. Site Plan attached.

RECLAMATION PLAN:

22. (See reclamation plan). Acreage to be reclaimed is approximately 40 acres.

23.a. Possible Alternate Reclaimed Site Conditions:

Alternate I - An area where the remains of the tailings piles were graded to the contours of the pre-mining land terrain. Revegetation would be accomplished by natural plant succession. More erosion would be expected by this method.

Alternate II - Placement of a culvert in the intermittent drainage of the site and leveling of the property to enable an easy transition of industrial buildings and parking lots to occur.

- a. Tracked bulldozers would probably be used to level and contour the reclaimed areas. Concurrent reclamation would take place as the mine dumps are reduced.
 - b. Slopes, if any, would be stabilized by leaving a sufficient thickness of rock wastes in place to act as a natural rip-rap.
 - c. This project will attempt to remove all waste dumps and tailings. Any areas with tailings remaining will be resoiled and seeded to stabilize the area. This could also be a concurrent aspect of the reclamation plan.
 - d. Pre-mining drainage would be re-established with a backhoe and shovel. A shallow "V" could be cut into and across the reclaimed areas. All of the water flow would be intermittent in any recreated pre-mining drainage.
 - e. Tree stumps will be removed from the mine waste and taken to the McCourtney Road landfill for disposal. All residual equipment, structures, and refuse will be removed from the reclamation site at the final stages of the project.
 - f. Control of contaminants would be a major concern of both the gravel processing operation and the reclamation plan due to the proximity of Wolf Creek. Refueling of vehicles will be done only at the proposed crushing plant locations. Used motor oil will not be dumped on the site. A contracted chemical toilet facilities will be used throughout the operation of this project. Sediment catch basins will be utilized to control siltation into Wolf Creek.
 - g. The intermittent drainage on site would be rip-rapped if necessary to control erosion and sedimentation.
 - h. No residual hazards are anticipated to be associated with this surface mining operation. All holes and/or hills would be leveled to minimize hazards.
 - i. Stock piled soils, if any, will be spread over the reclaimed areas with rubber-tired loaders. Revegetation must take place after the resoiling and before the onset of winter rains. The Soil Conservation Service has recommended reseeding with annual rye grass to hold the soils. A mixture of digger pine, cottonwood, ceanothus shrubs and leather oaks would prosper in this soil, climate and topography.
28. The applicant has not selected a short term phasing of the reclamation.
29. Reclamation of this site will end surface mining and storage of the waste rock. Underground mining would be unaffected by the reclamation plan. Mining outside of the project would be unaffected by this reclamation plan.

RESPONSIBILITY FOR RECLAMATION

The applicant hereby accepts total responsibility for reclaiming the mined lands in accordance with the Reclamation Plan.

Robert P. White
Name

President
Title

10-12-79
Date

079-41

RECEIVED
JAN 23 1980
BLDG. DEPT.
A.

PETER CHAMBERLIN
13790 Gas Canyon Rd.
Nevada City, CA 95959

January 18, 1980

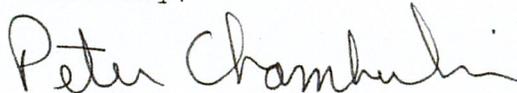
Mr. Jim Pappas
California Regional Water Quality Control Board
3201 S Street
Sacramento, CA 95816

Dear Mr. Pappas,

Enclosed is the "Preliminary Erosion Control Plan" for the proposed gravel operation at Idaho-Maryland Mine (File No. 479-41). Please review this plan prior to your field inspection of the site.

Please call when you have confirmed the time and date of the field inspection.

Sincerely,



Peter Chamberlin

cc. Sharon Boivin
Planning Department
HEW Building, Willow Valley Rd.
Nevada City, CA 95959

H. Thomas Unsell
Building Department
10433 Willow Valley Rd.
Nevada City, CA 95959

Richard Dejesus
Resource Conservation District
113 Presley Way, Suite 1
Grass Valley, CA 95945

Preliminary Erosion Control Plan
for the
Idaho-Maryland Mine Rock Crushing Project
(North Star Rock Products Corporation)

Prepared For
Clayton Abbott

Prepared By
ENVIRONALYSIS

With the Assistance of the
Nevada County Resource Conservation District
and the
U.S.D.A. Soil Conservation Service

Introduction

This proposed plan is intended to be used by the applicant to reduce the level of potential adverse impacts to the earth and water quality resulting from the proposed removal of waste mine rock from the Idaho-Maryland Mine site in Grass Valley, California. This plan is subject to review and revision by Public Agencies, if necessary.

An Erosion Control Plan would be implemented during the proposed mining operation to prevent significant environmental degradation, and following the completion of the operation, the site would be reclaimed as required by law. The previously prepared Environmental Information Form and the Surface Mining Reclamation Plan also contain mitigation to reduce potential environmental effects, as well as outlining both the proposed concurrent and final reclamation of the site.

Erosion Control Plan

(1) Cross-section profiles of the existing site, showing elevations and depth of the rock waste material, and cross-section profiles of the site elevations as they would be when the proposed operation is completed **should** be prepared before the Nevada County Planning Commission hearing for this project. The profiles should determine the depth of rock waste material, and no material beyond the determined depth should be removed.

(2) The applicant shall provide gravel and/or rip-rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.

(3) No vegetation shall be disturbed between Wolf Creek and the toe of the rock piles which are being removed.

(4) No native vegetation shall be removed except what is necessary for the stated objectives.

(5) Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.

How?

(6) Any exposed area resulting from the proposed operation shall be stabilized by October 1 and remain stabilized through April 30. During this period no excavation would be allowed, but other related activities, such as crushing, stockpile removal and sales would be allowed. Reclamation should be concurrent with the proposed excavation operations, and the applicant should plan to excavate no more material (or area) than he would be able to reclaim within the dry weather season.

(7) The Nevada County Resource Conservation District should be contacted prior to October 1 for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer, or the use of plastic sheeting on a temporary basis.

(8) Proposed Phasing of the Operation

Phase I

To redirect the current drainage from the Lausmann logging mill pond through the mine tailings dike and away from the proposed sediment control basin. This redirected drainage would discharge into Wolf Creek at a point upstream from the proposed gravel removal area.

Phase II

The existing mill sands in the sediment basin, used when the Idaho-Maryland Mine was active, shall be removed. Once the sands are removed the sediment basin would function to control sedimentation off the site from the proposed gravel operation. The existing outlet structure for the basin would be used; however, under no circumstances **should** the outlet conduit be disturbed by the mill sand removal process. If required by the California Regional Water Quality Control Board, an annual hydraulic mass balance for the site could be prepared. **No discharge of water from the sediment basin would be made during dry weather.**

WHAT
ASSURANCE?

Final Phase

The mine tailings dike should be removed during the last phase of the project. This removal shall occur only during dry weather; however, no work should be done on the dike between October 1 to April 30.

EXHIBIT 252



COUNTY OF NEVADA

PLANNING DEPARTMENT

205 Willow Valley Road
Nevada City, California 95959
(916) 265-2461 ext. 260

February 20, 1980

TO: NEVADA COUNTY PLANNING COMMISSION

FROM: NEVADA COUNTY PLANNING DEPARTMENT

SUBJECT: Use Permit Application of North Star Rock Products Corporation for the expansion of an existing gravel harvest and processing operation and reclamation plan on the operation, located at the old Idaho Maryland Mine. U79-41.

FACTUAL DATA

The property involved in this application is a 110 acre parcel being leased by the applicant from Marion Ghidotti, and it is a portion of the site formerly known as the Idaho Maryland Mine lying on the south side of Idaho Maryland Road, immediately east of the Hills Flat Interchange on the Golden Center Freeway, State Highway 20-49. The property is within the boundaries of an "M1" Light Industrial District, as is property to the south and east. Land to the north and west, inside the Grass Valley city limits, is zoned for industrial use. There is a small strip of residential uses on both sides of the street in the county, and those homes are zoned residential until such time as they are converted to industrial uses consistent with the city and county general plans for the area. The proposed county general plan revision also recommends the area for industrial use.

This use permit application involves only about 40 acres out of the 110 acres, and this 40 acres is covered with mill sand and rock left from the historic hard rock mining operation. The application and reclamation plan indicates that approximately 400,000 to 500,000 tons of rock (270,000 cubic yards) and 10,000 tons of mill sand will be removed from the site. It is intended that the site will then be restored to its original contours and reseeded where necessary to prevent erosion. The environmental information form, reclamation plan and ARC memo are attached for a complete understanding of the project which will also include a crusher and screening plant to process the waste rock and sand.

At its meeting of January 10, 1980, the Nevada County Advisory Review Committee conducted environmental review on the project. The attached ARC memo reflects the ARC recommendation that the Commission find that although this project could have a significant effect on the environment, there will not be a significant effect because of recommended mitigation measures to be attached to the project (see * in staff recommendations). Also attached is the erosion control plan which the ARC memo indicates must be submitted before the Planning Commission meeting.

It is noted that the provisions of the "M1" Light Industrial District in which the subject property is located do not allow gravel harvest :

and processing as permitted or conditionally permitted uses. However, the property owner has indicated that mine rock has been sold and taken from the property continuously since the mine closed, and so this use permit application is for expansion of an existing, non-conforming use by the addition of a crusher and screening plant.

STAFF COMMENT

During review of the environmental impacts of this project, ARC members noted that noise will probably be the most obvious impact associated with the gravel operation. Page 23 of the environmental information form indicates that the ambient noise level in the industrial neighborhood ranges from 60 to 70 DBA. The neighborhood already contains four lumber processing operations plus a variety of other industrial uses, and a great deal of residential and industrial traffic already uses Idaho Maryland Road as a connection between Brunswick Road and the freeway interchange, so the ambient level is high already. Mitigation measures suggested by ARC and recommended staff conditions include noise attenuation methods which should keep noise levels at the property lines below the existing ambient level. Conditions are also suggested to preclude pollution of Wolf Creek and degradation of air quality in the area.

To demonstrate how the property will be restored to its original contours after the rock is removed, the applicant has submitted cross sections of the site depicting existing and proposed conditions. A copy of those profiles is attached along with the erosion control plan required by the ARC before the Planning Commission meeting.

STAFF RECOMMENDATION

It appears, based on information currently available, that the Planning Commission can make the findings necessary to grant a use permit for the proposed project, and the County's zoning regulations make provisions for expansion and alteration of a non-conforming use, even though that use may not be provided for in the zoning district in which the property is located.

The Planning Department recommends that the Planning Commission take the following actions to grant the use permit:

- I. Use Permit - The Planning Commission should move to grant the use permit, subject to the following conditions (*indicates ARC recommended mitigation):
 - A. Planning Department
 - *1. If water for the project is to be taken from Wolf Creek, either water rights to the water will be established to the satisfaction of the Nevada Irrigation District, or satisfactory arrangements shall be made with the district to draft water from the creek.
 - *2. All appropriate permits shall be obtained from the Nevada County Building Department, Nevada Irrigation District, and State Department of Fish & Game for the proposed bridge crossing over Wolf Creek. The Department of Fish & Game indicates that the department will not require a stream alteration permit for the building crossing if (1) the applicant does not disturb the historic railroad crossing

abutments; and (2) the access road shall cross the rock dike on a 90 degree angle and shall not parallel the rock pile which would involve riparian vegetation removal.

- *3. The mill pond adjacent to the main project area shall be deepened and/or flash boards reinstalled in the outlet facility so that suspended material in run-off waters can settle out before entering Wolf Creek. This settlement pond shall maintain a useful life as long as the period of time necessary to restabilize the area after the project ends.
- *4. In order to preserve wildlife habitat to the greatest extent possible, no native vegetation shall be removed except where necessary to remove the mine waste material.
- *5. The location of screening and crushing equipment shall be limited to site number one indicated on the site plan submitted by the applicant. The applicant shall, to the best of his ability, locate the plant so that it is screened as much as possible from view from the Golden Center Freeway.
- *6. Noise emanating from the project shall not exceed 70 decibels at the property line. If complaints are received from adjoining properties regarding excessive noise emissions, the applicant shall submit a study which shall be brought back before the Planning Commission which in turn may reconsider the use permit application for denial, additional conditions of approval, or reaffirmation.
- *7. Prior to commencement of operation, submit a waste discharge report to the State Water Quality Control Board and then comply with any requirements of that agency.
- *8. Hours of operation for the processing plant and loader shall be limited to from 8 a.m. to 5 p.m. Monday through Friday, except for a demonstratable emergency which shall be reported to the Planning Department. Operation beyond the designated times for purposes other than machinery maintenance or authentic emergency may cause the permit to be brought back to the Planning Commission which may in turn modify the conditions on the permit or recommend its revocation to the Board of Supervisors.
- *9. Subject to any on-going requirements of the Nevada County Air Pollution Control Officer.
- *10. Subject to receipt of a waiver from the Nevada County Health Officer for the use of portable toilets.
- *11. The use permit covers only removal of mine waste and processing to restore the site to its original contours. Earth excavation for a borrow pit is not included.
- *12. The permit covers only the processing of material harvested from the subject property and does not include the processing of material imported from outside of the property.
- *13. This permit includes no approval of on-site fuel storage. Any fueling of vehicles on the site will be done with care to preclude spillage.

- *14. The water supply used to control dust on the site shall be clearly marked to indicate it is not suitable for drinking.
- *15. Vegetative waste generated by the gravel removal shall be disposed of at the sanitary land fill unless a permit is issued by the Air Pollution Control Officer for on-site burning.
- *16. Any historical artifacts recovered during the gravel harvest and processing shall be received by the Nevada County Historical Society.
- 17. The following noise attenuation and dust control measures shall be employed by the applicant for the life of the use permit:
 - 1. The subject site and access road shall be watered regularly to control dust emissions.
 - 2. All equipment associated with the use shall be muffled with approved mufflers.
 - 3. The applicant shall take the sides of the long tailings pile first, and then reduce the height at the last phase of the project. This condition is intended to provide a noise barrier between the operation and nearby homes to the north and northeast for the longest time possible.
 - 4. Where feasible, all metal to metal contact points will be insulated.
 - 5. Rubberize or insulate rock hoppers and bins.
 - 6. Cal OSHA ear protection shall be provided to employees.
 - 7. Limit the speed of all vehicles on the access road to 25 miles per hour.
 - 8. Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.

B. Resource Conservation District

- *1. The Nevada County Resource Conservation District has approved the erosion and sedimentation control plan submitted by the applicant, and the conditions included in that plan are made conditions on this use permit, as follows:
 - a. No material beyond the depth of rock waste material shall be removed from the site.
 - b. The applicant shall provide gravel and/or rip-rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.
 - c. Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.
 - d. Any exposed area resulting from the proposed operation shall be stabilized by October 1 and remain stabilized through April 30. During this period no excavation would be allowed, but other related activities, such as crushing, stockpile removal and sales would be allowed. Reclamation must be concurrent with the proposed excavation operations, and the applicant shall excavate no more material than he would be able to reclaim within the dry weather season.

- e. The Nevada County Resource Conservation District shall be contacted prior to October 1 annually for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer, or the use of plastic sheeting on a temporary basis.
- f. The existing mill sands in the sediment basin, used when the Idaho-Maryland Mine was active, shall be removed from the site. Once the sands are removed, the sediment basin shall function to control sedimentation off the site from the proposed gravel operation. The existing outlet structure for the basin shall be used, and the outlet conduit shall not be disturbed by the mill sand removal process.
- g. No vegetation shall be disturbed between Wolf Creek and the top of the rock piles which are being removed.
- h. In order to protect the two concrete pillars as required by the Historical Society, 150 feet of the tailing dike located adjacent to Wolf Creek and the northernmost pillar shall remain undisturbed as follows:
 - 1. Do not disturb the tailings pile for a distance of 50 feet eastward and 100 feet westward of the concrete pillar; and
 - 2. The slopes created by this activity shall not exceed 2:1 and shall be stabilized as directed by the Resource Conservation District.

C. Department of Public Works

- *1. Dedicate road right-of-way to the County of Nevada along Bennett Street and Idaho-Maryland Road on an alignment satisfactory to the Department of Public Works which shall prepare the deeds for the dedication.
- *2. The access road into the property shall be a minimum of eighteen feet wide and shall be paved from the County road to the new bridge crossing over Wolf Creek. The applicant shall place a stop sign facing south where the new access road intersects Idaho-Maryland Road.
- *3. At the conclusion of the project, the new bridge crossing over Wolf Creek shall be removed.
- *4. The applicant has offered a fee of \$800.00 to mitigate the cumulative impact of traffic generated by the proposed project. That fee shall be counted as credit to other projects on the same property when the gravel operation has terminated.

II. Use Permit Findings - In granting the use permit, the Commission should make the following minimum findings based on the standards included in Section L-IV 31.5 of the Land Use and Development Code:

- A. The site for the proposed use is adequate in size and shape to contain the crusher, screen and sedimentation pond within the confines of the property so that operation is not detrimental to adjoining properties.

- B. Idaho-Maryland Road and the roads serving it are adequate to accommodate the kinds and quantities of traffic generated by the use, and the applicant has volunteered funds to contribute toward improvements in the regional transportation system.
- C. The conditions attached to the permit will assure that the operation will have no adverse effect on abutting properties or the permitted use thereof.
- D. The conditions attached to the permit are necessary to promote, protect and secure the public health, safety and welfare.

III. Reclamation Plan - Approve the reclamation plan submitted with the application with the following minimum findings required by Section LII 31B.6 of the Nevada County Land Use and Development Code:

- A. That the reclamation plan minimizes water degradation, air pollution, damage to aquatic and wildlife habitat, flooding, erosion, and other adverse effects from surface mining operations.
- B. That the reclamation plan restores the mined lands to a usable condition which is readily adaptable for alternative land uses.
- C. That the reclamation plan restores the mined lands to a condition which creates no danger to public health or safety.

IV. Environmental Review - The Commission may find that although the project could have a significant effect on the environment, there will not be a significant effect in this case because of conditions attached to the issuance of the permit, and the staff is directed to file a negative declaration on the project with the County Clerk.

#

Attachments

cc/Mr. Clayton Abbott, P.O. Box 908, Grass Valley, CA 95945
Mrs. Marion Ghidotti, 426 Commercial Street, Nevada City, CA 95959
Mr. Peter Chamberlin, 13790 Gas Canyon Road, Nevada City, CA 95959

COUNTY OF NEVADA

PLANNING DEPARTMENT

205 Willow Valley Road
Nevada City, California 95959
(916) 265-2461 ext. 260

MEMORANDUM

TO: FILE U79-41 USE PERMIT APPLICATION FOR NORTH STAR ROCK PRODUCTS CORPORATION FOR A GRAVEL HARVEST AND PROCESSING OPERATION AT THE IDAHO-MARYLAND MINE.

FROM: ADVISORY REVIEW COMMITTEE

SUBJECT: ENVIRONMENTAL REVIEW ON USE PERMIT APPLICATION

DATE: JANUARY 10, 1980

At its meeting on this date, the Nevada County Advisory Review Committee commenced environmental review on the subject project which includes the use permit application for gravel harvest and processing, and the reclamation plan for restoration of the site.

Environmental review on the project involved lengthy discussion with the applicant, Mr. and Mrs. Clayton Abbott of North Star Rock Products; Mr. Peter Chamberlin, environmental consultant; and Mrs. Marion Ghidotti, the property owner. Letters from interested agencies were reviewed.

In response to comments from the City of Grass Valley relative to traffic impacts on Railroad Avenue, the applicant indicated he has changed his proposed access and now wants to build a bridge across Wolf Creek east of the Railroad Avenue intersection.

In completing the environmental checklist form, a number of impacts were recognized as significant but were felt to be mitigated by recommended conditions. It was noted that the Building Department representative on the committee indicated he was not satisfied with the information received on erosion control techniques, impacts on historical resources and effects of potential sedimentation. Other committee members felt that mitigation measures are written so that this information will be received prior to the Planning Commission public hearing on the application.

Following completion of discussion and the checklist, which is attached hereto for a recognition of impacts, the committee voted two yes, one no, to recommend to the Planning Commission that it find that although there could be a significant effect on the environment, there will not be a significant effect in this case because of the following recommended mitigation measures to be attached to the project:

1. If water for the project is to be taken from Wolf Creek, either water rights to the water will be established to the satisfaction of the Nevada Irrigation District, or satisfactory arrangements shall be made with the district to draft water from the creek.
2. All appropriate permits shall be obtained from the Nevada County Building Department, Nevada Irrigation District and State Department of Fish and Game for the proposed bridge crossing over Wolf Creek. (Note: Subsequent discussions with the Department of Fish and Game representatives indicate that the department will not require a stream alteration permit for the bridge crossing if (1) the applicant does not disturb the historic railroad crossing abutments; and (2) the access road shall cross the rock dike on a 90 degree angle and shall not parallel the rock pile which would involve riparian vegetation removal.)
3. No vegetation shall be disturbed between Wolf Creek and the Toe of the rock piles which are being removed.
4. The mill pond adjacent to the main project area shall be deepened and/or flash boards reinstalled in the outlet facility so that suspended material in run-off waters can settle out before entering Wolf Creek. This settlement pond shall maintain a useful life as long as the period of time necessary to restabilize the area after the project ends.
5. Any exposed slopes or roadways which may discharge silt into Wolf Creek shall be stabilized by October 1 and remain so through April 30.
6. In order to preserve wildlife habitat to the greatest extent possible, no native vegetation shall be removed except where necessary to remove the mine waste material.
7. The location of screening and crushing equipment shall be limited to Site No. 1 indicated on the site plan submitted by the applicant. The applicant shall, to the best of his ability, locate the plan so that it is screened as much as possible from view from the Golden Center Freeway.
8. Noise emanating from the project shall not exceed 70 decibels at the property line. If complaints are received from adjoining properties regarding excessive noise emissions, the applicant shall submit a noise study which shall be brought back before the Planning Commission which in turn may reconsider the use permit application for denial, additional conditions of approval, or reaffirmation.
9. Prior to the public hearing before the Planning Commission on the use permit application and the reclamation plan, the Resource Conservation District shall approve an erosion and sedimentation control plan, and the recommendations in that plan shall be attached as conditions on the use permit.
10. Prior to commencement of operation, submit a waste discharge report to the State Water Quality Control Board and then comply with any requirements of that agency.

11. Dedicate road right-of-way to the County of Nevada along Bennett Street and Idaho Maryland Road on an alignment satisfactory to the Department of Public Works. The Department of Public Works shall prepare the deeds for the dedication.
12. The access road into the property shall be a minimum of eighteen feet wide and shall be paved from the County road to the new bridge crossing over Wolf Creek. The applicant shall place a stop sign facing south where the new access road intersects Idaho Maryland Road.
13. At the conclusion of the project, the new bridge crossing over Wolf Creek shall be removed.
14. The applicant has offered a fee of \$800.00 to mitigate the cumulative impact of traffic generated by the proposed use. That fee shall be counted as credit to other projects when the gravel operation has terminated.
15. Hours of operation for the processing plant and loader shall be limited to from 8:00 a.m. to 5:00 p.m., Monday through Friday, except for a demonstratable emergency which shall be reported in writing to the Planning Department. Operation beyond the designated times for purposes other than machinery maintenance or authentic emergency may cause the permit to be brought back to the Planning Commission which may in turn modify the conditions on the permit or recommend its revocation to the Board of Supervisors.
16. Subject to any on-going requirements of the Nevada County Air Pollution Control Officer.
17. Subject to receipt of a waiver from the Nevada County Health Officer for the use of portable toilets.
18. The use permit covers only removal of mine waste and processing to restore the site to its original contours. Earth excavation for a borrow pit is not included.
19. The permit covers only the processing of material harvested from the subject property and does not include the processing of material imported from outside the property.
20. This permit includes no approval of on-site fuel storage. Any fueling of vehicles on the site will be done with care to preclude spillage.
21. The water supply used to control dust on the site shall be clearly marked to indicate it is not suitable for drinking.
22. Vegetative waste generated by the gravel removal shall be disposed of at the sanitary land fill unless a permit is issued by the Air Pollution Control Officer for on-site burning.
23. Any historical artifacts recovered during the gravel harvest and processing shall be reviewed by the Nevada County Historical Society.

Memo to the File
U79-41 North Star Rock Products

January 10, 1980
Page 4

It was noted that the applicant appeared to be in agreement with the recommended mitigation measures, but he did indicate that he would like the hours of operation to be changed to from 7:00 a.m. to 4:00 p.m. during the summer months. The committee did not amend its recommendation because of concerns for possible noise impacts on adjoining residential uses.

SMB:jp

cc: North Star Rock Products Corporation, P. O. Box 908, Grass Valley, CA 95945
Mrs. Marion Ghidotti, 426 Commercial Street, Nevada City, CA 95959
Mr. Peter Chamberlin, 13790 Gas Canyon Road, Nevada City, CA 95959
Nevada County Building Department
Nevada County Department of Public Works
Nevada County Resource Conservation District
Mr. Bill Roberts, Grass Valley Planning Department
Mr. Ed. Neuharth, Nevada Irrigation District
Mr. James Pappas, California Regional Water Quality Control Board,
Central Valley Region, 3201 "S" Street, Sacramento, CA 95816

COUNTY OF NEVADA

PLANNING DEPARTMENT

205 Willow Valley Road
Nevada City, California 95959
(916) 265-2461 ext. 260

NOTICE OF CONDITIONAL APPROVAL USE PERMIT APPLICATION

TO: North Star Rock Products Corporation
P. O. Box 908
Grass Valley, California 95945

Use Permit No. 1082
500(M1) U79-41
AP# 09-550-13, 14, 15 (M1)
AP# 09-560-02, 08 (RA)

You are hereby notified that the Nevada County Planning Commission, at a regular meeting held on February 28, 1980, after public hearing, did duly consider your application filed on October 12, 1979, under the terms of Nevada County Ordinance No. 500, for the surface mining reclamation plan and use permit of North Star Rock Products Corporation for an operation which will involve harvesting, crushing, screening, and sale of waste rock left from the Idaho-Maryland Mine lying on the south side of Idaho-Maryland Road approximately 500 feet east of that street's intersection with Railroad Avenue, east of the Grass Valley city limits. The subject property, which is being leased by the applicant from Mrs. Marion Ghidotti, is within the boundaries of an "M1" Light Industrial Zoning District. This permit is being processed as an alteration of an existing non-conforming use. A legal description is on file in the Planning Department, 10433 Willow Valley Road, Nevada City, California.

After said hearing, and upon the evidence thereat submitted, the said Commission does hereby notify you that your application for use permit is granted, subject to the following conditions:

A. PLANNING DEPARTMENT:

- *1. If water for the project is to be taken from Wolf Creek, either water rights to the water will be established to the satisfaction of the Nevada Irrigation District, or satisfactory arrangements shall be made with the district to draft water from the creek.
- *2. All appropriate permits shall be obtained from the Nevada County Building Department, Nevada Irrigation District, and State Department of Fish & Game for the proposed bridge crossing over Wolf Creek. The Department of Fish & Game indicates that the department will not require a stream alteration permit for the building crossing if (1) the applicant does not disturb the historic railroad crossing abutments; and (2) the access road shall cross the rock dike on a 90 degree angle and shall not parallel the rock pile which would involve riparian vegetation removal.

- *3. The mill pond adjacent to the main project area shall be deepened and/or flash boards reinstalled in the outlet facility so that suspended material in run-off waters can settle out before entering Wolf Creek. This settlement pond shall maintain a useful life as long as the period of time necessary to restabilize the area after the project ends.
- *4. In order to preserve wildlife habitat to the greatest extent possible, no native vegetation shall be removed except where necessary to remove the mine waste material.
- *5. The location of screening and crushing equipment shall be limited to site number one indicated on the site plan submitted by the applicant. The applicant shall, to the best of his ability, locate the plant so that it is screened as much as possible from view from the Golden Center Freeway.
- *6. Noise emanating from the project shall not exceed 70 decibels at the property line. If complaints are received from adjoining properties regarding excessive noise emissions, the applicant shall submit a study which shall be brought back before the Planning Commission which in turn may reconsider the use permit application for denial, additional conditions of approval, or reaffirmation.
- *7. Prior to commencement of operation, submit a waste discharge report to the State Water Quality Control Board and then comply with any requirements of that agency.
- *8. Hours of operation for the processing plant and loader shall be limited to from 8 a.m. to 5 p.m., Monday through Friday, except for a demonstrable emergency which shall be reported to the Planning Department. The operation could commence at 7 a.m. during the summer months (May 1 through September 30), unless an unresolved complaint is received by the Planning Department. Operation beyond the designated times for purposes other than machinery maintenance or authentic emergency may cause the permit to be brought back to the Planning Commission which may in turn modify the conditions on the permit or recommend its revocation to the Board of Supervisors.
- *9. Subject to any on-going requirements of the Nevada County Air Pollution Control Officer.
- *10. Subject to receipt of a waiver from the Nevada County Health Officer for the use of portable toilets.
- *11. The use permit covers only removal of mine waste and processing to restore the site to its original contours. Earth excavation for a borrow pit is not included.
- *12. The permit covers only the processing of material harvested from the subject property and does not include the processing of material imported from outside of the property.

- *13. This permit includes no approval of on-site fuel storage, Any fueling of vehicles on the site will be done with care to preclude spillage.
- *14. The water supply used to control dust on the site shall be clearly marked to indicate it is not suitable for drinking.
- *15. Vegetative waste generated by the gravel removal shall be disposed of at the sanitary land fill unless a permit is issued by the Air Pollution Control Officer for on-site burning.
- *16. Any historical artifacts recovered during the gravel harvest and processing shall be received by the Nevada County Historical Society.
- 17. The following noise attenuation and dust control measures shall be employed by the applicant for the life of the use permit:
 - a). The subject site and access road shall be watered regularly to control dust emissions.
 - b). All equipment associated with the use shall be muffled with approved mufflers.
 - c). The applicant shall take the sides of the long tailings pile first, and then reduce the height at the last phase of the project. This condition is intended to provide a noise barrier between the operation and nearby homes to the north and northeast for the longest time possible.
 - d). Where feasible, all metal to metal contact points will be insulated.
 - e). Rubberize or insulate rock hoppers and bins.
 - f). Cal OSHA ear protection shall be provided to employees.
 - g). Limit the speed of all vehicles on the access road to 25 miles per hour.
 - h). Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.

B. RESOURCE CONSERVATION DISTRICT:

- *1. The Nevada County Resource Conservation District has approved the erosion and sedimentation control plan submitted by the applicant, and the conditions included in that plan are made conditions on this use permit, as follows:
 - a). No material beyond the depth of rock waste material shall be removed from the site.
 - b). The applicant shall provide gravel and/or rip-rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.
 - c). Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.

- d). Any exposed area resulting from the proposed operation shall be stabilized by October 1, and remain stabilized through April 30. During this period no excavation would be allowed, but other related activities, such as crushing, stockpile removal and sales would be allowed. Reclamation must be concurrent with the proposed excavation operations, and the applicant shall excavate no more material than he would be able to reclaim within the dry weather season.
- e). The Nevada County Resource Conservation District shall be contacted prior to October 1 annually for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer, or the use of plastic sheeting on a temporary basis.
- f). The existing mill sands in the sediment basin, used when the Idaho-Maryland Mine was active, shall be removed from the site. Once the sands are removed, the sediment basin shall function to control sedimentation off the site from the proposed gravel operation. The existing outlet structure for the basin shall be used, and the outlet conduit shall not be disturbed by the mill sand removal process.
- g). No vegetation shall be disturbed between Wolf Creek and the top of the rock piles which are being removed.
- h). In order to protect the two concrete pillars as required by the Historical Society, 150 feet of the tailing dike located adjacent to Wolf Creek and the northernmost pillar shall remain undisturbed as follows:
 - 1. Do not disturb the tailing pile for a distance of 50 feet eastward and 100 feet westward of the concrete pillar; and
 - 2. The slopes created by this activity shall not exceed 2:1 and shall be stabilized as directed by the Resource Conservation District.

C. DEPARTMENT OF PUBLIC WORKS:

- *1. Dedicate road right-of-way to the County of Nevada along Bennett Street and Idaho-Maryland Road on an alignment satisfactory to the Department of Public Works which shall prepare the deeds for the dedication.
- *2. The access road into the property shall be a minimum of eighteen feet wide and shall be paved from the County road to the new bridge crossing over Wolf Creek. The applicant shall place a stop sign facing south where the new access road intersects with Idaho-Maryland Road.
- *3. At the conclusion of the project, the new bridge crossing over Wolf Creek shall be removed if required by the Department of Public Works.
- *4. The applicant has offered a fee of \$800.00 to mitigate the cumulative impact of traffic generated by the proposed project. That fee shall be counted as credit to other projects on the same property when the gravel operation has terminated.

The applicant is also responsible for compliance with applicable State laws and County ordinances. Pursuant to the requirements of the Land Use and Development Code, you are hereby notified that this permit is not valid until the expiration of 15 days from the date of the Planning Commission action. If the granting of the permit is appealed or submitted to the Board of Supervisors for final action, the effective date is stayed until final action by said Board.

Section L-II 32.1 of the Nevada County Land Use and Development Code states that when the use of land, building or premises, authorized by the County under provisions of a plan or permit is not established within one year (or as specified by the Planning Commission or Board of Supervisors in granting a plan or permit) from the date of such authorization, the permit issued pursuant thereto shall become null and void. When the actual construction of any main building or buildings which are described or shown in any application which in the determination of the approving authority is not commenced or the conditions attached thereto complied with, within one year from the date it became final or within the time specified in such application or determination, if any, the permit issued pursuant thereto shall become null and void. The "main building or buildings" are those housing the main or principal use of the premises as authorized, or as designated in the determination of the approving authority. When actual construction of any accessory building or buildings which are described or shown in any application or determination of the approving authority is not commenced prior to or immediately following completion of construction of the main building or buildings, or within the time specified in the application or determination, if any (whichever is earlier) any such accessory building or buildings may be deemed not authorized by the permit issued thereto. For the purposes of the foregoing, the "accessory building" or buildings are those other than the main building or buildings.

You are advised not to commence any work on this permit until the 15-day period expires and to check with the Planning Department to determine if any appeal has been submitted.

NEVADA COUNTY PLANNING COMMISSION

Jeff L. B. (Ben) Hulse, Ex-Officio
Secretary to the Commission

By: Mabel J. Miller
Mabel J. Miller, Clerk to the
Planning Commission

cc/Nevada County Department of Public Works
Nevada County Health Department
Resource Conservation District
Department of Fish and Game
Water Quality Control Board - Central Region
Nevada Irrigation District
City of Grass Valley
Nevada County Air Pollution Control Officer

COUNTY OF NEVADA

PLANNING DEPARTMENT

700 Zion Street
Nevada City, California 95959
(916) 265-1440

NOTICE OF CONDITIONAL APPROVAL USE PERMIT APPLICATION

North Star Rock Products Corporation
Mr. Harry Abbott
P. O. Box 908
Grass Valley, CA 95945

Use Permit #1370
500 (M1) U8525
AP No. 9-55-13,14,15
Certified #P 720 518 216

You are hereby notified that the Nevada County Planning Commission, at a regular meeting held on May 9, 1985, after public hearing, did duly consider your application filed on March 28, 1985, for an amendment to U79-41 to allow importation of off-site materials for on-site processing, relocation of the rock crushing and processing plant and revision of the approved reclamation plan for the rock crushing operation located on Idaho Maryland Road. A legal description of the property is on file in the Planning Department, 700 Zion Street, Nevada City, California

After said hearing, and upon the evidence thereat submitted, the Planning Commission does hereby notify you that your application for use permit is granted, subject to the original conditions attached to U79-41 as amended: (Changes are indicated by an *)

A. PLANNING DEPARTMENT

1. If water for the project is to be taken from Wolf Creek, either water rights to the water will be established to the satisfaction of the Nevada Irrigation District, or satisfactory arrangements shall be made with the district to draft water from the creek.
2. All appropriate permits shall be obtained from the Nevada County Building Department, Nevada Irrigation District, and State Department of Fish & Game for the proposed bridge crossing over Wolf Creek. The Department of Fish & Game indicates that the department will not require a stream alternation permit for the building crossing if (1) the applicant does not disturb the historic railroad crossing abutments; and (2) the access road shall cross the rock dike on a 90 degree angle and shall not parallel the rock pile which would involve riparian vegetation removal.
3. The mill pond adjacent to the main project area shall be deepened and/or flash boards reinstalled in the outlet facility so that suspended material in run-off waters can settle out before entering Wolf Creek. This settlement pond shall maintain a useful life as long as the period

of time necessary to re-establish the area after the project ends.

4. In order to preserve wildlife habitat to the greatest extent possible, no native vegetation shall be removed except where necessary to remove the mine waste material.
- *5. The rock processing/crushing plant shall be moved downslope and eastward approximately 300 feet as represented on the site plan.
6. Noise emanating from the project shall not exceed 70 decibels at the property line. If complaints are received from adjoining properties regarding excessive noise emissions, the applicant shall submit a study which shall be brought back before the Planning Commission which in turn may reconsider the use permit application for denial, additional conditions of approval, or reaffirmation.
7. Prior to commencement of operation, submit a waste discharge report to the State Water Quality Control Board and then comply with any requirements of that agency.
8. Hours of operation for the processing plant and loader shall be limited to from 8 a.m. to 5 p.m., Monday through Friday, except for a demonstrable emergency which shall be reported to the Planning Department. The operation could commence at 7 a.m. during the summer months (May 1 through September 30), unless an unresolved complaint is received by the Planning Department. Operation beyond the designated times for purposes other than machinery maintenance or authentic emergency may cause the permit to be brought back to the Planning Commission which may in turn modify the conditions on the permit or recommend its revocation to the Board of Supervisors.
9. Subject to any on-going requirements of the Nevada County Air Pollution Control Officer.
10. Subject to receipt of a waiver from the Nevada County Health Officer for the use of portable toilets.
11. The use permit covers only removal of mine waste and processing to restore the site to its original contours. Earth excavation for a borrow pit is not included.
- *12. This permit covers the processing of rock material from off-site locations for a maximum of five years.
- *13. Any storage of on-site fuel shall be done in compliance with Department of Fish & Game regulations.
14. The water supply used to control dust on the site shall be clearly marked to indicate it is not suitable for drinking.

15. Vegetative waste generated by the gravel removal shall be disposed of at the sanitary land fill unless a permit is issued by the Air Pollution Control Officer for on-site burning.
16. Any historical artifacts recovered during the gravel harvest and processing shall be received by the Nevada County Historical Society.
17. The following noise attenuation and dust control measures shall be employed by the applicant for the life of the use permit:
 - a. The subject site and access road shall be watered regularly to control dust emissions.
 - b. All equipment associated with the use shall be muffled with approved mufflers.
 - c. The applicant shall take the sides of the long tailings pile first, and then reduce the height at the last phase of the project. This condition is intended to provide noise barrier between the operation and nearby homes to the north and northeast for the longest time possible.
 - d. Where feasible, all metal to metal contact points will be insulated.
 - e. Rubberize or insulate rock hoppers and bins.
 - f. Cal OSHA ear protection shall be provided to employees.
 - g. Limit the speed of all vehicles on the access road to 25 miles per hour.
 - h. Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.
- *18. Comply with the reclamation plan from U75-41 within one year of the date of this permit or install the fill material from the adjacent project known as Wolf Creek Plaza within the City of Grass Valley.
- *19. All access haul routes from the Wolf Creek Plaza site shall utilize private internal roads.
- *20. Obtain a permit from the Air Pollution Control District if required.

B. RESOURCE CONSERVATION DISTRICT

- *1. The Nevada County Resource Conservation District has approved the erosion and sedimentation control plan submitted by the applicant, and the conditions included in that plan are made conditions on this use permit as follows:
 - a. No material beyond the depth of rock waste material shall be removed from the site.

- b. The applicant shall provide gravel and/or rip-rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.
 - c. Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.
 - d. Any exposed area resulting from the proposed operation shall be stabilized by October 1 and remain stabilized through April 30. During this period no excavation would be allowed, but other related activities, such as crushing stockpile removal and sales would be allowed. Reclamation must be concurrent with the proposed excavation operations, and the applicant shall excavate no more material than he would be able to reclaim within the dry weather season.
 - e. The Nevada County Resource Conservation District shall be contacted prior to October 1 annually for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer, or the use of plastic sheeting on a temporary basis.
 - f. (Original condition B-lf has been eliminated)
 - g. No vegetation shall be disturbed between Wolf Creek and the top of the rock piles which are being removed.
 - h. (Original condition B-lh has been eliminated)
- *2. Disturbed areas seeded in the spring and summer shall be periodically irrigated during the dry season to insure vegetative establishment.
- *3. Apply the Lana vetch and Blando brome seed mixture in equal proportions of 20 lbs. per acre each.

C. DEPARTMENT OF PUBLIC WORKS

- 1. Dedicate road right-of-way to the County of Nevada along Bennett Street and Idaho-Maryland Road on an alignment satisfactory to the Department of Public Works which shall prepare the deeds for the dedication.
- 2. The access road into the property shall be a minimum of eighteen feet wide and shall be paved from the County road to the new bridge crossing over Wolf Creek. The applicant shall place a stop sign facing south where the new access road intersects with Idaho Maryland Road.
- 3. At the conclusion of the project, the new bridge crossing over Wolf Creek shall be removed if required by the Department of Public Works.

4. The applicant has offered a fee of \$800.00 to mitigate the cumulative impact of traffic generated by the proposed project. That fee shall be counted as credit to other projects on the same property when the gravel operation has terminated.
- *5. The raw material from the shopping center site (Wolf Creek Plaza) shall not be hauled on County or City maintained roads to the processing plant.
- *6. The applicant may import raw material onto the site for processing if he:
 - a. Contacts the Department of Public Works at least 24 hours in advance of the haul with information on the number of truck loads or tons to be hauled to the site and the date or dates of the haul.
 - b. Pays the Department of Public Works the amount of 5 cents per ton of material hauled to the site for processing. The money paid shall be kept in a separate account to be used for the maintenance and/or reconstruction of Idaho Maryland Road until such time as the City of Grass Valley assumes the responsibility for maintenance of the road.

The applicant is also responsible for compliance with applicable State laws and County ordinances. Pursuant to the requirements of the Land Use and Development Code you are hereby notified that this permit is not valid until the expiration of ten (10) days from the date of the Planning Commission action. If the granting of the permit is appealed or submitted to the Board of Supervisors for final action, the effective date is stayed until final action by said Board. Any appeal must be submitted on the proper form which is available from the Clerk to the Board of Supervisors, Courthouse, Nevada City, California 95959.

Section L-II 32.1 of the Nevada County Land Use and Development Code states that when the use of land, building or premises, authorized by the County under provisions of a plan or permit is not established within one year (or as specified by the Planning Commission or Board of Supervisors in granting a plan or permit) from the date of such authorization, the permit issued pursuant thereto shall become null and void. When the actual construction of any main building or buildings which are described or shown in any application which in the determination of the approving authority is not commenced or the conditions attached thereto complied with, within one year from the date it became final or within the time specified in such application or determination, if any, the permit issued pursuant thereto shall become null and void. The "main building or buildings" are those housing the main or principal use of the premises as authorized, or as designated in the determination of the approving authority. When actual construction of any accessory building or buildings which are described or shown in any application or determination of the approving authority is not commenced prior to or immediately following completion of construction of the main building or

buildings, or within the time specified in the application or determination, if any (whichever is earlier) any such accessory building or buildings may be deemed not authorized by the permit issued thereto. For the purposes of the foregoing, the "accessory building" or buildings are those other than the main building or buildings.

You are advised not to commence any work on this permit until the ten-day period expires and to check with the Planning Department to determine if any appeal has been submitted.

NEVADA COUNTY PLANNING COMMISSION
Donald R. Riolo, Ex-Officio Secretary

By: *Judy Menet*
Judy Menet, Clerk to the Commission

DRR:jm

cc: Assessor's Office
Building Department
Dept. of Public Works
Resource Conservation District
Rick DeJesus, Foothill Planning Services

EXHIBIT 253

AGREEMENT

THIS AGREEMENT is entered into at Grass Valley, California, by and between the CITY OF GRASS VALLEY, having a principal place of business at 125 East Main Street, hereinafter referred to as "City", and NORTH STAR ROCK PRODUCTS, INC., a California Corporation, hereinafter referred to as "Lessee".

RECITALS

WHEREAS, Lessee has leased parcels of real property having an area of approximately 12 acres (AP#09-550-13 and -14, known as the Morehouse Property) from Mary Bouma, Erica Erickson and William Toms, a partnership; and

WHEREAS, said leased parcels of real property are in the unincorporated territory of the County of Nevada; and

WHEREAS, Lessee on December 18, 1986 obtained from the County Conditional Use Permit U86-45, amending Conditional Use Permits U79-41 and U85-25, for excavation of a six-acre on-site borrow pit and relocation of the processing plant for rock crushing and recycling of asphalt and concrete on said 12-acre parcel for a period of six years ending December 19, 1992, together with a reclamation plan; and

WHEREAS, Lessee has applied to the County for a new Use Permit (U92-37) to extend for ten years the processing plant operation for rock crushing and recycling and to enlarge the borrow pit excavation to include an area of about 16 acres (including the existing

site of 12 acres) in the unincorporated territory, together with a reclamation plan; and

WHEREAS, said unincorporated territory is contiguous to the existing City Limit Line and central to the Grass Valley Sphere of Influence adopted by the Nevada County Local Agency Formation Commission (LAFCO); and

WHEREAS, Lessee also proposes to further extend the borrow pit excavation into an area of approximately five acres within the City of Grass Valley to be leased from Bruce L. and Susan Nauslar, et al, and Bruce D. and Denise L. Cameron, et al, (portions of AP#09-240-16 and -22); and

WHEREAS, said 5-acre area within the City was conditionally rezoned M-1, Light Industrial District by Ordinance No. 246 N.S., effective upon completion of the annexation, requiring site plan approval of the Design Review Board¹ prior to issuance of any building permit for new building construction and prior to any grading of the property; and

WHEREAS, in conjunction with the Use Permit application U92-37 to the County, Lessee also applied to the City's Design Board (DR92-19) for site plan approval of the proposed borrow pit excavation and reclamation on the five acres within the City; and

WHEREAS, the nature of the proposed borrow pit excavation and reclamation is to create future level building site(s), but Lessee

¹ Planning Commission approval was required prior to assignment of site plan review duties to the Design Review Board by City Council Resolution No. 88-183.

doesn't presently have a definite plan for such future building development; and

WHEREAS, the immediate purpose of said excavation is to harvest rock for sale at retail by the ton for building, landscaping, driveway, roadway and similar construction; and

WHEREAS, the currently proposed excavation enlargement is expected to yield approximately 250,000 cubic yards material that will be hauled by truck over City streets, primarily Idaho Maryland Road from the plant entrance to East Main Street; and

WHEREAS, the City Engineer has determined that Lessee's proportionate share of the cost of rehabilitating the roadway after five years to mitigate the impact of truck loadings is equal to \$33,000, or \$0.13 per cubic yard, or \$0.11 per ton of material exported from the site; and

WHEREAS, City desires that the entire unincorporated area that will be devoted to the processing plant and borrow pit be annexed to the City; and

WHEREAS, Lessee desires to acquire the Morehouse Property and annex it to the City to facilitate future development but needs six months to one year to generate revenue and obtain title to the property, after which Lessee as the property owner could make application for annexation and petition to LAFCO for annexation; and

WHEREAS, Chapter 10 of the Grass Valley General Plan and Section 1.08.010 of the Grass Valley City Code require that any proposed annexation be rezoned and preplanned by City's Planning

Commission prior to the City Council authorizing the owners of such territory to submit an application to LAFCO for annexation; and

WHEREAS, City needs to adopt a Mineral Management Element Amendment to the General Plan for compliance with State Law and to amend the Zoning Ordinance to adopt suitable regulations to allow mining and quarry operations, rock crushing and recycling as uses permitted subject to obtaining a use permit from the Planning Commission in each case and to prezone said unincorporated mining and quarry operation site as appropriate to allow for such use, looking forward to future ultimate development of the property; and

WHEREAS, the said unincorporated site is outside the City's present sewer service area and outside the City's present water service area but within the Nevada Irrigation District's water service area, placing the site in City's Zone II for an Annexation Fee of \$2,613.00 per acre; and

WHEREAS, Section 1.08.040 of the City Code provides for reduction of annexation fees for dedication of parks and open space, areawide or regional drainage channels, and established mapped rights of way for existing or proposed streets of general benefit to the community; and

WHEREAS, no areas qualifying for such dedication have been identified or agreed upon to date, but may be identified and dedicated pursuant to a development plan in the future; and

WHEREAS, for an annexation of 50 acres or less, Section 1.08.080F of the City Code provides that payment of the annexation fee may be in lump sum or installment payments of at least 35% at

the time of annexation with an annual interest rate as established by resolution of the City Council, with full payment to be made prior to filing a final map or prior to the issuance of any building permit; and

WHEREAS, before the City consents to such proposed annexation, the Property Owner must enter into an agreement with the City relating to the fees and terms of the annexation; and

WHEREAS, consistent with City's Source Reduction and Recycling Element (SRRE), City encourages Lessee's proposed use of the property for recycling of asphalt and concrete in conjunction with the rock crushing operation for reuse of construction waste material as an important reduction in the amount of solid waste material that might otherwise be consigned to landfill disposal.

NOW, THEREFORE, the parties agree:

1. Lessee agrees to mitigate the impact of truck loadings on City streets by payment of fees to City based upon the City Engineer's determination of Lessee's proportional contribution to the cost of rehabilitation of Idaho Maryland Road after use by Lessee's trucks. The amount of the fee shall be eleven cents (\$0.11) per ton for the first 300,000 tons of material exported from or leaving the site up to a total amount of thirty-three thousand dollars (\$33,000). Thereafter, the amount of the fee shall be reduced to eight cents (\$.08) for each ton of material exported or leaving the site in excess of the first 300,000 tons. The fee shall be due and payable by Lessee to the City at the end

of each quarter of the year and shall be calculated based upon weight records supplied by the Lessee for the quarter.

2. Lessee will obtain County certification of a Negative Declaration and conditional approval of Use Permit U92-37, together with a reclamation plan for the entire proposed project area inside and outside the City, subject to the condition that excavation within the City shall not be permitted until a grading permit is obtained from the City for that portion of the project inside the City.

3. Lessee will obtain conditional approval of City's Design Review Board for the proposed grading and landscaping plan for the project, based upon the County-approved Negative Declaration, Conditional Use Permit and Reclamation Plan.

4. Subject to compliance with the conditions of approval of the County's Use Permit and City's Design Review Board, City shall authorize issuance of a grading permit for grading or excavating of the Phase I Area and a portion of the Phase III Area leased from Cameron and Nauslar as shown on the map marked Exhibit "A" attached hereto and made part hereof. No other permits will be required to commence work of Phase I Area and a portion of Phase III Area.

5. Lessee agrees during the life of the project to accept City's asphalt and concrete materials for crushing, recycling and reuse at no cost to the City.

6. City shall prepare, initiate and complete amendment of City's General Plan to add a Mineral Management Element.

7. City shall prepare, initiate and complete amendment of City's M-1, Light Industrial District Regulations (or other appropriate zoning regulation) to allow rock crushing and processing and mining and quarry operations with a use permit from the Planning Commission.

8. City shall prepare and process environmental documents related to amending General Plan for Mineral Management Element and for amendment to M-1 District or other zoning regulations as appropriate to allow mining and quarry, rock crushing and recycling activities after obtaining a use permit from the Planning Commission in each case.

9. Lessee agrees that none of the remainder of Phase III shall be graded or excavated without prior authorization from City, and that prior to requesting such authorization Lessee shall first have accomplished all of the following items:

(a) Lessee shall obtain title and become the property owner of the 12-acre Morehouse Property (AP#09-550-13 and -14) and any additional contiguous area as appropriate.

(b) Lessee as property owner shall submit to City an application for annexation to the City of the said 12-acre Morehouse Property and any additional territory that Lessee may acquire and desire to include as part of the annexation.

(c) Lessee shall submit application to prezone the 12-acre site and such additional area being proposed for

annexation to M-1 Light Industrial District, as proposed to be amended (or other rezoning classification as appropriate).

(d) Lessee shall submit to City application for conditional use permit for the processing plant operation for rock crushing and recycling and enlarge the borrow pit excavation to include the total area of the operation within the City and proposed to be annexed to the City, all in conjunction with the County's conditional use permit and reclamation plan approvals.

10. City shall prepare and process environmental documents related to rezoning 12-acre Morehouse Property and such additional area as may be included in the proposed annexation. City shall utilize the Negative Declaration certified by County for Use Permit U92-37 for the use permit application to the City.

11. Lessee as the property owner shall enter into binding Annexation Agreement with City relating to annexation fees and other matters in accord with Chapter 1.08 of the City Code.

12. City shall complete official action on the above noted general plan and zoning ordinance amendments and rezoning and use permit applications.

13. City shall authorize Lessee as Property Owner to submit application to LAFCO for annexation to the City.

14. Lessee as Property Owner shall submit application to LAFCO for annexation of the property to the City in conformance with the Annexation Agreement.

15. City agrees to complete the annexation and thereafter authorize grading on the remainder of Phase III Area as shown on said Exhibit "A", and referred to in paragraph 6, page 7.

16. All fees contained in this agreement shall be paid by Lessee in addition to all other connection, impact, planning and permit fees required under the City's ordinances and resolutions.

17. It is further agreed that this Agreement may be amended with the mutual consent of the parties hereto. Any such amendment shall be in writing and signed by all parties to this Agreement.

18. Lessee shall indemnify, defend, and hold harmless the City from and against any claims and losses accruing or resulting to any person or property from or in any way arising out of the business of Lessee, the subject property or this Agreement. Lessee shall reimburse City for all costs of any such claims, demands or causes of action which may be brought or asserts against City, including all costs of defense, attorneys fees, court costs or any adverse judgement.

19. This Agreement shall be binding on the Lessee, its heirs, successors and assigns and upon the successor, corporate, or other authorities of the City.

IN WITNESS WHEREOF, the City Council, City of Grass Valley, a public agency, has authorized the execution of this Agreement pursuant to the authority of Resolution No. 92-175 adopted by the City Council of the City of Grass Valley on the 10th day of November, 1992, and the Lessee has caused this Agreement to be

executed. This Agreement is effective as of _____,
1992.

Lessee
NORTH STAR ROCK PRODUCTS, INC.

CITY OF GRASS VALLEY

BY: [Signature]
HARRY ABBOTT

BY: _____
DAN MILLER, MAYOR

BY: _____

ATTEST: _____
BOBBI POZNIK DEPUTY CITY CLERK

MAILING ADDRESS:

APPROVED AS TO LEGAL FORM:

CLAUDE L. BIDDLE, JR.
CITY ATTORNEY

STATE OF CALIFORNIA
COUNTY OF Merced



On this 24th day of November in the year of 1992,
before me, the undersigned, a Notary Public in and for said State, personally
appeared Harry G. Abbott, personally
known to me (or proved on the basis of satisfactory evidence) to be the person(s)
whose name(s) is/are subscribed to the within instrument and acknowledged to
me that he/she/they executed the same in his/her/their authorized capacity(ies),
and that by his/her/their signature(s) on the instrument the person(s), or the
entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.
[Signature]

Notary public in and for said State.

This document is only a general form which may be proper for use in simple transaction and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.
Cowdery's Form No. 10G — ACKNOWLEDGMENT — General (Revised 1/92)

EXHIBIT 254

southwest of the Rough and Ready Road. There is a dip in the road which creates a blind spot coming up the hill for the existing driveway. He suggested they take a second look at the site plan and make an on-site inspection. If they would bring the driveway more to the south, it would alleviate the problem and allow them to see over the rise and down onto the straight stretch of the Highway, and at the same time, due to the property line to the north, there would be a clearer vision there. The problem is the most southern portion, he said, and if they would bring the driveway to that point, there would be no problem. Due to the distance between the rise and the driveway, anyone coming out there now could have a real problem.

There was no additional testimony offered, and the Chair closed the public hearing.

Dr. Hudson agreed with the testimony on the driveway and stated if they use the existing driveway for the entrance, and circle around and exit below the rock, visibility in both directions would be great. Whereas, visibility exiting the driveway at the existing driveway, is limited to 160 feet. No one seems to obey the speed limit there, and he could see where there might be a problem. He would be agreeable to making a one-way loop for the entrance and exit.

Discussion ensued on the need for approval of CalTrans for additional driveways off Highway 20. The Chair suggested amendment of the condition to indicate that, "the driveway as described by the applicant shall be investigated by CalTrans and the applicant." Mrs. Boivin added, this would necessitate a modification of the site plan, and relocation of the parking which could be approved by staff. Commissioner Smith added a condition that, "The owner-operator of the business shall reside on the property."

Commissioner Smith suggested an addition to finding E., "That the need for a small animal clinic is valid due to the energy problem. People would certainly like to drive less." Under F. "That the noise will be cut down, or at least controlled much better with the owner-operator living on the premises."

MOTION by Commissioner Smith, seconded by Commissioner Allstot, that the Planning Commission approve the use permit application of Darrow G. Hudson DVM for a veterinary hospital on State Highway 20 at Rough and Ready on 7.6 acres directly across from Rough and Ready Road within the boundaries of the "A1" General Agricultural District, subject to the conditions as stated in the staff report plus the additional conditions regarding the additional driveway access as described this evening, and the addition of D.3. that the owner/operator must reside on the property. The commission also makes the findings as outlined in II. and III. of the staff report with the additional findings E. and F. as stated in the meeting.

MOTION CARRIED (5-0-2) by roll call vote: AYES: Commissioners Smith, Allstot, Sayed, Dachtler and Chairman Meshwert. NOES: None. ABSENT: Commissioners Johnson and Wright.

The Chair advised those present of the appeal procedures.

✓ U79-41. Surface Mining Reclamation Plan and Use Permit Application of North Star Rock Products Corporation, Idaho Maryland Road.

Mr. Clayton Abbott, and Mr. Peter Chamberlain were present on behalf of the application.

Mrs. Boivin presented the staff report factual data and recommendation. The application involves only about 40 acres out of the 110 acres in the parcel. The project is proposed to go to 1984 to remove the aggregate material. The environmental information, reclamation plan, and ARC memo were included in the Commission's packet. Mr. Abbott has previously worked mine tailings on Osborn hill in a residential neighborhood, and there were no complaints from that operation. The location of the proposed new bridge was pointed out on the map. The Department of Fish and Game has worked with the applicant and staff on erosion control and preservation of the quality of the creek for fish. Water Quality Control has visited the site and suggested measures which are incorporated into the staff recommendations. It is hoped this project will improve water quality in the creek by bringing back into better use the existing sedimentation basin originally developed by the mining operation on the property.

Mr. Clayton Abbott commented only that the hours could remain from 8 to 5, but there might be a time during the middle of the summer in which they might have to work more hours, and they would rather do it earlier in the morning because it is cooler then.

Chairman Meshwert opened the public hearing.

Mary McCrea, 11269 East Bennett Street, Grass Valley, testified they have a lot of noise from the logging company all night just about. If this project starts too early, she is sure they would hear the crusher, and would not get too much rest. She asked if the trucks would use East Bennett Street. Mr. Abbott replied, no, that they will be using Idaho Maryland Road approximately 3500 feet east of Myers Campers Supply. They wont be using Bennett Street at all, he said. Ms. McCrea continued, they are concerned about noise because they have a lot of noise now. Asked the hours of the mill, Ms. McCrea replied, sometimes it works all night, and all day. A lot of times it will stop and then start up about midnight and whistles blow, and when logs roll, the house vibrates. It is quite noise, she said, and they are concerned. She did not know the given time for starting the mill. Right next door is Aggate, who have just opened up a paint thing, and that pollutes the air too, and with the dust from the rock crusher, she is concerned about her allergies. She is more concerned about the noise however. Asked if she would object to the hours of operation from 7 am. to 5 pm, Ms. McCrea replied, yes she would because they have a hard time getting to sleep some nights.

Mary Iving, 11343 Lava Rock Avenue, stated she is concerned about the noise too because it will add to what they have now, which is bad. She can hear the lumber mill now. There has been a large building constructed at Agate Sales which is spraying paint, and they have already smelled it several times, and the proposed rock crushing would be just one more problem.

Mrs. Boivin pointed out the location of the hill which divides the location of the crusher from East Bennett Street. She would be surprised if the noise was obvious. At the ARC meeting the applicant was requested to locate the crusher on one site which was the best contained on the property and would not be offensive to neighbors.

There was no further testimony, and the Chair declared the public hearing closed.

Commissioner Smith discussed the hours of operation established on the Hansen use permit for gravel extraction and crushing. Mrs. Boivin reviewed the

condition establishing the hours of operation on the Hansen permit which is similar to proposed Condition A.8. that the applicant could not operate on Saturdays unless there was a demonstratable emergency reported to the Planning Department.

Commissioner Smith asked that the permit include a condition which would allow the applicant to request to operate from 7 am to 5 pm. for 10 days during the month if necessary. That in case of need, the applicant can apply for an extra hour of operation during the summer for 10 days per month, and no more than that. Chairman Meshwert preferred additional hours to be approved by the Planning Department, subject to receiving complaints.

Mrs. Boivin amended the condition as follows: "The operation could commence at 7 am during summer months unless an unresolved complaint is received by the Planning Department. Summer months shall be deemed to be May 1 to September 30."

In response to a question, Mr. Abbott explained he will operate a jaw crusher and a cone crusher on the property. There are different ways to muffle noise in the chutes to feed the crusher and take the rock from the crusher, and it has worked out real good. He will be using the same equipment as used on Osborn Hill, and had no complaints at that location, and got along good with everybody there.

Mrs. Boivin reported a discussed with Mrs. Georgia Yokum, who indicated she represents 11 property owners in the area, and they had no objection to the granting of the permit and were familiar with Mr. Abbott's operation at Osborn Hill.

Asked if he had any emergency while operating the Osborn hill project, Mr. Abbott replied, he had one emergency in the past 8 years to supply gravel for washed out ditches. He would not necessarily have to operate the crusher for emergencies because there would be stored material on the site.

Commissioner Allstot disagreed with the mitigation fee of \$800 because it was not particularly fair to the kind of use Idaho Maryland Road will receive from the project to the freeway, due to the trucks generated by this use. Four years of wear and tear by the trucks would not be mitigated by \$800. That the veterinary hospital offered \$1050.00 and is generating only automobiles, while this project will generate big rigs using a not very good road. Mrs. Boivin explained the mitigation was recommended by Public Works, based on where the property is located and how many improvements are needed in that area, duration of the project and amount of permanent traffic it will generate. Mr. Abbott's operation will fluctuate in the amount of truck traffic it will generate because some days could be light, and others heavy. The project is only for four years, assuming the estimate on the amount of aggregate is accurate. Commissioner Allstot continued, that \$800 would not rectify the amount of damage done on Idaho Maryland Road in four years time by this project. In other instances of rock hauling, a per load fee has been established, and Mr. Abbott will have an unfair advantage with the \$800 blanket sum, when another operator is paying a per-load fee and thus must charge customers more for the rock. She concluded that \$800 will not patch that road in four years.

Mr. Peter Chamberlain explained the Hansen permit required a \$30,000 limit to mitigate impacts on You Bet Road, and once that was paid his obligation was fulfilled. The Hansen operation is predicted to last 200 years, and the

Abbott operation is predicted to last 4 years. Mrs. Ghidotti who owns the property intends to put it to some use other than a horse ranch in the future, because it is zoned Industrial, and there has been some consideration of re-opening the mine because of the price of gold.

Discussion ensued on Condition C.3. and the requirement for removing the new bridge over Wolf Creek. Mr. Chamberlain reported that subsequent to the visit of DPW to the property, the Historical Society also visited the property and they asked that the bridge be left there because they want to eventually establish a walking trail on the former Narrow Gauge Railroad bed. The applicant has agreed to comply with the DPW conditions unless at that time, the Historical Society comes in and asks that it be left. Mrs. Boivin agreed there should be another crossing over Wolf Creek, and one of concerns of the city of Grass Valley was putting traffic out onto Railroad Avenue, so they are going to need another crossing. However, the flat car that is proposed for the bridge will not be adequate for two-way traffic.

Discussion ensued on removal of the trees which have grown on the old mine tailings. These have been referred to in the initial study. The Air Quality Control Board will not allow the stumps to be burned on-site, Mrs. Boivin said.

Commissioner Dachtler discussed the location of the proposed settling pond. Mr. Abbott explained they would take some material from the hill east of the Community Workshop, but will avoid taking material from the area of the dam. Commissioner Allstot expressed concern that further excavation of materials will leave the Workshop sitting on a hill. Mrs. Boivin discussed the comment in the initial study which indicated the climate for the homes along Idaho Maryland Road will change considerably when the protection of the hillside is removed. The entire area is recommended industrial, and the homes will be transitioning out eventually, she said.

MOTION by Commissioner Sayed, seconded by Commissioner Smith, that the Planning Commission approve the use permit of North Star Rock Products Corporation for an operation which will involve harvesting, crushing, screening, and sale of waste rock left from the Idaho-Maryland Mine, subject to the conditions in the staff report, with Condition A.8. amended to allow operation from 7am to 5pm from May 1 to September 30 unless there is an unresolved complaint, with the amendment to C.3. to add, "if required by the Department of Public Works", with the findings as outlined in the Staff Report, II., and that the Commission approve the reclamation plan submitted with the application subject to the findings in the staff report III., and find although the project could have a significant effect on the environment, there will not be a significant effect in this case because of conditions attached to the issuance of the permit, and direct staff to file a negative declaration.

Commissioner Smith, in his second to the motion added the following finding "E. That the Reclamation Plan itself is a part of the findings." Motion made and second agreed with this addition.

MOTION CARRIED (5-0-2) by roll call vote: AYES: Commissioners Smith, Allstot, Sayed, Dachtler, and Chairman Meshwert. NOES: None. ABSENT: Commissioners Johnson and Wright.

Chairman Meshwert requested staff investigate the Lausmann operation and the new painting operation which may not be consistent with the uses allowed on the property.

EXHIBIT 255

Geologists defend gold mine project

By Dave Carter
Bee Correspondent

NEVADA CITY — Two geologists employed by the Placer Service Corp. Wednesday defended the company against charges that its proposed gold mine on San Juan Ridge would cause pollution.

The Nevada County Planning Commission, which heard the geologists, later voted down a move to kill the project by a 3-2 margin.

The vote, however, does not mean approval of the project, and the commission ordered its public hearing on the proposal continued to next Tuesday at 7 p.m. in the county courthouse.

Placer Service is entering the final weeks of its seven-year effort to open a multi-million-dollar open pit mine on portions of a 2,200-acre site that still bears the scars of hydraulic mining a century ago.

In an effort to win county approval for the project, company officials have introduced a detailed land reclamation plan that they say will turn the current barren landscape into a forested wildlife habitat after the eight-year mining project.

"I've mapped that land and walked all over it," said geologist Julie Wagner. "It's an incredibly harsh environment. The only wildlife I've seen there are lizards and rattlesnakes."

Wagner sought to convince residents of the San Juan Ridge who have vocally opposed the project at numerous hearings that the Placer Service Corp. is an environmentally

conscious organization.

"Many of our employees are long-time local residents. We have families and we really do care about noise and water and your children," she said. "But I too, should be able to live here and work."

Ellen Hodos, manager of geology and exploration for Placer Service and wife of project manager Jim Hodos, spoke in behalf of a number of employees who attended the hearing.

"Our employees have been verbally abused, their lives have been threatened and there has been vandalism" she said in a wavering voice. "But we have never retaliated. Our people and our company support the community but we are being accused of all of these things. We have been silent for almost eight years and we can't be silent any longer."

Wagner and Hodos were just two of the numerous speakers who testified at Wednesday's hearing, the third hosted by the planning commission on whether a use permit should be granted to allow Placer Service to open the 24-hour-per-day operation on the remote ridge where the only industry is an occasional logging operation.

Commissioner Bill Davidson of Truckee proposed near the end of the all-day session that the project be denied but received support from only one other commissioner, Carolyn Bunyon of Grass Valley. Chairwoman Virginia Johnson and commissioners Ken Smith and Danny Estin opposed the move.

Davidson said he is convinced that

the project would have a serious impact on the lives of nearby residents. "The feeling has been developing in my stomach for some time now," said Davidson. "With homes all around, it's an incompatible land use."

The hearing attracted an audience of about 140 Wednesday morning but by Wednesday afternoon the crowd had dwindled to about 40.

Nevada County's business community was well represented as speaker after speaker marched to the podium to ask the commission to support the project because it would provide jobs and boost the local economy.

"It's a tremendous opportunity for our community," said Steve Lund, president-elect of the Nevada County Chamber of Commerce. "Nevada County was born and raised a miner," said Brian Jamison, president of the Nevada City Chamber of Commerce.

But residents of the San Juan Ridge countered that they alone will have to put up with noise and dust from the operation, all night lighting, and they said that the plant pumping water from the open pit mine could affect their water wells.

"For four to five months a year, we sleep outside," said nearby resident Roberta Jensen. "There is no acceptable noise level for bulldozers operating at 1, 2 or 3 o'clock in the morning."

Assistant Nevada County Planning Director Tom Parilo said the commission must make its decision on the project by Aug. 13 under state law. He said Placer Service already

agreed to a 90-day extension of the one-year period which is triggered by receipt by the county of the company's application.

Jerry Tecklin, spokesman for the San Juan Ridge Taxpayer's Association, the group which has opposed the mining project since Placer Service first sought approval for a small gold exploration project in 1977, said the group will appeal to the Board of Supervisors if the commission approves the project.

Placer Service officials say that more than \$3.5 million, including more than \$1 million for environmental studies alone, has been invested to bring the mine into operation.

It has been estimated that the site known as the Old Columbia Hill Diggins, located about 20 miles north of Nevada City, is one of the richest remaining gold deposits in California.

Probation

Continued from page B1

finances and restitution ordered by the court," Purcell said. "If they don't pay, we can take them back to court and have their probation revoked, but they'll never be able to pay if we have them locked up in jail."

He added, "This won't constitute a landslide of new funds coming into the county, but everything helps. And it will generate some revenues we didn't have before."

EXHIBIT 256

Gold mine snagged by Nevada County rules, manager says

By Dave Carter
Bee Correspondent

NEVADA CITY — A proposed multimillion-dollar gold mine on the San Juan Ridge will not be opened unless Nevada County political leaders show some support for the operation, the mine's project manager says.

"We are not proceeding with opening the mine at this time," Jim Hodos, Placer Service Corp.'s project manager, said Monday. "If it's going to open at all, it's going to take a change in the political conditions in the county."

The Nevada County Planning Commission issued a conditional use permit for the controversial project on Aug. 13.

Hodos said the conditions placed on the permit are so restrictive that the company can't profitably operate the gold mine.

Many of the 51 conditions placed

on the permit were designed, planners said, to help protect the lifestyles of nearby residents on the rural ridge. The commission's decision was supported by many area residents who, led by the San Juan Ridge Taxpayers' Association, have been fighting the project since a small gold exploration was first proposed in 1977.

The company could have appealed the commission's decision to the county Board of Supervisors but chose not to because of the "political climate," Hodos said, and a belief that supervisors would not substantially alter the commission's decision.

Ilse Barnhart, chairman of the Board of Supervisors, credited the commission with spending a tremendous amount of time on the project and developing conditions that would make the project compatible with its neighborhood.

EXHIBIT 257

Company drops proposal for Nevada County mine

GRASS VALLEY (UPI) — Plans for a big, open-pit gold mine in Nevada County have been shelved by a mining firm because of unfavorable gold prices and community opposition, a spokesman said Saturday.

Jim Hodos, project manager for Placer Services Corp., said the firm is ending an eight-year effort to establish a mine in the San Juan Ridge area. It will close its office in Grass Valley on Dec. 1 and discharge 15 employees.

Placer Services is a subsidiary of Fluor Corp., a major mining firm.

Site of the proposed operation was a hydraulic gold mine abandoned in the 19th century about 10 miles northwest of Nevada City.

Placer Services wanted to establish an around-the-clock operation on about 800 acres of land. It said the mine would have created about 130 jobs.

"In order to operate the mine, we need three basic things," Hodos said. "First, we need a use permit that allows us to operate. Second, we

need a good price for the commodity, in this case gold. Third, we need an operating program that allows us to operate efficiently and profitably.

"All these things are interconnected, and at the moment we don't have any of them."

The project was fought by residents of the North Ridge area, who said they feared noise and pollution problems.

After several hearings, the Nevada County Planning Commission granted a conditional use permit in August. Placer Services officials said the permit was so restrictive regarding noise levels, hydrology and monitoring that it made the project unreasonable.

Hodos said the firm will retain its leasing rights to the land, and could reactivate the project if the situation changes.

The property on which the proposed mine was to have been located was devastated by the hydraulic operation a century ago.

EXHIBIT 258

Mining foes win by 51-vote edge; Nevada County recount plea likely

By Dave Carter
Bee Correspondent

NEVADA CITY — In a close election, Nevada County voters decided to support residents of Banner Mountain who have been fighting for two years to prevent gold mines from opening near their quiet, wooded neighborhood.

Measure C, which sought voter sentiment on a Board of Supervisors ruling allowing the gold mining, was defeated by a slim, 51-vote margin in Tuesday's county-wide contest that drew 13,933 voters.

A spokesman for the Franco-Nevada Mining Corp., a Canadian firm that had put two years and \$600,000 into an effort to reopen the once-rich Banner and Lava Cap mines, said the company was disappointed and would review its options.

Members of a pro-mining citizens group said they will

ask for a recount of the votes and suggested they may seek to put another mining question to the voters in June.

Banner residents, who succeeded in qualifying the question for the ballot, called it a zoning issue and accused county supervisors of allowing a "heavy industry" in a residential area.

At one time, the Banner and Lava Cap mines were among the richest in the gold country, but since the mines closed in the early 1940s, the surrounding area has been developed with homes.

Residents of the area, a few miles south of Nevada City, worried the mining could affect their water wells and bring noise, dust and traffic to the crest of 3,899-foot Banner Mountain. Some worried that underground blasting would rattle their homes.

See MINE, page B2

Mine

Continued from page B1

Pro-mining forces organized a two-month countercampaign, focusing on the area's rich gold-mining heritage. They characterized the opposition as anti-mining and anti-growth.

At the ballot box, three out of four Banner Mountain voters opposed the mining. Residents of the Banner and Gold Flat precincts voted 486 to 158 against rezoning the 146-acre mining property.

Across the county, 6,992 voters (50.1 percent) opposed reopening the two mines. Supporting the mining were 6,941 voters (49.8 percent).

The Banner mining issue helped raise the Nevada County turnout to 37.1 percent of the registered voters, much greater than the 25 percent anticipated for the off-year election.

The pro-mining side held the lead throughout early

election returns, and only when the last two of the county's precincts were counted near midnight did the margin swing in favor of the homeowners.

The tide was turned by precincts from North San Juan and Lake Wildwood.

"It was a great victory against long odds," said Kent Barber, a spokesman for the homeowners against the mining. "They had a pro running their campaign and we're just a bunch of amateurs. That makes it even more satisfying.

"We thank the voters of Nevada County," he said. "They were able to see through all the rhetoric. We have never considered this a mining issue. It's a zoning issue."

However, Jerry Cirino, spokesman for the pro-mining Banner Residents Civic Association, said the measure was defeated by anti-mining and no-growth sentiment.

EXHIBIT 259

EXHIBIT 260

COUNTY OF NEVADA

PLANNING DEPARTMENT

700 Zion Street
Nevada City, California 95959
(916) 265-1440

NOTICE OF CONDITIONAL APPROVAL USE PERMIT APPLICATION

North Star Rock Products Corporation
Mr. Harry Abbott
P. O. Box 908
Grass Valley, CA 95945

Use Permit #1370
500 (M1) U8525
AP No. 9-55-13,14,15
Certified #P 720 518 216

You are hereby notified that the Nevada County Planning Commission, at a regular meeting held on May 9, 1985, after public hearing, did duly consider your application filed on March 28, 1985, for an amendment to U79-41 to allow importation of off-site materials for on-site processing, relocation of the rock crushing and processing plant and revision of the approved reclamation plan for the rock crushing operation located on Idaho Maryland Road. A legal description of the property is on file in the Planning Department, 700 Zion Street, Nevada City, California

After said hearing, and upon the evidence thereat submitted, the Planning Commission does hereby notify you that your application for use permit is granted, subject to the original conditions attached to U79-41 as amended: (Changes are indicated by an *)

A. PLANNING DEPARTMENT

1. If water for the project is to be taken from Wolf Creek, either water rights to the water will be established to the satisfaction of the Nevada Irrigation District, or satisfactory arrangements shall be made with the district to draft water from the creek.
2. All appropriate permits shall be obtained from the Nevada County Building Department, Nevada Irrigation District, and State Department of Fish & Game for the proposed bridge crossing over Wolf Creek. The Department of Fish & Game indicates that the department will not require a stream alternation permit for the building crossing if (1) the applicant does not disturb the historic railroad crossing abutments; and (2) the access road shall cross the rock dike on a 90 degree angle and shall not parallel the rock pile which would involve riparian vegetation removal.
3. The mill pond adjacent to the main project area shall be deepened and/or flash boards reinstalled in the outlet facility so that suspended material in run-off waters can settle out before entering Wolf Creek. This settlement pond shall maintain a useful life as long as the period

of time necessary to re-establish the area after the project ends.

4. In order to preserve wildlife habitat to the greatest extent possible, no native vegetation shall be removed except where necessary to remove the mine waste material.
- *5. The rock processing/crushing plant shall be moved downslope and eastward approximately 300 feet as represented on the site plan.
6. Noise emanating from the project shall not exceed 70 decibels at the property line. If complaints are received from adjoining properties regarding excessive noise emissions, the applicant shall submit a study which shall be brought back before the Planning Commission which in turn may reconsider the use permit application for denial, additional conditions of approval, or reaffirmation.
7. Prior to commencement of operation, submit a waste discharge report to the State Water Quality Control Board and then comply with any requirements of that agency.
8. Hours of operation for the processing plant and loader shall be limited to from 8 a.m. to 5 p.m., Monday through Friday, except for a demonstrable emergency which shall be reported to the Planning Department. The operation could commence at 7 a.m. during the summer months (May 1 through September 30), unless an unresolved complaint is received by the Planning Department. Operation beyond the designated times for purposes other than machinery maintenance or authentic emergency may cause the permit to be brought back to the Planning Commission which may in turn modify the conditions on the permit or recommend its revocation to the Board of Supervisors.
9. Subject to any on-going requirements of the Nevada County Air Pollution Control Officer.
10. Subject to receipt of a waiver from the Nevada County Health Officer for the use of portable toilets.
11. The use permit covers only removal of mine waste and processing to restore the site to its original contours. Earth excavation for a borrow pit is not included.
- *12. This permit covers the processing of rock material from off-site locations for a maximum of five years.
- *13. Any storage of on-site fuel shall be done in compliance with Department of Fish & Game regulations.
14. The water supply used to control dust on the site shall be clearly marked to indicate it is not suitable for drinking.

15. Vegetative waste generated by the gravel removal shall be disposed of at the sanitary land fill unless a permit is issued by the Air Pollution Control Officer for on-site burning.
16. Any historical artifacts recovered during the gravel harvest and processing shall be received by the Nevada County Historical Society.
17. The following noise attenuation and dust control measures shall be employed by the applicant for the life of the use permit:
 - a. The subject site and access road shall be watered regularly to control dust emissions.
 - b. All equipment associated with the use shall be muffled with approved mufflers.
 - c. The applicant shall take the sides of the long tailings pile first, and then reduce the height at the last phase of the project. This condition is intended to provide noise barrier between the operation and nearby homes to the north and northeast for the longest time possible.
 - d. Where feasible, all metal to metal contact points will be insulated.
 - e. Rubberize or insulate rock hoppers and bins.
 - f. Cal OSHA ear protection shall be provided to employees.
 - g. Limit the speed of all vehicles on the access road to 25 miles per hour.
 - h. Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.
- *18. Comply with the reclamation plan from U75-41 within one year of the date of this permit or install the fill material from the adjacent project known as Wolf Creek Plaza within the City of Grass Valley.
- *19. All access haul routes from the Wolf Creek Plaza site shall utilize private internal roads.
- *20. Obtain a permit from the Air Pollution Control District if required.

B. RESOURCE CONSERVATION DISTRICT

- *1. The Nevada County Resource Conservation District has approved the erosion and sedimentation control plan submitted by the applicant, and the conditions included in that plan are made conditions on this use permit as follows:
 - a. No material beyond the depth of rock waste material shall be removed from the site.

- b. The applicant shall provide gravel and/or rip-rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.
 - c. Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.
 - d. Any exposed area resulting from the proposed operation shall be stabilized by October 1 and remain stabilized through April 30. During this period no excavation would be allowed, but other related activities, such as crushing stockpile removal and sales would be allowed. Reclamation must be concurrent with the proposed excavation operations, and the applicant shall excavate no more material than he would be able to reclaim within the dry weather season.
 - e. The Nevada County Resource Conservation District shall be contacted prior to October 1 annually for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer, or the use of plastic sheeting on a temporary basis.
 - f. (Original condition B-1f has been eliminated)
 - g. No vegetation shall be disturbed between Wolf Creek and the top of the rock piles which are being removed.
 - h. (Original condition B-1h has been eliminated)
- *2. Disturbed areas seeded in the spring and summer shall be periodically irrigated during the dry season to insure vegetative establishment.
- *3. Apply the Lana vetch and Blando brome seed mixture in equal proportions of 20 lbs. per acre each.

C. DEPARTMENT OF PUBLIC WORKS

- 1. Dedicate road right-of-way to the County of Nevada along Bennett Street ad Idaho-Maryland Road on an alignment satisfactory to the Department of Public Works which shall prepare the deeds for the dedication.
- 2. The access road into the property shall be a minimum of eighteen feet wide and shall be paved from the County road to the new bridge crossing over Wolf Creek. The applicant shall place a stop sign facing south where the new access road intersects with Idaho Maryland Road.
- 3. At the conclusion of the project, the new bridge crossing over Wolf Creek shall be removed if required by the Department of Public Works.

4. The applicant has offered a fee of \$800.00 to mitigate the cumulative impact of traffic generated by the proposed project. That fee shall be counted as credit to other projects on the same property when the gravel operation has terminated.
- *5. The raw material from the shopping center site (Wolf Creek Plaza) shall not be hauled on County or City maintained roads to the processing plant.
- *6. The applicant may import raw material onto the site for processing if he:
 - a. Contacts the Department of Public Works at least 24 hours in advance of the haul with information on the number of truck loads or tons to be hauled to the site and the date or dates of the haul.
 - b. Pays the Department of Public Works the amount of 5 cents per ton of material hauled to the site for processing. The money paid shall be kept in a separate account to be used for the maintenance and/or reconstruction of Idaho Maryland Road until such time as the City of Grass Valley assumes the responsibility for maintenance of the road.

The applicant is also responsible for compliance with applicable State laws and County ordinances. Pursuant to the requirements of the Land Use and Development Code you are hereby notified that this permit is not valid until the expiration of ten (10) days from the date of the Planning Commission action. If the granting of the permit is appealed or submitted to the Board of Supervisors for final action, the effective date is stayed until final action by said Board. Any appeal must be submitted on the proper form which is available from the Clerk to the Board of Supervisors, Courthouse, Nevada City, California 95959.

Section L-II 32.1 of the Nevada County Land Use and Development Code states that when the use of land, building or premises, authorized by the County under provisions of a plan or permit is not established within one year (or as specified by the Planning Commission or Board of Supervisors in granting a plan or permit) from the date of such authorization, the permit issued pursuant thereto shall become null and void. When the actual construction of any main building or buildings which are described or shown in any application which in the determination of the approving authority is not commenced or the conditions attached thereto complied with, within one year from the date it became final or within the time specified in such application or determination, if any, the permit issued pursuant thereto shall become null and void. The "main building or buildings" are those housing the main or principal use of the premises as authorized, or as designated in the determination of the approving authority. When actual construction of any accessory building or buildings which are described or shown in any application or determination of the approving authority is not commenced prior to or immediately following completion of construction of the main building or

buildings, or within the time specified in the application or determination, if any (whichever is earlier) any such accessory building or buildings may be deemed not authorized by the permit issued thereto. For the purposes of the foregoing, the "accessory building" or buildings are those other than the main building or buildings.

You are advised not to commence any work on this permit until the ten-day period expires and to check with the Planning Department to determine if any appeal has been submitted.

NEVADA COUNTY PLANNING COMMISSION
Donald R. Riolo, Ex-Officio Secretary

By: Judy Menet
Judy Menet, Clerk to the Commission

DRR:jm

cc: Assessor's Office
Building Department
Dept. of Public Works
Resource Conservation District
Rick DeJesus, Foothill Planning Services

NEVADA COUNTY PLANNING COMMISSION
STAFF REPORT

APPLICANT: North Star Rock HEARING DATE: May 9, 1985
 Products Corp. FILE NO: U85-25

PROJECT: Use permit application proposing to amend U79-41 in order to allow the importation of off-site materials for on-site processing, to relocate the rock crushing and processing plant and to abandon the completion of the approved reclamation plan.

LOCATION: Idaho Maryland Road, east of Grass Valley

FACTUAL DATA:

General Plan: Industrial
Zoning: M1
Lot Size: 57.26 ac. (25 acres included in this app.)

Services:

Water: Wolf Creek
Sewage: Portable chemical toilets
Schools: N/A
Fire: Gold Flat FPD
Roads: Idaho Maryland Rd (County maintained)

RECOMMENDED ENVIRONMENTAL ACTION:

Advisory Review Committee at their April 24, 1985 meeting recommended that a mitigated negative declaration be issued.

STAFF COMMENT:

As noted above, this application is a proposed amendment to one issued in 1979 by the Nevada County Planning Commission (U79-41). That permit was issued to this applicant for the purposes of processing existing mine rock left on-site from earlier quartz mining activities. The purpose of processing this material was to crush it to produce road base rock material. These on-site deposits are currently exhausted. The primary purpose of this application is to receive the graded material to be taken from the proposed (and not yet approved) Wolf Creek Plaza site adjacent and to the south-west and also to process rock material extracted through that grading process. The graded material taken from the Wolf Creek Plaza site will be placed in an engineered fill on this site as part of this application.

This application includes the following items:

1. The ability to receive rock from other on-site locations primarily the Wolf Creek Plaza site.
2. The relocation of the rock crushing plant to the east on the new fill pad this site will be better screened from public roadways and be located in a depression to help reduce noise.

3. To abandon the reclamation plan required for U79-41 in order to allow for the placement of the engineered fill on this site.

In order to accomplish these particular amendments a new use permit is required. The focus of the staff review has been primarily dealing with the changes to the current use permit U79-41. One other major feature of this activity is the fact that a County grading permit must be issued in order to receive the fill material from the adjacent parcel. The grading plan proposes the construction of an engineered fill that will consume approximately 15 acres, and slope either two to three percent towards Wolf Creek. A new drainage system will also be installed utilizing three culverts and V-ditches to collect runoff from waters that are received on the fill as well as directing drainage water around the fill slope into Wolf Creek. The engineered fill slope will be compacted to approximately ninety percent. The Nevada County Building Inspection Department is responsible for reviewing, approving and inspecting this grading project.

This application has been reviewed by the State Clearinghouse. They have distributed it to a variety of different state agencies which include the Air Resources Board, the Department of Conservation-Division of Mines and Geology, the Department of Health, Office of Historic Preservation, Department of Parks and Recreation, Department of Water Resources, Department of Transportation, Regional Water Quality Control Board, State Water Resources Control Board Division of Water Rights, and the Department of Fish and Game. To date no comments have been received from any of those agencies reviewing this application. The only comments received from the local review has been from the Department of Public Works and the Resource Conservation District.

While staff has no major problems with this request, there are a few issues that need to be considered. The first one deals with the operator receiving raw rock materials from other sites within the County, other than the Wolf Creek Plaza Site, and the types of impacts that will occur to the road system. The Department of Public Works is further reviewing this. The Planning Department is recommending that a five year limit be placed on this permit for purposes of crushing other off-site rock materials in order to reduce future land use conflicts.

Another issue revolves around the inacceptance of the Wolf Creek Plaza application by the City of Grass Valley or the failure of the applicant to implement an approved project issued by the City of Grass Valley. From the standpoint of this operator this is the major source of rock material and graded earth material to be used for his engineered fill. In the event that that project does not go forward, staff recommends that the reclamation plan established by U79-41 be implemented and that the ability to receive off-site rock material be permitted provided that the proper mitigation measures are established on this permit through the Department of Public Works.

The final issue that the Commission may want to deal with is bonding for the engineered fill to be constructed on-site as well as the related drainage facility to comply with the adopted plans. It must be noted,

however, that the Building Department is responsible for overseeing grading plans and they will require that a licensed civil engineer oversee the grading and report periodically to the Building Department for compliance. The only problem that could result is that if midway through the construction of the graded fill, that the project proponent (Wolf Creek Plaza) abandons the project and this site is left with an incompleated engineered fill with inadequate drainage facilities. There being no further ability for the County to assure that the graded fill and drainage facilities are properly installed leaving the site in a potentially environmentally hazardous condition as well as resulting in a potential public safety hazard.

STAFF RECOMMENDATION

The Planning Department recommends that the Commission approve the modification to U79-41 subject to the following:

1. Revise the following conditions from U79-41 as noted:
 - A-5 The rock processing/crushing plant shall be moved down-slope and eastward approximately 300 feet as respresented on the site plan.
 - A-12 This permit covers the processing of rock material from off-site locations for a maximum of five years.
 - A-13 Any storage of on-site fuel shall be done in compliance with Department of Fish and Game regulations.
 - B-1f Eliminate
 - B-1h Eliminate
2. Add the following new conditions:
 - A. RESOURCE CONSERVATION DISTRICT
 1. Disturbed areas seeded in the spring and summer shall be periodically irrigated during the dry season to insure vegetative establishment.
 2. Apply the Lana vetch and Blando brome seed mixture in equal proportions of 20 lbs. per acre each.
 - B. PLANNING DEPARTMENT
 1. Comply with the reclamation plan from U75-41 within one year of the date of this permit or install the fill material from the adjacent project known as Wolf Creek Plaz within the City of Grass Valley.
 2. All access haul routes from the Wolf Creek Plaza site shall utilize private internal roads.

3. Obtain a permit from the Air Pollution Control District if required.

In approving this project the Planning Commission must make findings pursuant to Section 31.5 of the Land Use and Development Code. The following findings are suggested findings in support of the staff recommendation:

1. The 57.26 acre site and the 25 acres included in this application are adequate in size and shape to accommodate the crushing application and the proper construction and installation of the engineered fill and drainage system covered by the grading plan.
2. The site for the proposed use has access to Idaho Maryland Road, a County maintained road, that is sufficient in width and pavement type to carry the quantity and type of traffic to be generated by this proposed use. It is also noted that the quantity and kind of traffic to be generated by this use will be no different from that which was previously authorized under U79-41.
3. The proposed use will have no significant adverse effect on abutting property or the permitted use thereof.
4. The project is consistent with the Nevada County General Plan and with the consistency findings made for U79-41.
5. There are adequate public services existing to provide service to the project. It is noted that this project is not dependent upon on any public service expansion in order to accommodate this project.
6. The conditions stated in the decision are deemed the minimum necessary to protect the public health, safety and general welfare.

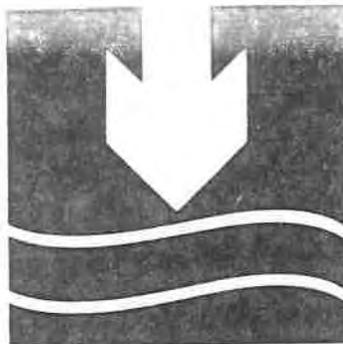
In approving this project you should also reaffirm the recommendation of the Advisory Review Committee and find that with the conditions and mitigation measures attached, the project will not have a significant effect on the environment. In so doing you should authorize the staff to file a negative declaration with the County Clerk's office at the expiration of the ten day appeal period.

2-4-E

EXHIBIT 261

File No. 1818-1

12 May 1986



file copy
ANDERSON
GEOTECHNICAL
CONSULTANTS, INC.

Erickson, Bouma, and Toms
c/o Erica Erickson
353 Clay Street
Nevada City, California 95959

RECEIVED
MAY 13 1986
NEVADA COUNTY
PLANNING DEPARTMENT

Subject: East Bennett Street Property
East Bennett Street and Brunswick Road
Nevada County, California
GEOTECHNICAL INVESTIGATION

Gentlepersons:

An additional geotechnical investigation of 5 proposed residential lots on the north side of East Bennett Street near Brunswick Road has been completed. The purpose of our investigation was to locate any possible geologic hazards due to past mining activity at the old Brunswick Mine. This investigation was performed in conjunction with our previous Geotechnical Reconnaissance (dated 26 February 1986) in which we recommended that additional studies take place to locate buried shafts, tunnels, and adits and find buildable areas on each residential lot. No additional work was performed on lots 6, 7, and 8. These lots are to have geotechnical investigations performed on an individual basis at a later date.

To complete our additional investigation, six test borings were excavated, at least one per lot, and a review of previous underground surveys was performed. The underground survey map was provided to us by Al Beeson, who obtained it from the

12 May 1986

property owners. The underground map was produced by plotting underground data on a topographic base map produced in 1920 when the Brunswick Mine was still active. Using this map we were able to determine where the old mine structures (headworks, mills, pipelines, tailings piles) were located in relation to the site. The 1920 base map also shows the locations of old ditches, prospects, adits, and shafts. We were also able to determine the depth beneath the ground surface of the shafts and tunnels in the area. An extensive surface reconnaissance and a review of old (1962) aerial photos was also completed.

The locations of the test borings is shown on Figure 1. In the test borings, we found no evidence of near surface tunnels or voids within the depths drilled (20 to 35 feet). In choosing the locations of the test borings, we utilized spots that were unlikely to be the location of any tunnels (according to the 1920 map). Logs of the six test borings are shown on Figures 2 through 7. The locations of the borings on Figure 1 is only approximate as they were located by referencing from topographic features.

RESULTS AND CONCLUSIONS

The results of our study indicate that single family residences can be built on select areas on each of the five lots. On Figure 1, we have plotted appropriate building envelopes on each lot. These building areas have been selected to minimize the risk of experiencing problems from past mining activities at the site.

We recommend that residential construction be avoided on the tailings piles on lots 2 and 4. Although most of the tailings have been removed (reused for aggregate and/or fill off the site), constructing on the remaining tailings could prove difficult. Home sites on the tailings are also considered undesirable. Lots

File No. 1818-1

12 May 1986

2 and 4 have enough area that is not on the tailings to provide sufficient building areas.

The fault that was addressed in our initial Geotechnical Reconnaissance (dated 26 February 1986) as crossing near lot 2 appears to be present on the northern most part of the lot. The age of this fault is on the order of 100 million years and any potential risk of movement is so slight that it should not effect single family residential construction. We recommend that any construction be set back at least 200 feet from the fault (the approximate location of the fault is shown in our previous work, Geotechnical Reconnaissance).

Soil conditions at the site, other than the tailings piles, are suitable for conventional residential foundation systems if footings are properly designed and constructed.

Sincerely,

ANDERSON GEOTECHNICAL CONSULTANTS, INC.

Eric C. Schwarz

A handwritten signature in black ink, appearing to read "Gery F. Anderson". The signature is fluid and cursive, with a long horizontal stroke at the end.

Gery F. Anderson

C. E. 25387

E. G. 163

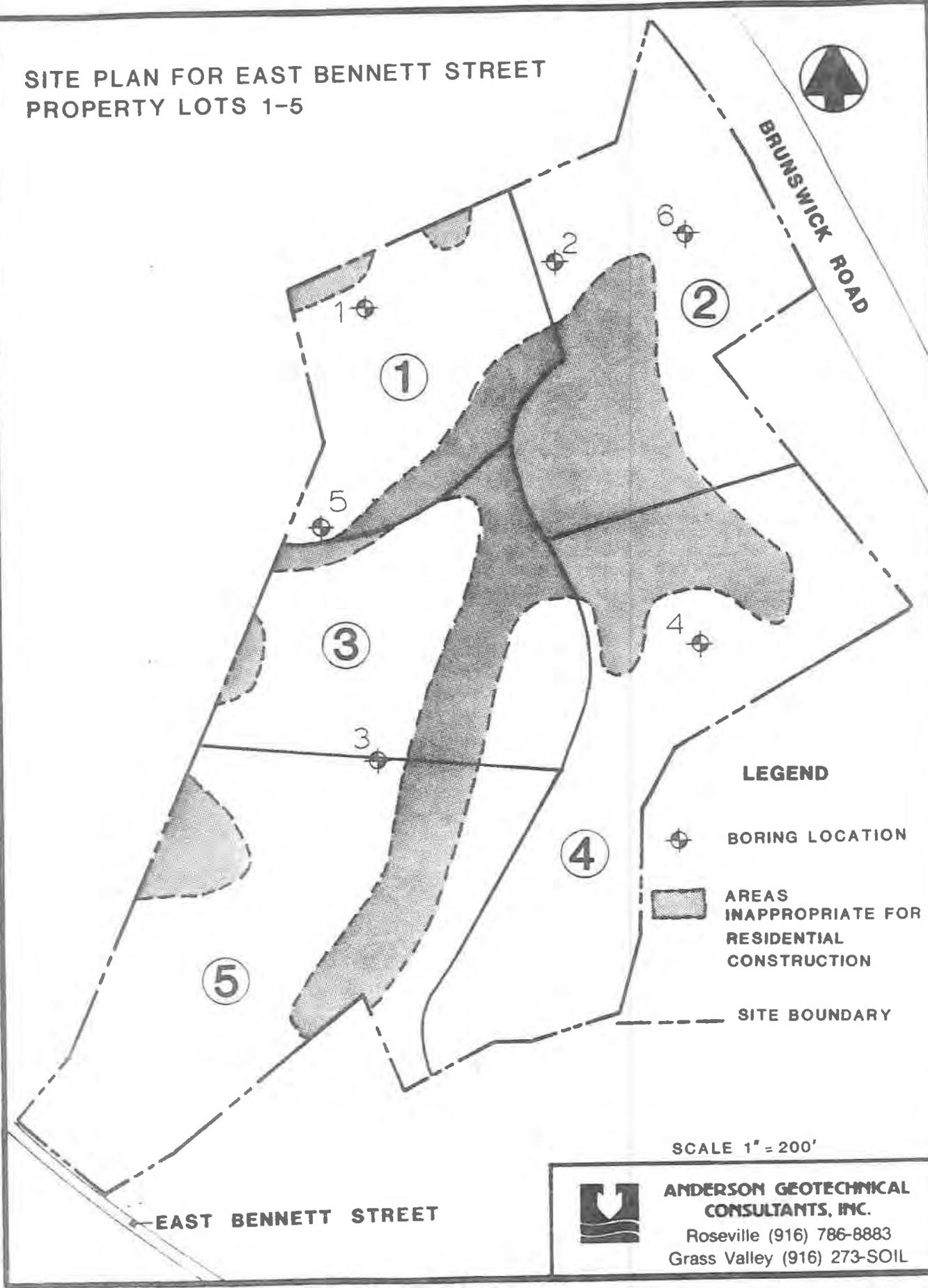
copies: 2 to Al Beeson

ANDERSON GEOTECHNICAL CONSULTANTS, INC.

**SITE PLAN FOR EAST BENNETT STREET
PROPERTY LOTS 1-5**



BRUNSWICK ROAD



LEGEND

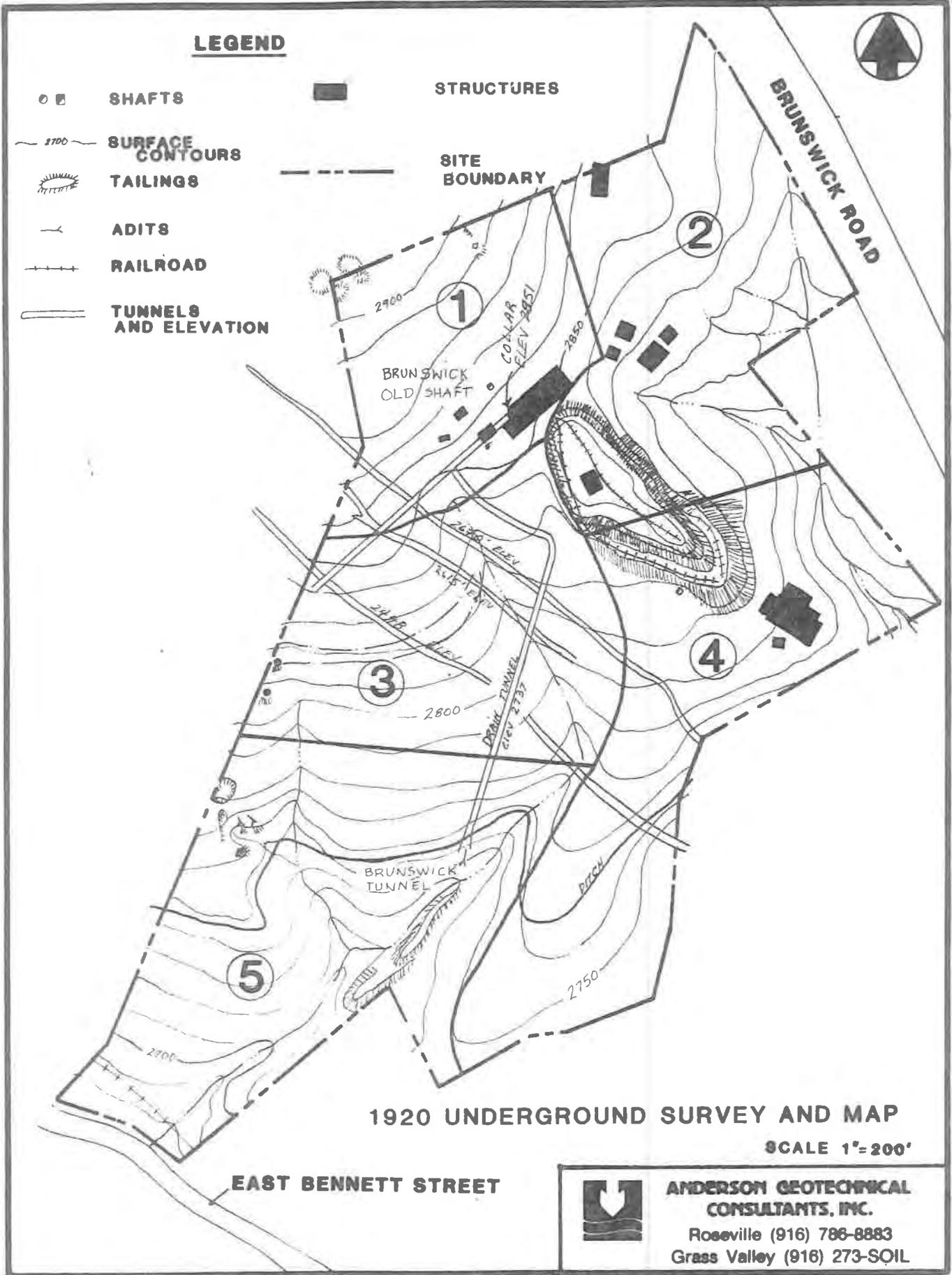
-  BORING LOCATION
-  AREAS INAPPROPRIATE FOR RESIDENTIAL CONSTRUCTION
-  SITE BOUNDARY

SCALE 1" = 200'



**ANDERSON GEOTECHNICAL
CONSULTANTS, INC.**
Roseville (916) 786-8883
Grass Valley (916) 273-SOIL

Fig. 1



EAST BENNETT STREET PROPERTY LOTS 1-5

Fig. 2

FIELD EXPLORATION AND LABORATORY TESTING

Six test borings were drilled at the project site under the supervision of an engineer to determine the type, location, and uniformity of the underlying soil and to locate any possible underground workings in the area. Relatively undisturbed soil samples were obtained as the borings were advanced, the purpose of the exploration being to determine if the locations drilled would be suitable for residential construction. Logs of the six test borings, graphically depicting the materials encountered, are shown as Figures 3 through 8. The maximum depth penetrated by the borings was 35 feet.

The borings were drilled with a Mobile B-34 truck-mounted drill rig, using 4-inch diameter continuous flight augers. Undisturbed soil sampling was accomplished with a 2-inch O.D. sampler. The sampling tool was driven into the ground by the force of a 140 pound hammer dropping 30 inches. Undisturbed samples were examined in the field to determine the type of material encountered.

No laboratory tests were performed on soil samples taken from the test borings. The results of penetration tests aided in the determination of soil and rock strata encountered.

File No 1818-1

LOG OF BORING NO. 1

Date Drilled: 4/25/86

Surface Elevation: Unknown

DEPTH IN FEET	SAMPLE NO.	LOG & LOCATION OF SAMPLE	BLOWS/FT.	WATER LEVEL	DESCRIPTION	UNIFIED SOIL CLASSIFICATION	DRY DENSITY P.C.F.	MOISTURE CONTENT, %
5	1-1		13		Brown, tan, moist, very loose clayey SILT Some rocks up to 3 inches FILL	ML		
					Red slightly moist, moderately dense SILT	ML		
10	1-2		30		Completely weathered metavolcanic rock has some rock texture; breaks into fine SILT tan/orange Fairly easy drilling			
15					Highly weathered metavolcanic rock More tan, less orange A little harder drilling from 15 feet on down continuing to 30 feet			
30					Boring terminated at 30 feet			

File No. 1818-1

LOG OF BORING NO. 2

Date Drilled: 4/25/86

Surface Elevation: Unknown

DEPTH IN FEET	SAMPLE NO.	LOG & LOCATION OF SAMPLE	BLOWS/FT	WATER LEVEL	DESCRIPTION	UNIFIED SOIL CLASSIFICATION	DRY DENSITY p.c.f.	MOISTURE CONTENT, %
					Red brown orange, very moist, fine SILT	SML		
2-1			11		Tan orange, completely weathered metavolcanic rock			
2-2			63		Isolated hard rock at 4 feet			
5					More tan, less orange, highly weathered metavolcanic rock			
					Has some rock texture, consistency of SILT when broken			
10					Highly to moderately weathered metavolcanic rock			
					Slow but steady drilling to 25 feet			
15								
20								
25								
					Boring terminated at 25 feet			

File No. 1818-1

LOG OF BORING NO. 3

Date Drilled: 4/25/86

Surface Elevation: Unknown

DEPTH IN FEET	SAMPLE NO.	LOG & LOCATION OF SAMPLE	BLOWS/FT	WATER LEVEL	DESCRIPTION	UNIFIED SOIL CLASSIFICATION	DRY DENSITY p.c.f.	MOISTURE CONTENT %
					Red brown, moist, loose SILT	ML		
5	3-1		8		Orange tan, completely weathered metavolcanic rock, has some rock texture-silty consistency when broken More tan in color Soft, easy drilling			
10	3-2		30		Very easy drilling More moisture More clayey SILT in cuttings			
					Break in log			
35					Boring terminated at 35 feet			

File No 1818-1

LOG OF BORING NO. 4

Date Drilled: 4/25/86

Surface Elevation: Unknown

DEPTH IN FEET	SAMPLE NO	LOG & LOCATION OF SAMPLE	BLOWS/FT	WATER LEVEL	DESCRIPTION	UNIFIED SOIL CLASSIFICATION	DRY DENSITY p.c.f.	MOISTURE CONTENT %
					Some gravel on roadway	GM		
					Red brown, moist, loose SILT, little SAND	ML		
5	4-1		20		Completely weathered metavolcanic rock has some rock texture, breaks into fine SILT with little clay Easy drilling straight to 30 feet			
30					Boring terminated at 30 feet in steady drilling			

File No 1818-1

LOG OF BORING NO. 5

Date Drilled: 4/25/86

Surface Elevation: Unknown

DEPTH IN FEET	SAMPLE NO.	LOG & LOCATION OF SAMPLE	BLOWS/FT.	WATER LEVEL	DESCRIPTION	UNIFIED SOIL CLASSIFICATION	DRY DENSITY P.C.F.	MOISTURE CONTENT, %
					Rock and gravel tailings	Rocks		
					Red brown, moist, loose SILT little Sand	ML		
5					Orange tan, completely weathered metavolcanic rock has SILTY with some clay texture when broken			
10								
15								
17					Harder slightly weathered metavolcanic rock at 17 approximately 17 feet			
20					Harder drilling			
					Boring terminated at 20 feet			

File No. 1818-1

LOG OF BORING NO. 6

Date Drilled: 4/25/86

Surface Elevation: Unknown

DEPTH IN FEET	SAMPLE NO.	LOG & LOCATION OF SAMPLE	BLOWS/FT.	WATER LEVEL	DESCRIPTION	UNIFIED SOIL CLASSIFICATION	DRY DENSITY Pct.	MOISTURE CONTENT %
					Grey, dense, trailings Rock up to 4 inches Mainly rock and gravel, little sand	GP		
5					Red orange brown, moist, loose SILT	ML		
10					Orange tan completely weathered rock Fairly easy drilling			
15					Somewhat harder drilling to 30 feet			
20								
25								
30					Boring terminated at 30 feet			

EXHIBIT 262

**STATUS REPORT
IDAHO-MARYLAND-BRUNSWICK PROPERTY
NEVADA COUNTY, CALIFORNIA**

**FOR
NORTHERN MINES
44 MONTGOMERY ST., SUITE 1550
SAN FRANCISCO, CA 94104**

JANUARY 23, 1989

**By Ross Guenther
P. O. Box 1320
Pollock Pines, CA 95726**

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Figure 4, Area Geology, Cross Sections	6
Figure 5, Idaho-Maryland, Longitudinal Section	10
Map 1, Idaho-Maryland-Brunswick-Union Hill Conceptual Schematic and for Brunswick Mine, an Incomplete List of the Larger Proven Probable and Possible Ore Blocks Known to Date, Scale 1" = 400', by M. Payne, 11/88	Attached
Map 2, Idaho-Maryland-Brunswick-Union Hill Ore Target Concept Overlay, Scale 1" = 400', by M. Payne, 11/88	Attached
Appendix I, Mining Lease and Option to Purchase	
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Appendix III, Ore Reserves (Cont'd.)

C, Updated Brunswick Possible Reserves

D, Idaho Possible Reserves by Mine Level
Idaho Possible Reserve Block Descriptions

E, Maryland Diamond Drill Indicated Ore

January 11, 1989

STATUS REPORT AND RECOMMENDATIONS
IDAHO-MARYLAND-BRUNSWICK PROPERTY
NEVADA COUNTY, CALIFORNIA

SUMMARY

The land status of this 2750 acre property is in good shape and actions are being taken to upgrade the title. Permitting possibilities for dewatering and subsequent underground development and exploration appear fair, but the water quality study should commence immediately. Map reproductions are necessary to continue an effective study of the existing proven and probable reserves, which is approaching a million ounces of gold. The possible reserves are enormous, in the multi-million ounce category. With the exploration lead time possibly being reduced to near zero, we should immediately commence the water quality study and examine our needs for surface facilities and any new surface lands required.

LAND STATUS

Ross Guenther began negotiations to acquire the property in December, 1986. A "Mining Lease and Option to Purchase" was executed on March 14, 1988, by Mother Lode Gold Mines and assigned to Northern Mines, effective April 1, 1988. A summary of the agreements are given in Appendix I.

A title search and title insurance policy is being considered by Inter County Title co. We need to answer their 4/26/88 letter requesting (in writing) the amount and type of insurance required. I suggest we ask for the minimum available to get a reasonable title search done. In the meantime, an extensive in-house title search is being conducted.

The concerns of Mel Morgan's 2/25/88 memo should be addressed, perhaps with a meeting including Mel and the Owners' attorney.

As per my 5/6/88 letter and Condor's 5/2/88 letter (see Appendix II), we should immediately initiate our base line study on water and other matters. The eventual possible dewatering of the mine will likely be delayed by about one year from the start of the water quality study.

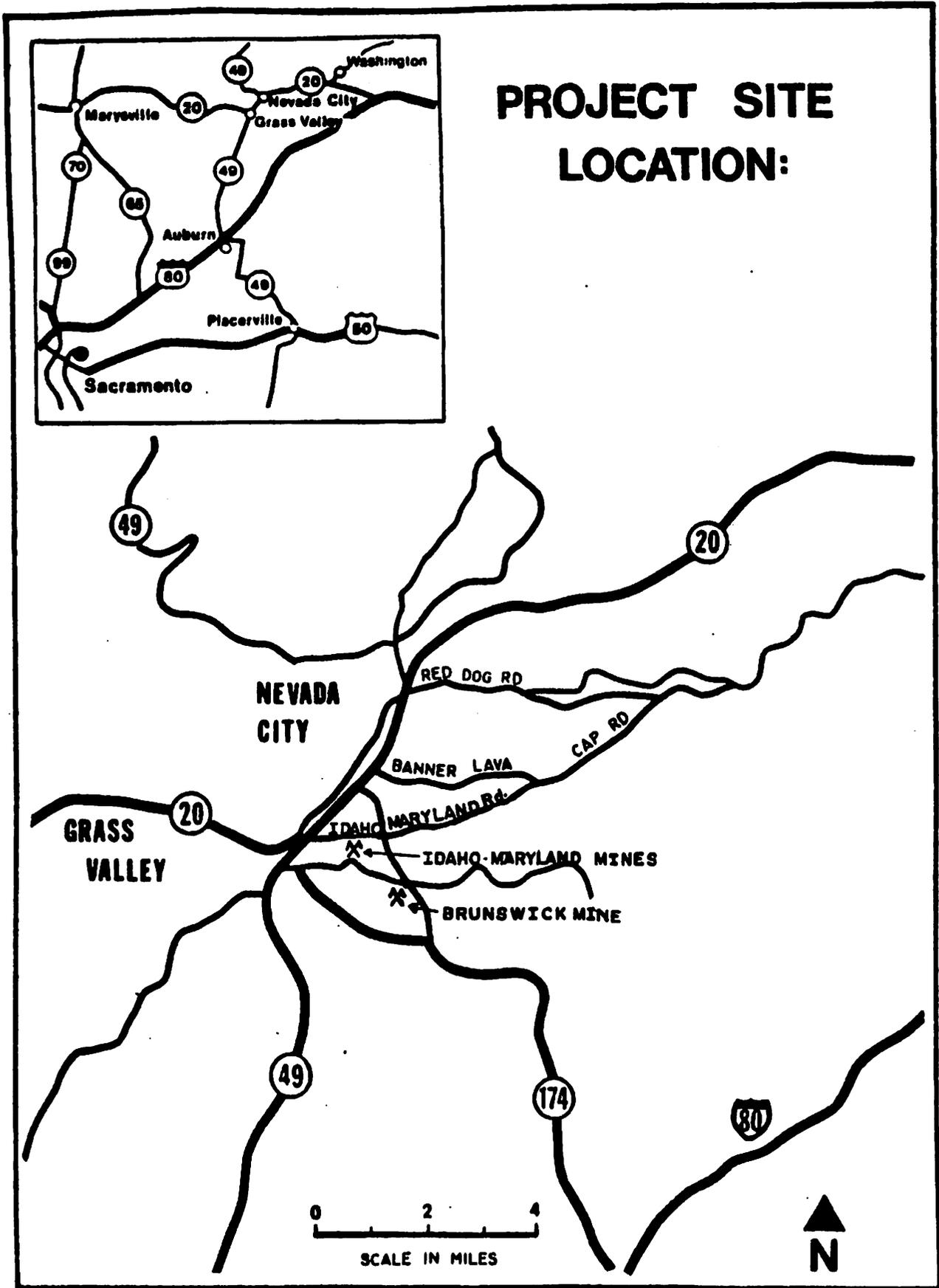


FIGURE 1

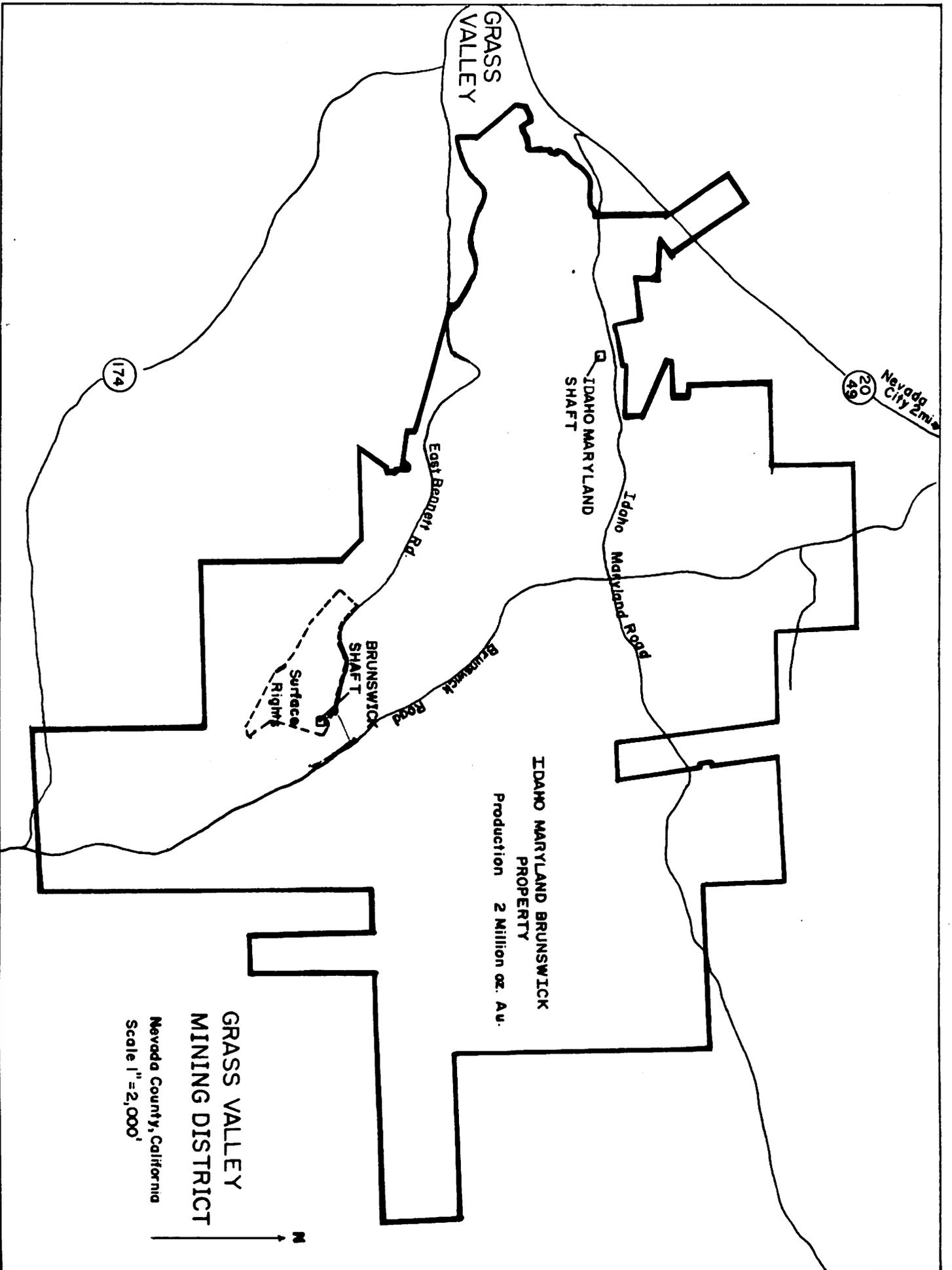


FIGURE 2

GEOLOGY

Just south of the Property, an elongated body of granodiorite intruded the metasediments and metavolcanics of the Calaveras Formation. Many of the gold quartz veins of the Grass Valley District dip at shallow angles in the Calaveras Formation on both sides of the intrusion and within, striking generally north and south and dipping east and west into the intrusion. The Idaho-Maryland and Brunswick gold quartz veins lie to the north of this intrusion.

The main vein of the Idaho-Maryland area had a serpentine footwall and a greenstone and amphibolite schist (or a diabase dike) hanging wall and was of a high grade, about one ounce per ton of gold, and was generally about three feet thick. The vein has a strike of NW and dips deeply to the south. Toward the Brunswick Mine, the vein horsetails in amphibolite schist and greenstone out to several dozen veins. The veins on the Property are steeper than those on the Empire group to the south and thus less expensive to develop.

For a general geological overview, see figures 3 and 4.

FIGURE 3

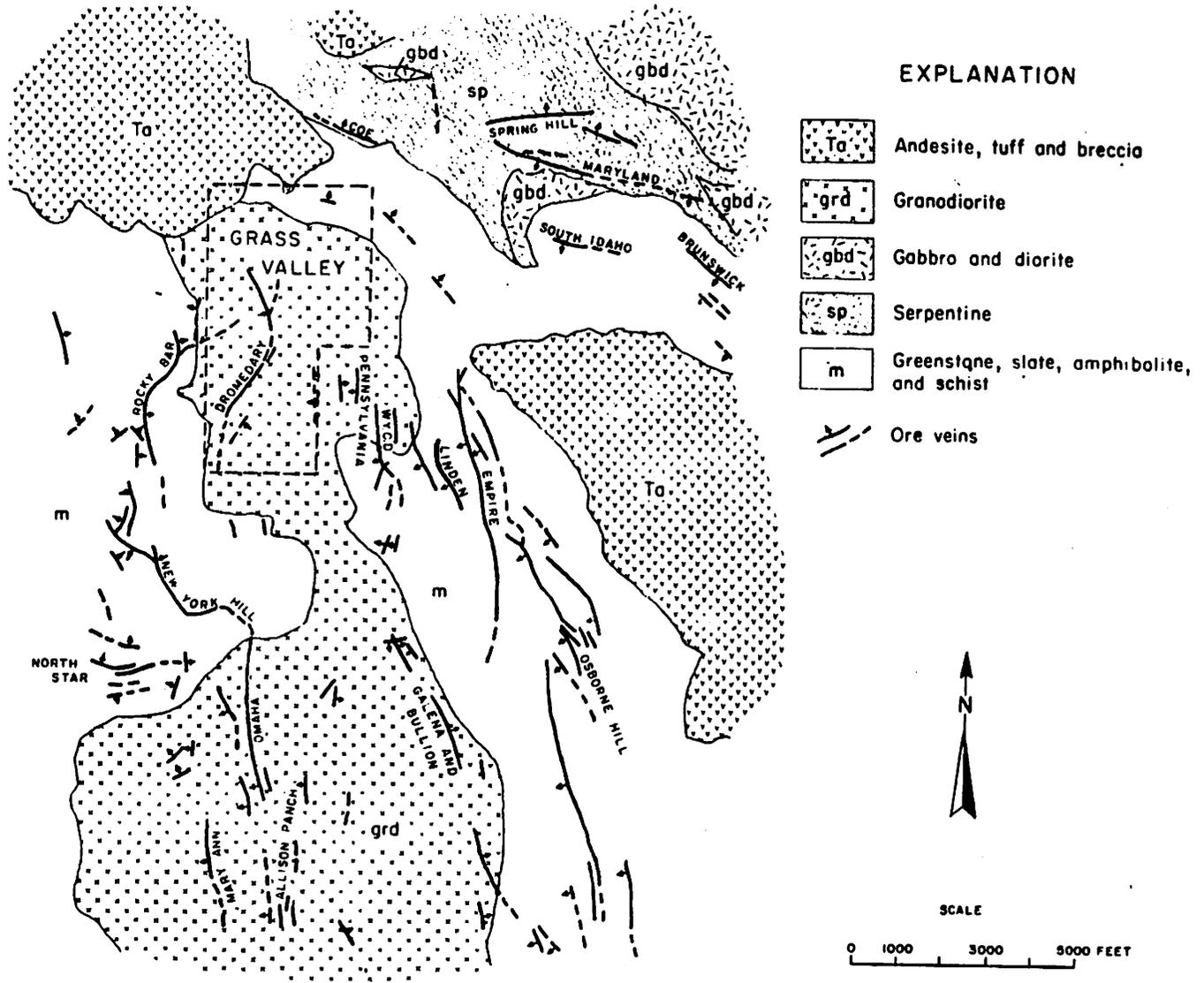


Figure Geologic Map of Grass Valley District, Nevada County. The major veins and vein systems are shown. The names apply to veins, not mines. After Johnston, 1940, plate 1, and Lindgren, Nevada City Special Folio, 1896.

FIGURE 4

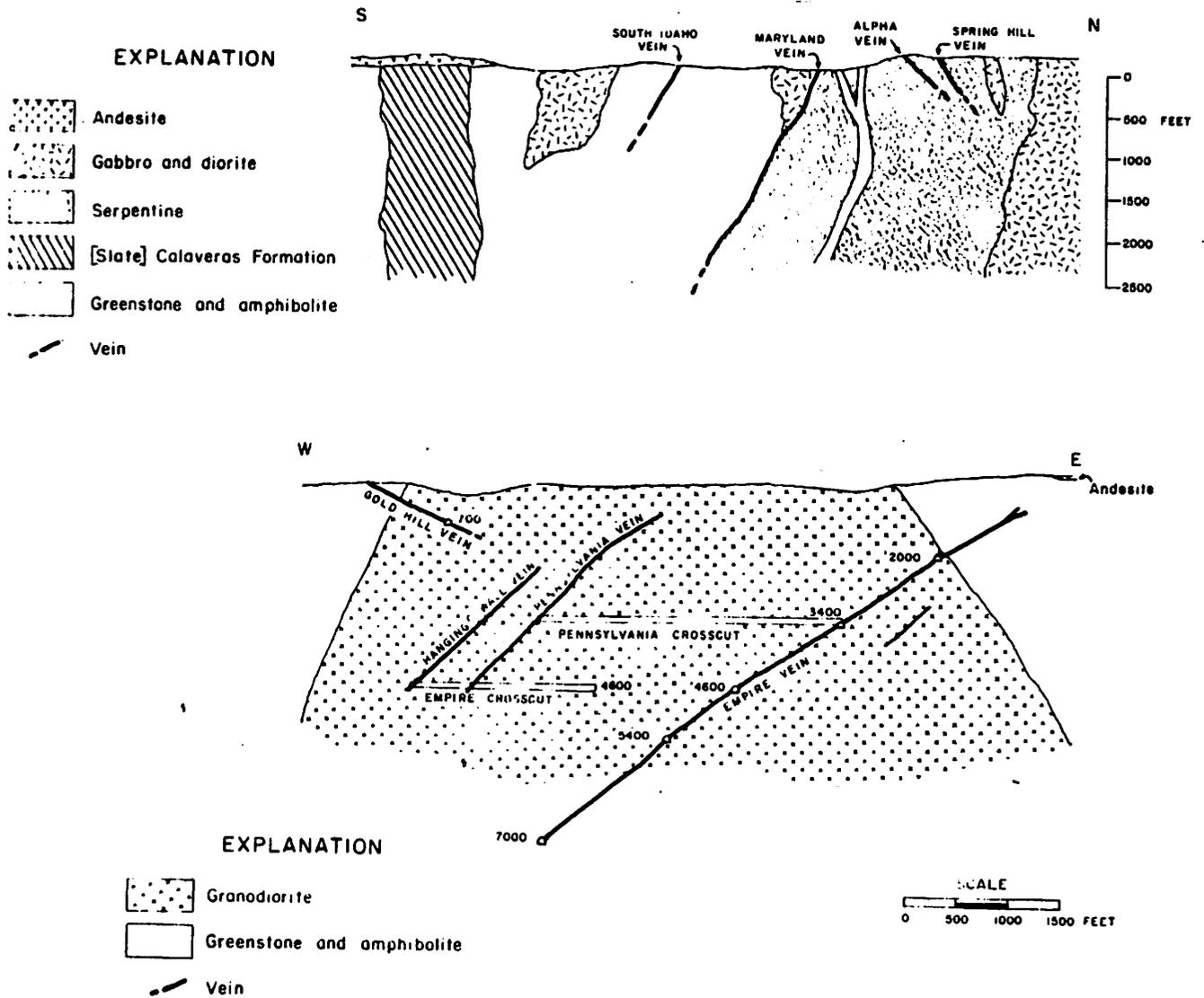


Figure (top). Section through Idaho-Maryland Mine. After Johnston, 1940, figure 65.

Figure (bottom). Section through Empire and Pennsylvania Mines. After Johnston, 1940, figure 62.

HISTORY

The Grass Valley Mining District has been the richest gold district in California, producing over 13 million ounces.

The Idaho, Maryland, Brunswick and Union Hill mines produced more than 2.5 million ounces of gold and significant amounts of tungsten from 1851 to 1957. One continuous ore shoot, the Eureka-Idaho-Maryland pay shoot, produced a million ounces along its strike length of over one mile. This system continues to the east but splays out into a system of over one hundred mineable veins and low grade zones some of which are over a hundred feet in width. The ore stopes dip steeply generally over 70° to the SW. Most of the high grade quartz veins averaged 2½ ft. and lie between a serpentine footwall and a diabase dike with greenstone to the SW. In the Brunswick area the veins are primarily in greenstone.

The Eureka-Idaho-Maryland vein was discovered in 1851, and in 1864 a vertical shaft 100 feet deep found the great Eureka-Idaho ore shoot (fig. 3). The mine was actively worked until 1873. In 1877, when the ore shoot had been mined to the property line of the adjacent Idaho claim, the mine was closed. Workings had reached a depth of 1,200 feet, but no good ore was found below 600 feet. However, Wilber Grant, during his investigations of the property in 1914-1923, interviewed miners who worked in the Eureka prior to 1873 and it was reported that "wide" quartz veins grading only 0.4 oz./T gold were found between 600 and 1200 feet (the cut-off grade was 0.5 opt.). The Eureka mine is credited with a total production of \$5,700,000.

The Idaho mine was located in 1865, and in 1867, at a depth of 300 feet, the eastward continuation of the Eureka ore shoot was found. Since 1867 the mine has been operated by five companies and has prospered under the first and last, or present company.

The first period of mining extended from 1867, when the Idaho Quartz Mining Co., with Edward Coleman as president, was organized until January 1893. During this time over \$11,000,000 in gold was produced and \$5,000,000 paid in dividends. The ore came from the Eureka-Idaho shoot (fig. 3), which averaged 2½ feet in width and yielded 1 ounce to the ton in gold. The shoot was worked through a shaft inclined at an angle of 70°, which extended to the 1,000 foot level and an inclined winze raking to the east, called the Canyon shaft, that bottomed on the 1,600 foot level, at a vertical depth of 2,180 feet. In 1983, in consequence of a lawsuit between the Idaho and Maryland Cos. over the eastward continuation of the Eureka-Idaho shoot, the Maryland Co. acquired the Idaho Quartz Mining Co. upon payment of \$85,000.

HISTORY (Cont'd.)

The second period was that of operation by the Maryland Co. under management of S. P. Dorsey, extending from February, 1893, until 1901, during which \$1,250,000 in gold was produced. A winze was sunk from the 1,600 to the 1,900 foot level, but in 1894 a fire destroyed the hoist and the mine was flooded and workings below the 1,600 foot level were not reclaimed. In 1901, partly because of the bad condition of the workings, the mine was closed.

It remained idle until 1903, when it was bonded to the Idaho-Maryland Development Co., which worked it until 1914. This company succeeded only in re-opening it to the 1,000 foot level, and the \$300,000 in gold it produced came mainly from old stopes and pillars left behind by the earlier operators.

The fourth period extended from 1918 to 1925, when the mine was operated by the Metals Exploration Co., financed by H. P. Whitney. At a cost greatly exceeding the \$500,000 in gold that was produced, the main shaft was extended downward 1,000 feet to the 2,100 foot level at a vertical depth of 2,000 feet, drifts on the 2,000 and 2,100 foot levels were driven from the main shaft and other drifts from the Dorsey winze, and a new winze was sunk 850 feet below the 2,000 foot level. Failing to find a new ore shoot, the company suspended work in 1925.

Work was shortly thereafter resumed by the Idaho-Maryland Mines Co., under the management of Errol MacBoyle. New ore was found, and, for the first time in the present century, the mine entered a period of prosperity.

The Brunswick is southeast of the Idaho-Maryland, in the area of amphibolite schist. It was located early, but by 1888 it was only 300 feet deep. In 1918 shaft sinking stopped at a depth of 1,347 feet. The mine was profitably operated for a few years before World War I, but in 1917 the scarcity of labor slowed up development work, and in 1918, because of high labor costs and depleted ore reserves, work was suspended for the duration of the war. The mine was unwatered in 1922 and was operated in 1923, 1925, and 1926. In 1927 it was again closed. In 1933 the Idaho-Maryland Co., which had meanwhile acquired control, began pumping preparatory to putting it in production. The Brunswick vertical shaft reaches 3280 feet. Although the same system of veins appears to exist at the lower level, little development had progressed below 1600 feet.

The Union Hill vein, on the north bank of South Wolf Creek south of the Brunswick inclined shaft, was worked in 1854, and the ore reduced in an arrastre. Between 1865

HISTORY (Cont'd.)

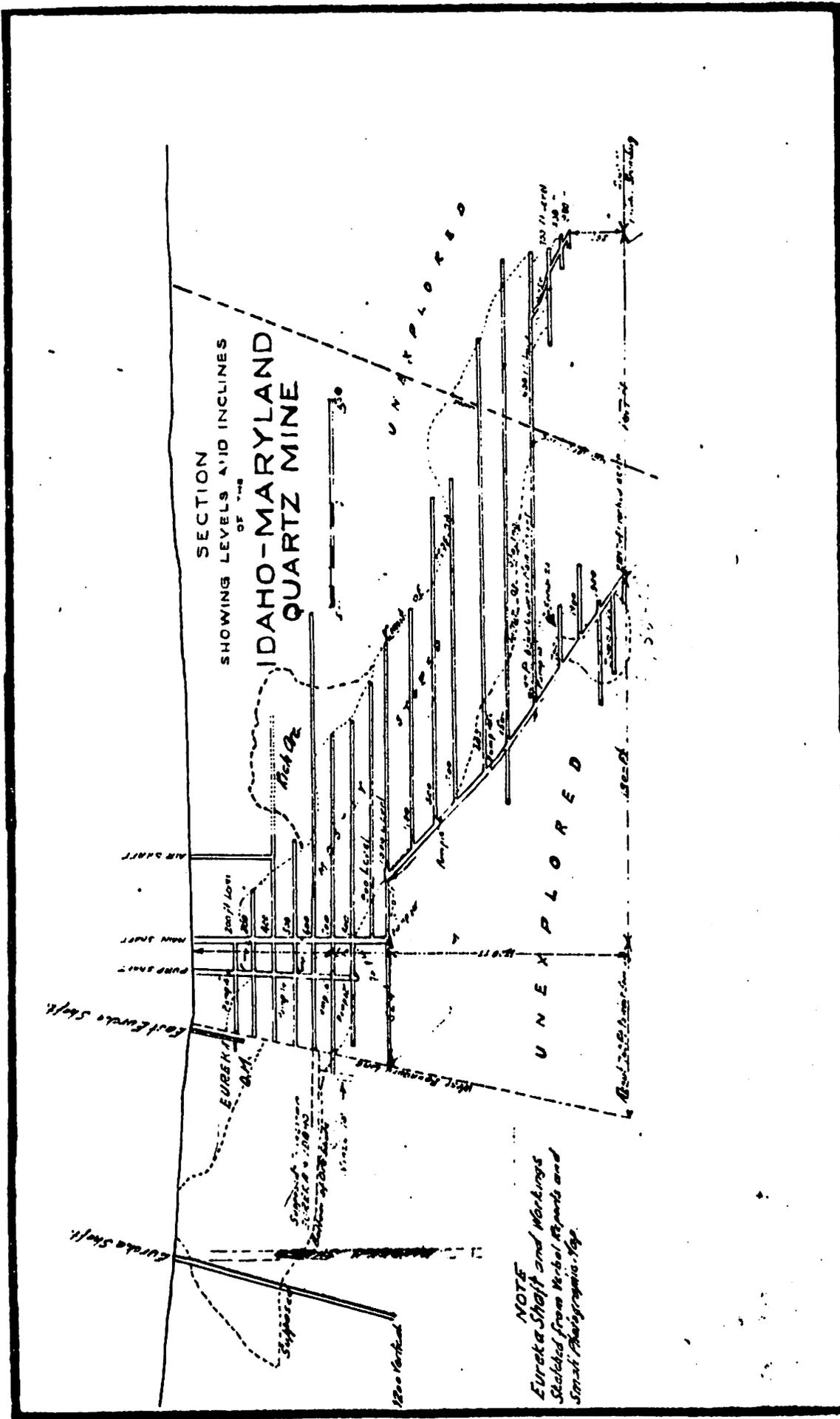
and 1870, when it bottomed at the third level, the mine was profitable and is reported to have yielded \$250,000 up to that time. At the beginning of this century the mine was reopened, and a new shaft, beginning in the footwall of the Union Hill vein on the 300 foot level, was sunk to a depth of 600 feet. Mining was continued with occasional interruptions until 1911, when operations were suspended. In 1914 the mine was again opened and mining continued until 1918. Subsequently the mine was controlled by the Idaho-Maryland Mines Co. The Union Hill mine, including the Lucky and Cambridge mines, is credited with a total production of between \$500,000 and \$750,000.

World War II closed the mines down in October, 1942, when War Production Order L-208 was issued. When it was lifted in July, 1945, high start-up costs and the fixed price of gold had a negative effect on exploration and development. Subsidized tungsten production helped during 1954-1957 and gave attention to this significant by-product.

The property was thereafter acquired by William Ghidotti who had purchased the holdings of the Idaho-Maryland Corporation when bankruptcy forced the sale of their property. Upon his death, and later the death of his wife Marian, the property was willed to the present owners, William Toms, Erica Erickson and Mary Bouma.

After years of studying by Ross Guenther the area of the Idaho-Maryland-Brunswick Mine property was singled out as an excellent exploration and development target. In December, 1986, he began negotiating a lease purchase agreement for Mother Lode Gold Mines and finalized the agreement in March of 1988 whereupon it was assigned to a subsidiary, Northern Mines.

FIGURE 5



ORE RESERVES

Proven and probable reserves will likely exceed one million ounces of gold and with the possible reserves, the total will likely exceed 2.5 million ounces of gold. This report discusses the ore reserve status as calculated by Mark Payne.

In conjunction with the two phase study suggested by Mark Payne, we need to allocate at least \$10,000 toward producing negatives of about 1500 maps and paper copies and mylar copies of selected maps. The copies are necessary for the study. Also, presently a fire, flood, vandalism or other loss of maps from Mrs. Erickson's basement could vastly reduce the value of this property if copies are not made.

Development and Drill Assays vs. Final Production Results

As with many gold-quartz vein deposits of the Mother Lode type, there are references in the past production records of the Brunswick Mine indicating consistent discrepancies between development and final production grades. The mine staff calculated final production grades from any particular stope averaged 1.75 times higher than the average of development assays from that stope. This figure was consistent throughout the last 25 years of production at the Brunswick Mine since 1930. Drift, raise, and crosscut assays exceeding .14 ounces per ton gold we considered ore grade throughout the life of the Brunswick Mine. The .14 oz/t cutoff grade in the development sampling was good enough to insure that the final production grade would stay above .25 ounces per ton gold as a minimum. Development assays between .09 and .14 ounces per ton were indicated as lower grade possible ore and corresponded to mineralization that would actually mill .12 to .25 ounces per ton gold. There are immense drill indicated reserves ranging from .05 to .14 ounces per ton gold in undeveloped virgin areas of the Maryland and Brunswick portions of the property. The comparison for development vs. production grades was never calculated for the Idaho and Maryland portions of the property by the Brunswick Mine staff though plenty of the necessary records required to do so have been preserved. It could only be speculated that the Idaho development/production grade coefficient could be very similar to the 1.75 figure calculated for the Brunswick Mine, until it is calculated.

To date, a preliminary ore reserve totaling 3,181,400 tons grading .146 (factored to .255) ounces per ton gold proven, probable, and possible has been calculated by Mark Payne for the Idaho-Maryland and Brunswick mines. These reserves are undiluted. Completion of Phase I and II reserve studies in the Brunswick and Union Hill mines most likely will bring the total proven, probable, and possible reserve total up to 1,000,000 contained ounces of gold in 5,000,000 to 6,000,000 tons of ore.

ORE RESERVES (Cont'd.)

Development and Drill Assays vs. Final Production Results (Cont'd.)

A) Bruns. Proven & Probable Ore	899,500 t @ .170*	152,900 oz.
B) Idaho Proven & Probable Ore	156,900 t @ .396	62,100 oz.
C) Bruns. Possible Ore	933,800 t @ .099	92,400 oz.
D) Idaho Possible Ore	191,200 t @ .193	36,900 oz.
E) <u>Maryland D.D. Indicated Ore</u>	<u>1,000,000 t @ .120</u>	<u>120,000 oz.</u>

Total Known Reserve = 3,181,400 t @ .146** 464,300 oz.

Total Known Reserve X 1.75 = 3,181,400 t @ .255 812,500 oz.***

* See Appendix III-A

** Note: Development and drill indicated gold values are consistently 40% to 50% lower than the final production grade of the ore at the Brunswick Mine. The development or drill indicated grade is multiplied by 1.75 to achieve the estimated production grade for the Brunswick ore only, as determined by the mine superintendent. An accurate coefficient has not been determined for the Idaho ore yet.

*** Assuming that the development indicated gold values in the Idaho Mine are similarly lower than the production grade, the total known reserve picture at the Idaho-Maryland-Brunswick Mine would be upgraded significantly from the above total.

ORE TARGET POTENTIAL

Ross Guenther's 1987 estimate of possible reserves in excess of 2.5 million ounces appears to be entirely valid. Possible and Geologic reserves could reach 16 million tons or more. The following table shows tonnage indications in various target areas of the property.

2,500,000 t	Existing, proven, probable, possible ore
4,000,000 t	Possible and Geologic potential - east end Idaho
2,000,000 t	Bruns. Stockwork Vein System along east boundary
2,000,000 t	Bruns. possible reserves 0 to 1600 Levels
1,000,000 t	Bruns. 1600 to 2300 Levels
1,500,000 t	Bruns. 2300 to 3280 Levels
2,000,000 t	Union Hill 1200 to 3280 Levels
<u>1,000,000 t</u>	<u>Union Hill Surface to 1200 Levels</u>
16,000,000 t	

PROVEN AND PROBABLE RESERVES

The proven and probable reserves of the Idaho and the Brunswick mines were taken from the existing ore reserve catalog preserved among the mine records. The 287 separate Post-World War II vintage ore blocks outlined in the Idaho and Brunswick mines total more than one million tons grading better than .20 ounces per ton gold. The proven and probable

PROVEN AND PROBABLE RESERVES (CONT'D.)

reserve figure will be substantially increased when studies are made of the stoping and assay plans of the pre-World War II vintage workings. Prior to World War II, many of the old workings were merely high-graded, leaving behind large low-grade reserves within development workings. Many areas left unstoped within the Idaho workings grade between .20 and .30 ounces per ton for long distances. Unstoped drifts in the Brunswick Mine grade .10 to .25 ounces per ton in many places.

POSSIBLE RESERVES

The preliminary possible reserves of the Idaho and Brunswick mines have been indicated in crosscuts and in wide-spaced diamond drill holes. Possible reserves totaling 480,000 tons grading .171 ounces per ton have been delineated in 54 separate zones. This information was developed as a result of limited examination of maps and records and some note-taking during the course of the map inventory program. The possible reserve figure is far from complete and is based on some selected drill intercepts and cut samples in crosscuts recognized on some of the maps. Most of the maps with drill hole and assay data were inventoried but not examined, indicating the probability of greatly expanding the possible reserve base. Over 3100 maps have been inventoried.

The possible reserves calculated around exposures of mineralization in crosscuts and in drill intercepts are extended 50 feet each way along strike horizontally and 50 feet each way vertically. All 54 zones are open in all directions, representing a huge unproven reserve.

DRILL-INDICATED GEOLOGICAL RESERVES IN THE MARYLAND AREA

Geological Reserves have been delineated by surface diamond drilling in the area of the Round Hole Shaft on the Maryland Claim. Two separate, sub-parallel zones have been penetrated by multiple drill intercepts. A 600,000 ton geologic reserve averaging 81 feet wide grading .18 ounces per ton gold has been intersected by 2 drill holes. Two to three hundred feet south, a sub-parallel 400,000 ton geologic reserve has been identified to average 67 feet wide grading .06 ounces per ton along a 300 foot strike

DRILL-INDICATED GEOLOGICAL RESERVES IN THE MARYLAND AREA (CONT'D.)

length. The drill-indicated geologic reserves were calculated using the average width of two separate zones x 300 feet in length x 300 feet in depth. Continuity of this mineralization to depth would indicate large underground bulk-mineable mineralization of low, but probably commercial, grade.

PHASE I ORE RESERVE STUDY

It is estimated that the Brunswick proven, probable and possible reserves could be increased by an additional 2,500,000 tons grading between .15 and .20 ounces per ton upon completion of the first phase of the ore reserve analysis. Phase I of the ore target analysis would examine those areas easily accessible from the Brunswick vertical shaft between the surface and 1600 Level in both the Brunswick and Union Hill mines.

PHASE II ORE RESERVE STUDY

The second phase of the ore reserve analysis could deliver an additional 1,000,000 tons grading between .15 and .20 ounces per ton. Phase II of the ore reserve study would examine the under-developed block of ground in the Brunswick workings between the 1600 and 3280 levels. An Idaho Maryland Mines Corporation memo issued by mine engineer Rollin Farmin, dated March 28, 1938, gives an estimate of the ore expected to be found during development of the Brunswick Mine between the 1300 and 2300 levels. Farmin saw a reasonable expectation for 1,500,000 tons of ore from which .14 ounces per ton will be recovered. This memo has been included in this report as Appendix III-E.

Completion of the Phase I and II ore reserve study is strongly urged in order to assess the pre-feasibility value of the Idaho-Maryland-Brunswick land holdings, making the project increasingly attractive. The relatively small capital outlay to complete this study will increase the value of the Idaho-Maryland Project several fold.

REFERENCES

- Bateman, Alan M., "Report on Geology and Structure of Idaho Maryland Mine, Grass Valley, Ca.", August, 1948, Unpublished, 18 pp.
- California State Mineralogist, 6th Annual Rpt., 1886, p. 44-52.
- Clark, William B., "Gold Mines of Grass Valley", California Geology, Mar. 1984, p. 43-53.
- Clark, William B., "Gold Districts of California", Bulletin 193, California Division of Mines and Geology, 1970, p. 53-60.
- Grant, Wilbur H., Idaho-Maryland Reports, 1919-1923, Unpublished.
- Johnston, W. D. Jr., "The Gold Quartz Veins of Grass Valley, California", U.S.G.S. Prof. Paper 194, 1940, 101 pp.
- Lindgren, W., "The Gold-Quartz Veins of Nevada City and Grass Valley Districts, Ca.", U.S.G.S. 17th Annual Rpt., 262 pp.
- MacBoyle, Errol, "Mines and Mineral Resources of Nevada County", California State Mining Bureau, 1919, 270 pp.
- Wolfen, H. M., "Mineral Resources of Nevada County", California Division of Mines and Geology, Vol. 37, No. 3, July, 1941, p. 403-407.

APPENDIX I - MINING LEASE AND OPTION TO PURCHASE

Idaho-Maryland-Brunswick Property

1. "Mining Lease and Option to Purchase" dated March 14, 1988, between Mother Lode Gold Mines Consolidated ("LESSEE") and Mary Bourna, Erica Erickson, and William Toms ("OWNERS").
2. "Memorandum of Agreement" between above parties on 6/21/88 and filed in Nevada Co., CA on 7/19/88 as document No. 88-18624.
3. "Assignment of Mining Lease and Option to Purchase" from "LESSEE" above to Northern Mines ("ASSIGNEE") was signed during 8/23/88 to 10/5/88, made effective April 1, 1987 (with original lease dated 3/14/87). Both 1987 dates should read "1988" and should be amended as such. Document was filed in Nevada Co., CA on _____ as Document No. _____.
4. Property consists of approximately 2750 Ac. of M/R with approx. 37 Ac of S/R east of Grass Valley in Nevada County, CA.
5. Term: Ten years
6. Minimum Royalties:

<u>Lease Year</u>	<u>Amount</u>
First	\$ 12,000.00
Second	\$ 24,000.00
Third and Fourth	\$ 50,000.00 per year
Fifth through Tenth	\$100,000.00 per year

7. Production Royalty

	<u>NSR</u>
Gold not more than 0.3 opt	4%
More than 0.3 opt, and less than 1.0 opt	6%
More than 1.0 opt,	8%

8. Option to Purchase

Total Minimum \$5,925,000. Option payment \$148,000 per year (\$74,000 if not in production) commencing with the third year. All payments except for the initial \$36,000 minimum royalties apply against option price. Balance paid in 10 equal annual payments.

APPENDIX I (Cont'd.)

Idaho-Maryland-Brunswick Property (Cont'd.)

9. Termination: Can be made upon 90 day notice to Owners.
10. Taxes paid by Lessee.
11. Preliminary title search needed and comments by Mel Morgan need to be considered.

MOTHER LODE GOLD MINES CONSOLIDATED

P. O. Box 1320
Pollock Pines, CA 95726
(916) 644-3803
May 6, 1988

Mr. Frank M. Orrell
Mother Lode Gold Mines Consolidated
44 Montgomery Street, Suite 1550
San Francisco, CA 94104

Re: Environmental Studies
Idaho-Maryland-Brunswick Property
Nevada County, California

Dear Frank:

Enclosed is a letter and report dated 5/2/88 from Pete Dohms of Condor on a proposal for initial base line environmental studies for the I.M.B. property.

On April 25, Pete and I toured the property. I believe that using Condor will be the most efficient way to allow us to acquire the base line data (especially on water) to initiate exploration and development on the mine.

I recommend, as soon as the project is funded, to proceed by using Condor. We should, of course, monitor them closely and make all final decisions on each activity in all phases.

Sincerely,



Ross Guenther
Consultant

RG/nr

Encl.

C
E
T



CONDOR EARTH TECHNOLOGIES

1444 Alberni Street	2141 Mono Way
Vancouver, B.C.	P.O. Box 3905
Canada V6G 2Z4	Sonora,
(604) 684-9371	California 95370
FAX (604) 687-6130	(209) 532-0361
Telex 04-54367	FAX (209) 532-0773

May 2, 1988

Mr. Ross Guenther
Mother Lode Gold Mines Consolidated
P.O. Box 1570
Pollock Pines, CA 95726

Dear Ross,

Attached is our proposal to provide services to Mother Lode for the first year baseline and permit advocacy program for the Idaho-Maryland-Brunswick Project in Nevada County. I trust that it will meet with your approval.

We are ready to begin this work immediately but would appreciate a week or two of notice before we hit the field.

If you have any questions or need any clarification, please feel free to call me.

Very Truly Yours,

Peter H. Dohms
Principal Geologist

PHD:ec

cc: B. Hillman
file
1:Idaho.txt

PROPOSAL

PERMITTING FEASIBILITY STUDY,
REACTIVATION PROJECT
for the
IDAHO-MARYLAND-BRUNSWICK MINE
NEVADA COUNTY, CALIFORNIA



CONDOR

PROPOSAL

PERMITTING FEASIBILITY STUDY, REACTIVATION PROJECT for the IDAHO-MARYLAND-BRUNSWICK MINE NEVADA COUNTY, CALIFORNIA

INTRODUCTION

The Idaho-Maryland-Brunswick (I.M.B.) Mine complex, located on the southeast margin of Grass Valley, California, is the number two all-time lode-gold producer in California. It is estimated that some 2.5 million ounces were won from this property, with principal production during the period 1930 - 1941. Last production from the complex occurred in 1956 and the mine has been idle for the last 32 years.

Currently, the property situation is such that the 2750 acres of deeded mineral rights are protected by only 37 acres of surface, the latter acreage centered at the New Brunswick Shaft. At the New Brunswick, the shaft is capped with a deteriorating concrete slab, the headframe is gone and the old ore bins are in questionable condition. Fortunately, the adjoining parcel is occupied by an active lumber mill and much of the formerly productive area of the mine is currently overlain by industrial development.

Condor Earth Technologies, Inc. (Condor) has been approached by Mother Lode Gold Mines Consolidated (Mother Lode) with a request for a proposal to perform various environmental studies and permit advocacy services for a project to unwater the I.M.B. Mine complex and possibly reactivate mining on the site. The following outlines what we believe to be the necessary scope of environmental work, which we term a "permit feasibility study".

SCOPE OF WORK

The proposed scope of work is divided into a number of studies which would ultimately be incorporated into a Permit Feasibility report. These studies include:

- Phase I - Mine Entry Permitting - ,
 - Quality of mine waters,
 - Effects of mine unwatering on surrounding and overlying wells,
 - Disposal plan for pumped waters, and,
 - Mine unwatering permit requirements.

- Phase II - Project Development Studies -

- Existing and potential General Plan and zoning requirements for ultimate Project development.
- Milling facility siting study.
- Overall mining and milling permit requirements, and,
- Application to State Mining and Geology Board for Mineral Resource Zone classification.

Each is discussed below.

- Phase I - Mine Entry Permitting -

The initial investigations will be pointed at the interim goal of gaining access to the underground mine workings of the I.M.B. complex via the New Brunswick shaft. Based on Condor's previous knowledge of the failed Banner - Lava Cap mine unwatering and entry project, we anticipate that the environmental issues will center on the questions of, 1) Quality of mine waters proposed for discharge, 2) Where the waters will be disposed, and, 3) Potential for adverse impacts to overlying and nearby water wells due to the mine pumping. Each of the following discussions is addressed at one or more of these issues.

- Quality of Mine Waters -

Based on other Mother Lode mine-water quality information, it is likely that I.M.B. mine waters will be of a quality that would fail drinking water standards, principally due to heavy metals in trace quantities. It will be necessary to secure samples of mine waters for comprehensive analysis for a baseline period of time to establish the quality of mine water. It may be additionally necessary to oversee testing and design for construction of a treatment plant to improve mine water quality prior to discharge.

Based on our initial discussions with Mother Lode, it is possible that the adjoining Bohemia lumber mill is using Brunswick mine water for at least a part of their water supply. If that is not the case, access to mine water for sampling purposes could prove to be difficult, but will have to be accomplished. Initial investigations in this area will be pointed at securing access to I.M.B. mine water. In addition, water samples will be secured from the P.G. & E. pumping plant drawing from the nearby Union shaft. Although it is our understanding that the Union does not connect with the I.M.B., water quality data from that mine will be useful for the I.M.B. study. Quarterly samples for analysis will be taken.

- Effect of Mine Unwatering -

The principal issue which ultimately caused the failure of the Banner - Lava Cap project was a mistaken impression that unwatering the mine would

adversely impact the water wells of nearby homeowners. This impression became an article of faith with the homeowners association in spite of the unanimous opinion of qualified professionals engaged by the applicant and by County government that such effects would not occur.

In the case of the I.M.B. mine complex, there are significant differences with the Banner - Lava Cap situation. At I.M.B., the overlying surface is largely occupied by industrial and commercial development. The I.M.B. is in an older area of the community, one more likely to be served by long standing surface water sources. At the Banner - Lava Cap, the overlying acreage had been subdivided and developed as luxury home sites with private wells supplying the domestic water.

We propose to undertake a comprehensive study of ground water use patterns in the I.M.B. area of influence. Locations of active water wells will be sought and information will be gathered on the age of each well located. It can be argued that wells in service since before the mine closed will not be affected under any circumstances. The cooperation of County government will be sought to gain access to the confidential records of well drillers logs kept by the Division of Water Resources. In addition, planning and zoning records will be reviewed for indication of which developments in the area are served by public water and which might rely on private wells. Finally, mine records will be reviewed for information on mine inflow rates and principal in-mine water source areas.

At this time, we do not propose to undertake any field exercises to directly study ground water movement patterns. If circumstances warrant, however, such a study may ultimately become necessary. For the time being, we believe that monitoring of the actual mine unwatering will be the best test that could be conducted.

- Disposal Plan for Pumped Water -

This is one aspect of the project where beneficial effects may be demonstrated to reviewing agencies and to the public. We would propose that if the mine water meets drinking water standards (or can be feasibly treated to meet those standards) that it be pumped an additional 500 feet (or 100 feet higher in elevation) and discharged to the D-S Flume, which appears to be a major water delivery system. In addition to directly adding to the supply enjoyed by downstream users, this discharge would also relieve demand on the entire surface water delivery system by making more water available to the total system.

In order to accomplish this goal, several steps will be needed. First the volume of mine water to be pumped will have to be calculated. Secondly, if found to be necessary, a water treatment plant for pumped mine water will have to be designed. The project schedule and technological limitations will dictate the mine pumping rate. Unless there is a storage facility downstream along the Flume, mine discharge outside of the irrigation season could be politically disadvantageous.

It will also be necessary to approach the owners of the ditch with a well thought out plan for this discharge. Their principal questions will likely address water quality. We would therefore propose to approach them after developing answers to these questions, through the programs previously discussed.

- Mine Unwatering Permit Requirements -

Coincident with the reviews and studies previously mentioned, we will investigate the requirements for permitting of the mine unwatering. The philosophy behind this study will be one of the owner of the mineral estate, through the project applicant, wishing to gain entry to his private property for inspection and rehabilitation. We believe that the Banner - Lava Cap applicants failed to press the point that denial of entry to their mine was a denial of property rights.

At this time, review of the project will rest with the County of Nevada as lead agency. We can anticipate that the Regional Water Quality Control Board will wish to assert authority, but the disposal method proposed above (i.e., putting the water to beneficial use following treatment) could neutralize their influence. (If there is no waste being discharged and no potential for waste discharge, how can there be waste discharge requirements?)

During this investigation, we will determine which governmental and quasi-governmental agencies will have review authority. At this time, we anticipate that an Environmental Impact Report will be required, but that will be confirmed through discussions with the Nevada County Planning Department. We are personally acquainted with the Planning Director, Mr. Parillo, and believe we have his trust and respect. Through our discussions with Mr. Parillo, we will attempt to identify which local special interest groups can be expected to oppose the project and which civic organizations might provide support.

Phase I will be completed with a preliminary permit feasibility report. That report will summarize each of the foregoing investigations and will include our best estimates for the time and expense necessary to conclude the permitting for mine unwatering.

-- Phase II - Project Development Studies -

As the project moves forward and a firm time-line is established for the mine unwatering project, Condor will propose initiation of the Phase II program, which will include background studies to support the full scale mine project. Each of these proposed programs is discussed below. We realize that project developments may necessitate modification of the scope of these items or that some studies may be added or deleted.

- General Plan and Zoning Requirements -

Nevada County is in the process of drafting a mineral element to their General Plan. We are aware that the first draft of that element was sent back to Planning Department staff for revision but we are not acquainted with the details of the problems surrounding the first draft. A review of the first draft, however, indicates that careful attention will have to be paid to the County's planning and zoning policies as they relate to the mine reactivation.

Condor will have made a preliminary investigation of these questions early in Phase I; during Phase II a detailed program will be presented to Mother Lode for action. That program may or may not include such items as rezoning or zoning ammendment, or a General Plan ammendment. In the past we have found that if such actions are needed, they are best accomplished in advance of the submission of the application for the full scale project.

- Milling Facility Siting Study -

Given that the project only includes 37 surface acres and given that those 37 acres are bisected by an active drainage, it is unlikely that ore processing can occur on site unless tailings can be disposed underground. If it is determined that processing and tailings disposal will be off-site, Condor will undertake an investigation to nominate the best location. For instance, significant quantities of sand, gravel and aggregate are imported to the Grass Valley area. If the empty trucks on back-haul could be employed to haul I.M.B. ore to a processing facility, significant savings could possibly be affected in the areas of haul cost and environmental review (use of a back-haul would effectively negate traffic questions).

In a similar sense, the siting investigation would focus on sites where environmental and permitting issues would be minimized. Condor approaches permitting costs as part of the capital cost structure of a project. Savings in permitting costs can have just as much effect on project economics as any other capital savings. Similarly, savings in permitting time requirements also are reflected in improved project economics.

- Mining and Milling Permit Requirements -

The foregoing discussions have alluded to this subject, but those discussions have been more-or-less piecemeal. The principal focus of the Phase II study will be the overall mining and milling permit requirements. Condor has completed numerous investigations of this nature in the last five years. For the I.M.B. project, we anticipate that a significant effort will be required. This effort is principally due to the lack of success of both the Banner - Lava Cap project of Franco-Nevada as well as the San Juan Ridge project of St. Joe Minerals. Although the latter project was ultimately permitted, the conditions attached were so onerous

that the project became uneconomic.

In the case of the I.M.B. project, we believe that a carefully thought out, long term strategy which combines effective advocacy by Condor, dignified and responsible actions by Mother Lode, and strong community relations by both, will lead to ultimate success. The key to this success lies in early identification of issues and concerns and effective response to them. This is true not only with respect to local and County issues but also to Regional and State concerns. For instance, development project opponents have learned which State agencies are sensitive to charges that they are "soft on industry" and have used that sensitivity to block or delay permitting.

- Application to the State Mining and Geology Board -

The California State Mining and Geology Board, under the authority of the Surface Mining and Reclamation Act (SMARA), has a program for classification and designation of mineral properties of regional or statewide significance. Classification of a property institutes a duty upon the local agency to recognize the presence of the mineral resource in all future planning and zoning activities. Implicit in this duty is the charge to conserve the property for mineral development and to promote policies that will act to encourage development of the minerals on the property.

Classification of any property can proceed in either of two fashions. The State Division of Mines and Geology, in its Rural SMARA program, maps areas of known mineral resource on a systematic basis. The mapping process results in classification. At present, the Division is gearing up to extend the Rural SMARA mapping into Nevada County. The other way a property may become classified is through petition to the Mining and Geology Board. Condor has successfully carried this petition process through to a favorable classification.

In the case of the I.M.B. project, we would propose to approach the Division of Mines and Geology to determine when classification of the Grass Valley 7-1/2 minute quadrangle will occur. If the timing of classification on the initiative of the Division is not optimum, we would propose to prepare and submit a classification petition to the Mining and Geology Board for Mother Lode. We believe that formal classification by the Board will be a powerful asset as the project goes forward.

PROJECT COST

It is extremely difficult to provide accurate cost estimation for a project of this nature. Condor's schedule of fees is attached; we propose to work on a "time-and-materials" basis. We will, of course, keep Mother Lode apprised of developments and no major financial commitments will be made without prior approval. On the basis of previous projects of this

nature, the range of Condor's fees for Phase I might be \$ 15,000 - 30,000
and for Phase II \$ 50,000 - 75,000.

Respectfully Submitted,



Peter H. Dohms
Principal Geologist

PHD:ec

May 2, 1988

EXHIBIT B

CONDOR EARTH TECHNOLOGIES
SCHEDULE OF FEES
PROFESSIONAL CONSULTING

Professionals and Staff

Principal	\$80.00
Registered Geologist	\$62.50
Professional Engineer	\$62.50
Principal Geologist	\$62.50
Senior Geologist	\$55.00
Geophysicist	\$55.00
Staff Geologist	\$35.00
Laboratory Technician	\$35.00
Engineering Technician	\$35.00
Geological Technician	\$25.00
Drafting and Secretarial	\$20.00

Directly Reimbursable Charges

Vehicle day use and mileage

Day Use	- \$25.00 per day
Mileage	- \$ 0.30 per mile

Out-of-pocket Expenses

Travel Expense

Lodging	- Room Fees
Meals	- Meal Fees
Transportation	- Car rental and air fare

Expenses are billed at cost plus 15%, and also include such items as:

Printing or reproduction fees
Long distance phone charges
Other travel expenses
Postage and freight
Supplies
Equipment rental
Laboratory fees
Miscellaneous expenses

cetforms:FEES.88

APPENDIX III, A-1

Brunswick Proven and Probable Reserves by Vein Structure

<u>vein</u>	<u>tonnage</u>	<u>weighted avg. grade</u>
1	2,019	.169
2	770	.077
4	619,271	.150
5	1,534	.175
6	8,124	.182
7	883	.160
8	729	.122
9	4,513	.306
10	21,569	.180
11	187	.248
12	618	.310
14	556	.220
15	1,625	.281
16	180,884	.209
18	4,300	.142
19	1,312	.200
20	4,365	.225
21	741	.084
22	500	.176
25	200	.720
27	3,816	.141
28	7,875	.378

(cont'd) ↓

APPENDIX III, A-I (Cont'd.)

<u>vein</u>	<u>tonnage</u>	<u>weighted avg. grade</u>
30	13,174	.208
31	2,602	.610
32	4,209	.176
34	208	.052
35	661	.308
36	338	.139
37	3,333	.230
38	625	.126
39	312	.112
44	338	.151
45	7,000	.252
48	319	.520
<u>TOTAL</u>	<u>899,500</u>	<u>.170</u>

APPENDIX III, A-2

Brunswick Proven and Probable Reserves by Mine Level

<u>Level</u>	<u>tonnage</u>	<u>weighted avy. grade</u>	<u>vein structures</u>
580	537	.105	18Un
670	442	.167	16Un-34Un
800	2,912	.186	5-11-16
900	3,093	.242	7-10-19-28-44-45
1000	8,803	.345	1-4-7-8-9-16-28
1100	114,903	.210	1-2-6-9-10-16-18-28-45
1200	22,797	.240	4-6-16-28-30-32-38
1300	95,929	.193	1-2-6-10-12-15-16-18-22-27-30
1450	325,422	.155	1-4-6-16-20-28-30-31A- -32-36-37
1600	321,284	.153	4-6-14-16-18-31-32
1880	666	.148	6-32
2300	2,522	.151	1-21-30-32-35-39
3280	200	.720	25Un.
	<u>899,500</u>	<u>.170</u>	

APPENDIX III, B-1

Idaho Proven and Probable Reserves by Vein Structure

	<u>Tonnage</u>	<u>Weighted avg. grade</u>
1 Vein	3,104 tons	.250
2 Vein	34,010 t	.192
3 Vein	15,523 t	.621
16 Vein	15,324 t	.785
20 Vein	3,375 t	.260
23 Vein	8,715 t	.583
24 Vein	6,736 t	.489
29 Vein	3,745 t	.211
31 Vein	29,925 t	.228
52 Vein	36,448 t	.447
	<hr/>	<hr/>
TOTAL	156,900 t	.396

APPENDIX III, B-2

Idaho Proven and Probable Reserves by Mine Level

<u>Level</u>	<u>tonnage</u>	<u>weighted av. grade</u>	<u>vein structures</u>
700	1,100	.260	20 Vn
800	2,275	.260	20 Vn
1200	2,294	.491	3 Vn
1300	1,718	1.056	.16 Vn
1400	4,435	.942	3 Vn - 16 Vn
1500	9,858	.436	3 Vn - 16 Vn - 24 Vn - 29 Vn
1600	5,081	.658	3 Vn - 24 Vn
1700	2,200	.660	3 Vn
1800	900	.292	3 Vn - 29 Vn
1900	375	.435	3 Vn
2000	14,365	.489	3 Vn - 23 Vn - 16 Vn
2300	8,742	.175	2 Vn
2400	14,588	.580	1 Vn - 2 Vn - 16 Vn -
2700	54,244	.214	2 Vn - 51 Vn - 52 Vn
2800	28,750	.440	52 Vn
2900	4,366	.364	52 Vn
	<u>156,900</u>	<u>.396</u>	

APPENDIX III-C

Updated Brunswick Possible Reserves

11-88

<u>Level</u>	<u>Location</u>	<u>width</u>	<u>tonnage</u>	<u>Gold Assay oz/t</u>	<u>Assay Grade * 1.75</u>
580	No. 1 Xcut, spad 7165-32'	4.6'	3,800	.171	.299
800	D.D.H. no. 8	10.0'	8,300	.160	.280
900	No. 15 Xcut, 35 ft from spad 7322	3.0	2,500	.090	.157
900	No. 15 Xcut, 54 ft from spad 7322	3.0	2,500	.060	.105
900	No. 15 Xcut, 74 ft from spad 7322	3.0	2,500	.140	.245
900	No. 15 Xcut, 90 ft from spad 7322	3.0	2,500	.200	.350
900	No. 15 Xcut, 121-127 ft from spad	6.0	5,000	.080	.140
900	16 Vein between no. 3 Raise and 10 Raise	4.0	3,300	.115	.202
1000	No. 3 Xcut, 10-20' N. of 625 Vein	10.0	8,300	.084	.148
1000	No. 3 Xcut, 35-75' from start May 1947 devel. rept & May 1947 samplers report	40.0	33,300	.110	.192
1000	No. 4 Xcut, 38 ft from raise collar	3.0	2,500	.100	.175
1000	No. 7 Xcut, 88-94 ft from spad	5.0	4,100	.060	.105
1000	No. 7 Xcut, 110 ft from 4 Vein	5.0	4,100	.090	.157
1000	No. 12 Xcut, spad 7891+10 to +25'	5.0	12,500	.083	.146
1000	No. 12 Xcut, spad 7891+40 to +45'	5.0	4,100	.070	.122
1000	No. 12 Xcut, spad 7903+35 to +40'	7.0	5,800	.200	.350
1000	No. 12 Xcut, spad 7981+110'	10.0	8,300	.200	.350
1000	No. 12 Xcut, 0-169 ft from start	169.0	140,800	.037	.065
1000	No. 12 Xcut, 172-255 ft from start: cores N.5167-E. 10168, Feb 1953 Devel. & Samplers Reports.	83.0	69,100	.122	.213
1000	D.D.H. no. 1, 122-174 ft	52.0	43,300	.108	.185
1000	D.D.H. no. 30, 158-169 ft	11.0	9,100	.107	.187

cont'd

(cont'd) Updated Brunswick Possible Reserves

<u>Level</u>	<u>Location</u>	<u>Width</u>	<u>Length</u>	<u>Assay oz/ton</u>	<u>Assay x 1.75</u>
1000	D.D.H. no.?, 32-10 Vein area	4.0'	3,300	.130	.227
1000	D.D.H. no.?, 32-10 Vein area	4.0'	3,300	.100	.175
1000	D.D.H. no.?, 32-10 Vein area	15.0	12,500	.168	.294
1000	D.D.H. no.?, 32-10 Vein area	22.0	18,300	.118	.206
1100	No. 5 XCut, Spad 7167 + 93'	3.0	2,500	.110	.192
1250	No. 2 XCut, 60 ft from start	5.0	4,100	.080	.140
1250	No. 2 XCut, 15 ft from raise	3.0	2,500	.270	.472
1300	No. 8 XCut, Spad 7037 + 20 ft	4.0	3,300	.150	.262
1300	No. 8 XCut, Spad 7037 + 42 ft	2.5	2,100	.080	.140
1300	No. 8 XCut, vein	3.3	2,700	.130	.227
1300	No. 8 XCut, p. 103 Bruns. Devel	42.0	35,000	.080	.140
	Assay Files				
1300	No. 10 XCut, 155-166 ft from start Mar. 1948 Development & Samplers Reports	11.0	9,100	.110	.192
1300	No. 10 XCut, N. of 37 Vein	3.0	2,500	.110	.192
1300	No. 14 XCut, 20-25 ft N. of 616 Vein	5.0	4,100	.080	.140
1300	No. 15 XCut, 30 Vein plus 72 ft	2.5	2,100	.171	.299
1350	No. 2 XCut, 0-92 ft from start p. 128 Bruns. Devel Assay File	92.0	76,600	.075	.131
1350	No. 4 XCut, 0-10 ft from start	10.0	8,300	.065	.114
1450	No. 7 XCut, 10 ft from raise collar	3.0	2,500	.110	.192
1450	No. 7 XCut, 20 ft from raise collar	2.5	2,100	.090	.157
1450	No. 12 XCut, Spad 7921 + 125 ft	2.8	2,300	.067	.117

cont'd

Level	Location	Depth	Assays	Assay oz/ton	Assay x 1.75
1450	No. 12 XCut, 150 ft from start	24.7'	20,600	.155	.324
1450	No. 12 XCut, near 40 Vein, p. 36 "Evens. Cut Sample Assays in Drifts"	95.0'	79,120	.092	.161
1450	D.D.H. no. 35, 100 - 187 ft	31.9	26,600	.100?	.175?
1600	No. 3 XCut, Spad 7229 + 107 ft	24.0	20,000	.070	.122
1600	D.D.H. no. 23, 53 - 114 ft	61.0	50,800	.150?	.262?
1600	D.D.H. no. 20, 159 - 173 ft	16.0	13,300	.150?	.262?
1880	No. 2 XCut, Spad 7444 + 37' to 105'	68.0	36,600	.087	.152
1880	No. 4 XCut, Spad 7692 + 55'	3.8	3,200	.164	.287
1880	D.D.H. no. 9, 247 - 295.8 ft	48.8	40,600	.074	.129
1880	D.D.H. no. 52, 101 - 113 ft	12.0	10,000	.151	.264
3280	No. 2 XCut, Spad 7012	2.5	2,100	.133	.233
3280	No. 2 XCut, mineralized diabase	3.0	2,500	.080	.140
3280	No. 2 XCut, mineralized diabase May 27, 1948 Samplers Rpt.	4.0	3,300	.080	.140
3280	No. 2 XCut North, D.D.H. no. 35 & 36	13.0	10,800	.175	.306
3280	D.D.H. no. ?, HW of G03 Vein	7.8	6,200	.240	.420
3280	D.D.H. no. ?, HW of G03 Vein	15.8	13,200	.140	.245
TOTALS = In 57 separate zones, average		19.7'	933,800 @	.099	.173

APPENDIX III-D

10ainu Possible Reserves Listed by Mine Level.

<u>Level</u>	<u>Tonnage</u>	<u>Weighted Avg. Grade (oz/t)</u>
450	20,800	.430
600	40,800	.167
800	8,300	.160
900	6,200	.710
1100	15,000	.153
1200	10,000	.226
1500	7,900	.128
1900	3,300	.160
2000	38,200	.137
2700	<u>4,100</u>	<u>.100</u>
TOTAL	146,300 t	.218

Idaho Possible Reserve Block Descriptions

	Level	Location	Tonnage and weighted avg. grade	width
1.	450L	D.D.H. #?, 50 ft into footwall of 1 Vein	20,800 t @ .430	25'
2.	600L	D.D.H. #9 in hanging wall of 3 Vein West.	20,000 t @ .112	24.
3.	600L	D.D.H. #14	20,800 t @ .220	25.
4.	800L	D.D.H. #8	8,300 t @ .180	10.
5.	900L	D.D.H. #2	6,200 t @ .710	7.
6.	1100L	D.D.H. #4	15,000 t @ .153	18.
7.	1200L	D.D.H. #6	10,000 t @ .226	12.
8.	1500L	D.D.H. #21	5,800 t @ .120	7.
9.	1500L	D.D.H. #21, 184' downhole from above mentioned intercept.	2,100 t @ .150	2.5
10.	1900L	D.D.H. #2	3,300 t @ .160	4.C
11.	2000L	D.D.H. #35	4,100 t @ .400	5.C
12.	2000L	D.D.H. #7	8,300 t @ .180	10.C
13.	2000L	D.D.H. #30	7,500 t @ .110	9.C
14.	2000L	D.D.H. #25	18,300 t @ .070	22.C
15.	2700L	1 Cross Cut off 13 Cross Cut 93 Raise	4,100 t @ .100	5.C
TOTAL =			146,300 t @ .218	

Updated Idaho Possible Reserves

<u>Level</u>	<u>Location</u>	<u>width</u>	<u>tons</u>	<u>Gold Assay oz/Ton</u>	<u>Assay x 1.75</u>
			29,100	.070	.122
			18,300	.070	.122
			11,600		.299
			7,500		.192
		10.0	8,300		.315
		5.0	4,100		.700
		4.0	3,300		.280
		2.5	2,100	.150	.262
			5,800		.210
		12.0	10,000		.395
		1	15,000		.268
			6,200		1.242
		10.0	8,300		.315
		25.0	20,800		.385
		24.0	20,000		.196
		25.0	20,800		.752
			<u>191,200</u>	<u>.193</u>	<u>.338</u>

APPENDIX III-E

Grass Valley, California.

March 28, 1938.

Mr. Errol MacBoyle, Executive Vice-President,
Idaho Maryland Mines Corporation,
Grass Valley, California.

Dear Mr. MacBoyle:

The following is an estimate of the ore we expect will developed in the Brunswick mine between 1300 and 2300 levels and is submitted in response to your request of March 28, 1938. It is not an ore reserve, in any sense, but is an estimate of the ore we expect to find if the ore bodies persist in grade and volume, based on the ore we have found between 800 and 1300 levels.

ORE EXPECTATION, BRUNSWICK 1300 - 2300 LEVELS

1,500,000 tons of ore from which \$5.00 per ton will be recovered (Au @ \$35.00).

Respectfully submitted,



J. F. Cowley
Rollin Farmin

RF:B

EXHIBIT 263

SURVEYOR'S CERTIFICATE:

This Final Map for BET ACRES represents a survey which is true and complete as shown, made by me or under my direction in conformance with the requirements of the Subdivision Map Act and local ordinances in January 1987, and the monuments are of a character and occupy the positions as shown and are sufficient to enable the survey to be retraced.

A.W. Beeson
A.W. BEESON L.S. 3224

COUNTY SURVEYOR'S CERTIFICATE:

This Final Map has been examined by me, and the subdivision shown is substantially the same as it appeared on the Tentative Map and any approved alterations thereof and provisions of the Subdivision Map Act and local ordinances applicable at the time of the approval of the Tentative Map have been complied with and I am satisfied that this Final Map is technically correct this 25 day of FEB. 1987

Wesley W. Zachary
WESLEY W. ZACHARY R.C.E. 19284

COUNTY RECORDER'S CERTIFICATE:

I Bruce C. Bolinger, hereby certify that Inter-County Title certificate no. 82246 was filed with this office, and that this plat map was accepted for record, and recorded in BOOK 7 of Subdivisions at Page 75 Document NO 87-04782 at 3:00 p.m. on this 24th day of February 1987

Doc # 87 04782
FEE: \$ 12.00 pd
Bruce C. Bolinger
BRUCE C. BOLINGER
By: Frances Durr
DEPUTY

TAX COLLECTOR'S CERTIFICATE:

I, E. Christina Dabis, the official computing redemptions for the County of Nevada, State of California, do hereby certify that according to the records of my office, there are no liens for unpaid taxes or special assessments collected as taxes against the lands subdivided hereon, except taxes or assessments not yet due and payable, but constituting a lien is paid.

E. Christina Dabis
E. CHRISTINA DABIS
NEVADA COUNTY TAX COLLECTOR

BOARD OF SUPERVISOR'S CERTIFICATE:

This is to certify that the Board of Supervisors of the County of Nevada, State of California, by a motion adopted at a meeting held on the 23rd day of FEBRUARY 1987, did approve for filing this map of the BET ACRES property consisting of 4 sheets, and accepted for public use item 1 offered for dedication above. All provisions of the Subdivision Map Act and local ordinances have been complied with regarding deposits this 23rd day of FEBRUARY 1987

Steve James CHAIRMAN OF THE BOARD
Lady Thompson CLERK OF THE BOARD

OWNER'S CERTIFICATE:

The undersigned, being the only persons representing any record title interest in the herein subdivided lands, do hereby consent to the preparation and recording of this Final Map and offer for dedication and do hereby dedicate to the County of Nevada the following:

ITEM 1: For any and all Public road and Utility purposes, those areas shown as East Bennett rd. Areas A, B and C, excepting therefrom minerals below 150' with the right to mine without disturbing the surface.

Mary Bouma
MARY BOUMA
Erica Erickson
ERICA ERICKSON
William Toms
WILLIAM TOMS

STATE OF CALIFORNIA } SS.
COUNTY OF _____ }

On this 5th day of February 1987 Before me, the undersigned, a Notary Public, State of California, duly commissioned and sworn, personally appeared Mary Bouma, Erica Erickson and William Toms. Known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written

A Notary
NOTARY PUBLIC IN AND FOR SAID COUNTY & STATE
MY COMMISSION EXPIRES July 5, 1990

EASEMENTS OF RECORD OF WHICH EXACT LOCATION CAN NOT BE DETERMINED

- 1. Idaho Maryland Mines to Normile, (now Walker) Pipeline Esmt. 224 OR 286
- 2. Matteson to Central Calif. Electric Co. overhead wires, 100 DEEDS 418 & 96 DEEDS 470

REFERENCE DEEDS:

- D1 Bulgrin, 85-14691
- D2 Bohemia Inc., 504 OR 129
- D3 Bouma, Erickson & Toms 83-20536
- D4 "The Cedars" 1074 OR 647
- D5 Bohemia (Brunswick Timber) 986 OR 341 & 780 OR 284, 288.

REFERENCE MAPS:

- R1 3 Sub. 13, "Cordell Estates" Ingram, R.C.E. 9927 1968

FINAL MAP
85-7

for
BET ACRES

Being portions of the S.E. 1/4 of Sec. 25, the N.E. 1/4 of Sec. 36 T.16N., R.8E., and the N.W. 1/4 of Sec. 31. T.16N. R.9E., M.D.B. & M.

In the unincorporated territory of
THE COUNTY OF NEVADA

January 1987 Scale 1"=100'
A.W. Beeson & Assoc. Inc.

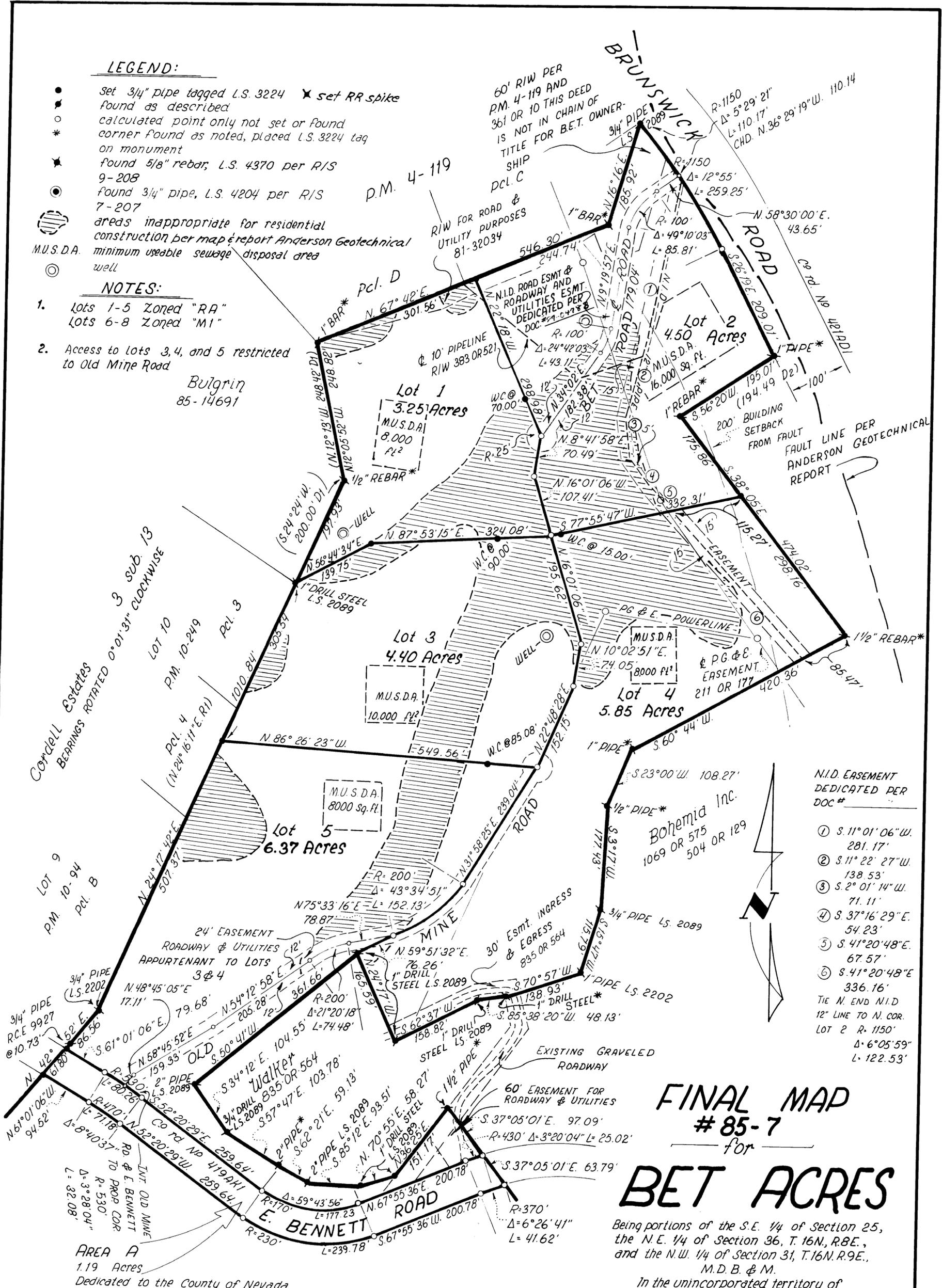
LEGEND:

- Set 3/4" pipe tagged L.S. 3224 ✖ set RR spike
- found as described
- calculated point only not set or found
- * corner found as noted, placed L.S. 3224 tag on monument
- ✖ found 5/8" rebar, L.S. 4370 per R/S 9-208
- found 3/4" pipe, L.S. 4204 per R/S 7-207
- ⊕ areas inappropriate for residential construction per map & report Anderson Geotechnical
- M.U.S.D.A. minimum useable sewage disposal area well

NOTES:

1. Lots 1-5 Zoned "RA"
Lots 6-8 Zoned "M1"
2. Access to lots 3, 4, and 5 restricted to Old Mine Road

Bulgrin
85-14691



- N.I.D. EASEMENT DEDICATED PER DOC #
- ① S. 11° 01' 06" W. 281.17'
 - ② S. 11° 22' 27" W. 138.53'
 - ③ S. 2° 01' 14" W. 71.11'
 - ④ S. 37° 16' 29" E. 54.23'
 - ⑤ S. 41° 20' 48" E. 67.57'
 - ⑥ S. 41° 20' 48" E. 336.16'
- TIE N. END N.I.D. 12" LINE TO N. COR. LOT 2 R. 1150' Δ= 6° 05' 59" L= 122.53'

FINAL MAP
85-7
for

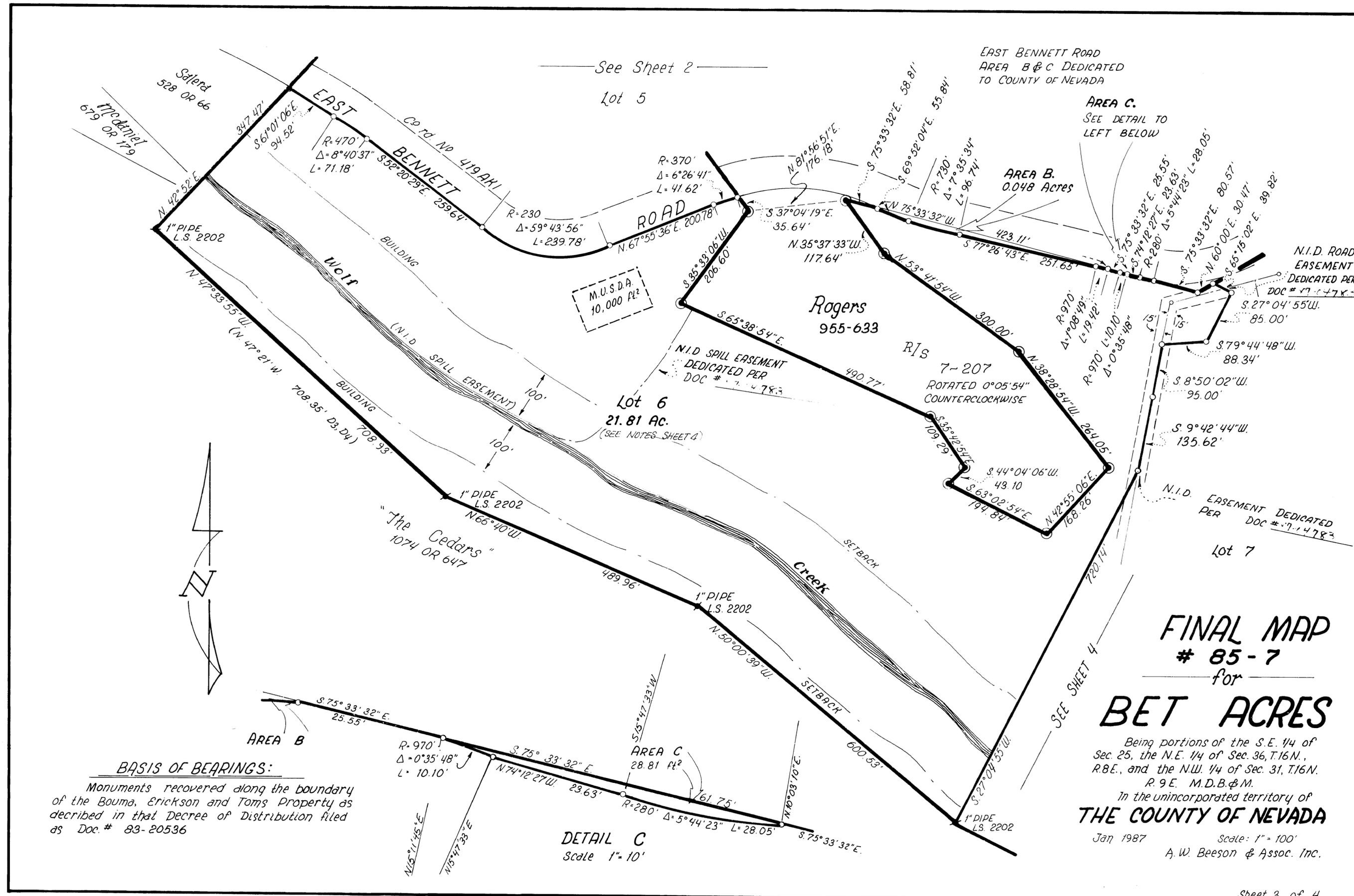
BET ACRES

Being portions of the S.E. 1/4 of Section 25, the N.E. 1/4 of Section 36, T. 16N, R. 9E., and the N.W. 1/4 of Section 31, T. 16N, R. 9E., M.D.B. & M.
In the unincorporated territory of
THE COUNTY OF NEVADA
January 1987 Scale: 1"=100'
A.W. Beeson & Assoc. Inc.

AREA A
1.19 Acres
Dedicated to the County of Nevada

SEE SHEET 3
lot 6

Sub 7 25 3-4



See Sheet 2

EAST BENNETT ROAD
AREA B & C DEDICATED
TO COUNTY OF NEVADA

AREA C.
SEE DETAIL TO
LEFT BELOW

AREA B.
0.048 Acres

N.I.D. ROAD
EASEMENT
DEDICATED PER
DOC # 77-1478-3

M.U.S.D.A.
10,000 Ac.

Lot 6
21.81 AC.
(SEE NOTES SHEET 4)

Rogers
955-633

R/S
7-207
ROTATED 0°05'54"
COUNTERCLOCKWISE

N.I.D. EASEMENT DEDICATED
PER DOC # 77-1478-3

FINAL MAP
85-7
for

BET ACRES

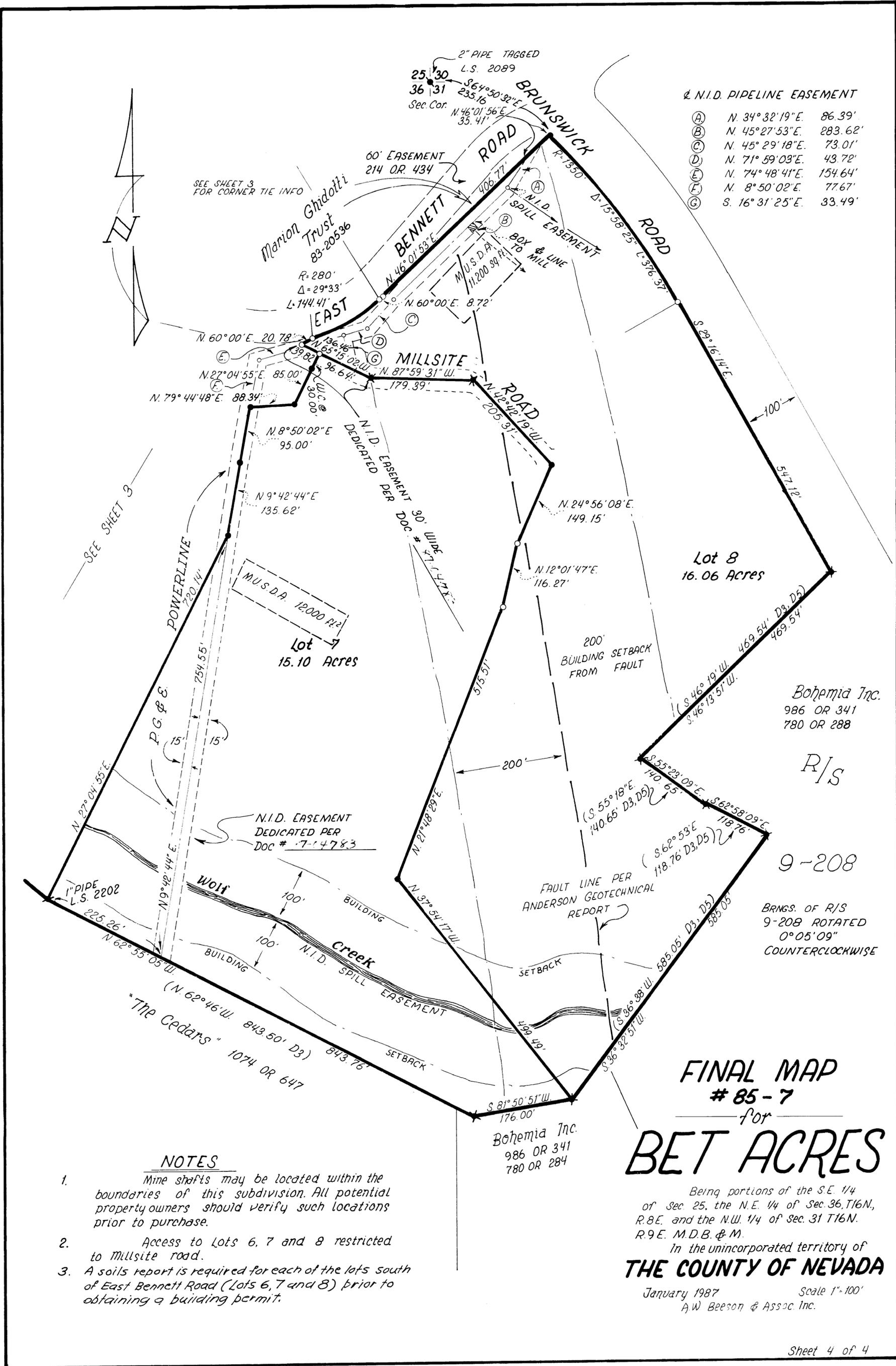
Being portions of the S.E. 1/4 of
Sec 25, the N.E. 1/4 of Sec. 36, T.16N.,
R.8E., and the N.W. 1/4 of Sec. 31, T.16N.,
R. 9 E. M.D.B.&M.
In the unincorporated territory of
THE COUNTY OF NEVADA

Jan 1987 Scale: 1" = 100'
A.W. Beeson & Assoc. Inc.

BASIS OF BEARINGS:

Monuments recovered along the boundary
of the Bouma, Erickson and Toms Property as
described in that Decree of Distribution filed
as Doc. # 83-20536

DETAIL C
Scale 1" = 10'



N.I.D. PIPELINE EASEMENT

(A)	N. 34° 32' 19" E.	86.39'
(B)	N. 45° 27' 53" E.	283.62'
(C)	N. 45° 29' 18" E.	73.01'
(D)	N. 71° 59' 03" E.	43.72'
(E)	N. 74° 48' 41" E.	154.64'
(F)	N. 8° 50' 02" E.	77.67'
(G)	S. 16° 31' 25" E.	33.49'

SEE SHEET 3

SEE SHEET 3 FOR CORNER TIE INFO

SEE SHEET 3

N.I.D. EASEMENT DEDICATED PER DOC # 7-14783

FAULT LINE PER ANDERSON GEOTECHNICAL REPORT

FINAL MAP
85-7
for
BET ACRES

Being portions of the S.E. 1/4 of Sec. 25, the N.E. 1/4 of Sec. 36, T16N, R.8E. and the N.W. 1/4 of Sec. 31 T16N, R.9E. M.D.B. & M. In the unincorporated territory of **THE COUNTY OF NEVADA**

January 1987 Scale 1"=100'
A.W. Beeson & Assoc. Inc.

- NOTES**
- Mine shafts may be located within the boundaries of this subdivision. All potential property owners should verify such locations prior to purchase.
 - Access to Lots 6, 7 and 8 restricted to Millsite road.
 - A soils report is required for each of the lots south of East Bennett Road (Lots 6, 7 and 8) prior to obtaining a building permit.

EXHIBIT 264

P. O. Box 1320
Pollock Pines, CA 95726
(916) 644-3803
September 29, 1987

Mrs. Erica Erickson
P. O. Box 925
Nevada City, CA 95959

Dear Mrs. Erickson:

Please find attached a copy of Barringer Laboratories Inc. Geochemical Laboratory Report (Work Order 9654R-87) on the Idaho Maryland tailings area. The values range up to 0.087 ounces of gold per ton. With gold at \$450.00 per ton the gross value would be up to \$39.15 per ton. I cannot presume at this time whether or not a profit could be made on processing the tailings. However, the situation indicates that the tailings should be evaluated further for gold assays and metallurgical recovery rates.

Sincerely,



Ross Guenther
Consultant

RG/nr

Attach. 1

cc: Frank M. Orrell
Bill Toms

BARRINGER LABORATORIES INC.

15000 W. 6TH AVE., SUITE 300
GOLDEN, COLORADO 80401
PHONE: (303) 277-1687

1455 DEMING WAY, SUITE 15
SPARKS, NEVADA 89431
PHONE: (702) 358-1158

22 SEP-87
PAGE: 1 OF 1
COPY: 1 OF 2

AUTHORITY: DOUGLAS CLOUTIER

ROSS GUENTHER
P.O. BOX 1320
POLLOCK PINES, CA
95726

WORK ORDER: 9854R-87

ATTN: DOUGLAS CLOUTIER

*** FINAL REPORT ***

GEOCHEMICAL LABORATORY REPORT

SAMPLE TYPE: ROCK

SAMPLE NUMBER	ASSAY	ASSAY
	FIRE ASSAY AG OZ/TON	FIRE ASSAY AU OZ/TON
IMT :1	TR	0.034
IMT :2	TR	0.087
IMT :3	TR	0.012
IMT :4	TR	0.009
IMT :5	TR	0.046
CD :2	TR	0.005

SIGNED: 

Vernon K. Peterson,
LABORATORY SUPERVISOR

FOOTNOTES:

P=QUESTIONABLE PRECISION; * = INTERFERENCE; TR=TRACE; ND=NOT DETECTED;
IS=INSUFFICIENT SAMPLE; NA=NOT ANALYZED; NM=NON-MINING SAMPLE

I. M. Sands 9/3/87
(Tailings pond - vfg sand-clay)

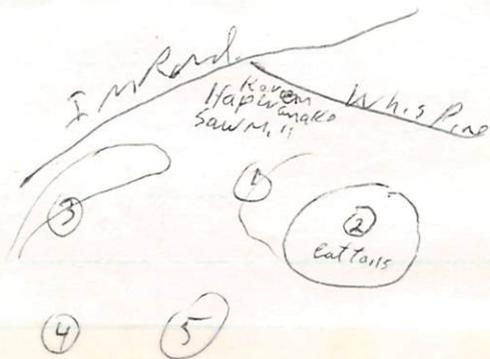
I-M.T. (2) Red-Brown clay
w. org & or greaselike material
5-10% (6-12")

(1) ~~(2)~~ white-brown/red
Sands 0-2'

(3) 0-3' white grey sand

(4) 6-12" grey sand

(5) Powder white sand



? Nov Meet Idaho Maryland

Kruetch & Johnson Assoc.

1.25 opt Au 255 ppm As

150 x 100 x 10? 1715 cu ft / T

\$ 25 haul

\$ 9 Empire

\$ 7 I. M.

\$ 35 Homestake

EXHIBIT 265

RECORDING REQUESTED BY

Inter-County Title Co.

PLEASE OPEN RECORDED MAIL TO

Bohemia, Inc.
P.O. Box 1819
Eugene, Oregon 97440-1819

88 07737

INTER-COUNTY TITLE CO.

88 APR -1 AM 5:00

CLAUDE T. BOULANGER
NEVADA COUNTY
RECORDER

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$330.00 TRANS TAX PD

(X) computed on full value of property conveyed, or

() computed on full value less value of liens and encumbrances remaining at time of sale.

A.P.No 6-441-29 & 30

Grant Deed

ORDER NO 88772-12

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged

MARY BOUMA, ERICA ERICKSON and WILLIAM TONS, by Decree of Distribution dated August 12, 1983,

hereby GRANT(S) to

BOHEMIA, INC., an Oregon corporation,

the following described real property in the unincorporated area of the County of Nevada State of California:

Lot 8 as shown upon the Subdivision Map of BET ACRES, No. 85-7, filed in the Office of the Recorder, County of Nevada, State of California, on February 24, 1987, in Book 7 of Subdivisions, Page 75.

EXCEPTING AND RESERVING THEREFROM all the mineral, metal matter and rock lying below 200 feet of the surface, with the right to extract and remove said mineral, metal matter and rock from any depth up to 200 feet of the surface of said premises without disturbing the surface thereof.

RESERVING FROM the above described Lot 8 of "BET ACRES" an easement 40 feet wide for roadway and utility purposes the southerly and southwesterly line of which is identical to the line common to Lots 6, 7 and 8 of "BET ACRES" and is described as follows:

Beginning at the most westerly corner of said Lot 8 being in the south line of East Bennett Road; thence, South 65° 15' 02" East, 136.46 feet; thence South 87° 59' 31" East, 179.39 feet; thence, South 42° 42' 19" East, 205.31 feet to the end of this easement.

TOGETHER WITH a non-exclusive easement 20 feet wide for roadway and utility purposes lying within Lots 6 and 7 of "BET ACRES" the northerly and northeasterly line of which is identical to the line common to Lots 6, 7 and 8 of "BET ACRES" and is described as follows:

Beginning at the most westerly corner of said Lot 8 being in the south line of East Bennett Road; thence, South 65° 15' 02" East, 136.46 feet; thence, South 87° 59' 31" East, 179.39 feet; thence, South 42° 42' 19" East, 205.31 feet to the end of this easement.

STATE OF CALIFORNIA }
COUNTY OF Nevada } SS

On March 14, 1988, before me, the undersigned, a Notary Public in and for said State, personally appeared Mary Bouma, Erica Erickson, and William Tons

personally known to me, or proved to me on the basis of satisfactory evidence, to be the person(s) whose name is subscribed to the within instrument and acknowledged that they executed the same

WITNESS my hand and official seal

Signature

Ruth J. Strong

Dated March 10, 1988

Mary Bouma
Mary Bouma
Erica Erickson
Erica Erickson
William Tons
William Tons



COS

EXHIBIT 266

RECORDING REQUESTED BY
Inter-County Title Co.

89 00107 INTER-COUNTY TITLE CO.

1989 JAN -4 4 9 00

700
JUL 10 1989
NEVADA COUNTY
RECORDED

AND WHEN RECORDED MAIL TO

Name Mr. & Mrs. Rexforde Clarke
Street Address 15248 Chattering Pines Rd.
City & State Grass Valley, CA 95945

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor(s) declare(s):
Documentary transfer tax is \$ 80.50 TRANS TAX PD
(X) computed on full value of property conveyed, or
() computed on full value less value of liens and encumbrances remaining at time of sale.

APN 9-580-93

Grant Deed

ORDER No. 89561-rs

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
MARY BOUMA, ERICA ERICKSON and WILLIAM TOMS, by Decree of Distribution
dated August 12, 1983,

hereby GRANT(S) to

REXFORDE L. CLARKE and FRIEDA C. CLARKE, husband and wife, as Joint
Tenants,

the following described real property in the unincorporated area of the
County of Nevada State of California:

Lot 3, as shown upon the Subdivision Map of BET ACRES, No. 85-7,
filed in the Office of the Recorder, County of Nevada, State of
California, on February 24, 1987, in Book 7 of Subdivisions, Page 75.

EXCEPTING AND RESERVING THEREFROM all the mineral, metal matter and
rock lying below 200 feet of the surface, with the right to extract
and remove said mineral, metal matter and rock from any depth up to
200 feet of the surface of said premises without disturbing the sur-
face thereof.

TOGETHER WITH AND RESERVING THEREFROM, as applicable thereto, ease-
ments and rights-of-way for ingress, egress and utilities, as shown
upon the Official Map referred to above.

COS



Dated December 28, 1988

STATE OF CALIFORNIA }
COUNTY OF Nevada } SS
On December 29, 1988 before me, the under-
signed, a Notary Public in and for said State, personally appeared

Mary Bouma
Mary Bouma
Erica Erickson
Erica Erickson
William Toms
William Toms

William Toms
personally known to me, or proved to me on the basis of satisfactory
evidence, known to me to be the person whose name is
subscribed to the within instrument and acknowledged that he
executed the same.

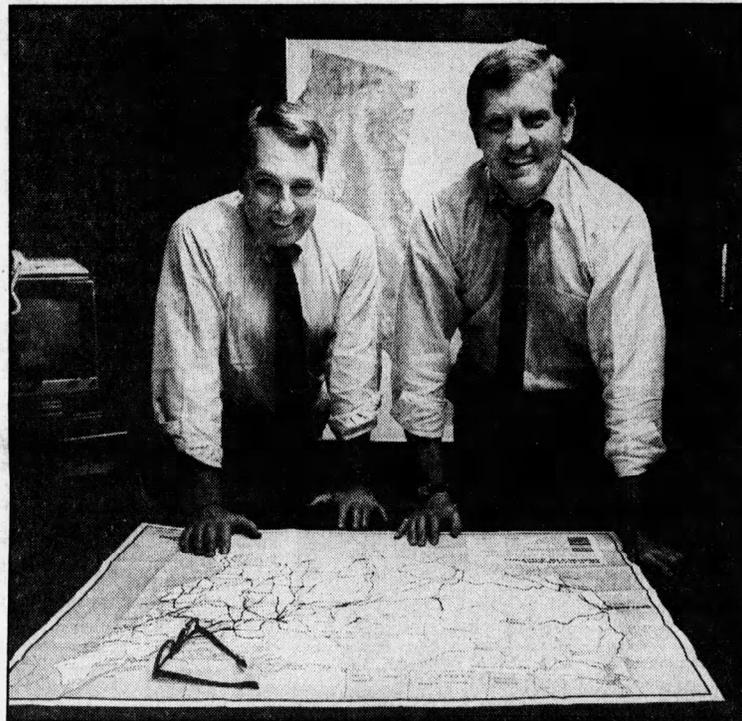
WITNESS my hand and official seal.

witnessed by Charles R. Beck

Signature Ruth J. Strong

EXHIBIT 267

For the love of gold



Examiner/Paul Glines

Frank Orrell, left, and John Gruen of Mother Lode Gold Mines Consolidated

Back to the gold standard?

S.F. company is banking on it

By Benjamin Seto
OF THE EXAMINER STAFF

Frank Orrell wants to return to the days when money was gold and the dollar was, well, paper.

The modern-day prospector and chairman of Mother Lode Gold Mines Consolidated of San Francisco is staking his hopes on the nation's love for the precious metal in the face of inflationary fears.

"In the past, when you had gold in the bank vault, you knew you had something of value," Orrell said.

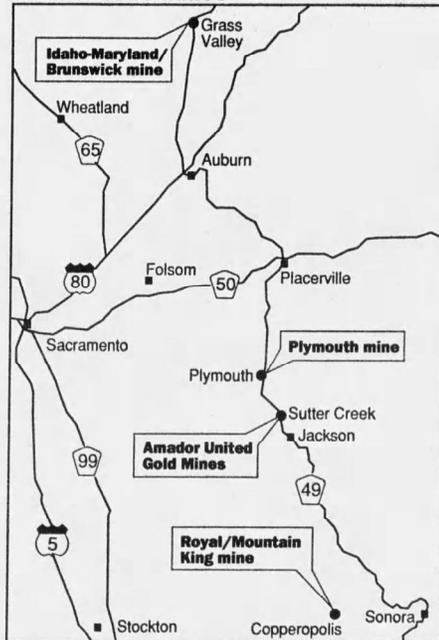
But some industry observers say recent fluctuations in gold prices reflect investors' confusion over whether the glittering metal can still be used to hedge off inflation.

A recent bearish forecast by the WEFA Group, which predicted a crash in gold prices within five years, also dulled some of the metal's luster.

"We feel a surge in supply,

— See GOLD, B-4

Mother Lode mines



Examiner graphics

GOLD

— From B-1

changes in technology permitting lower operating costs, combined with very minimal increases in demand, will result in a downward pressure on prices," John Jacobson, director of basic industries, said from WEFA's Bala Cynwyd, Pa., headquarters.

WEFA, formerly Wharton Econometric, said gold prices should fall somewhere between \$300 and \$350 an ounce by the early 1990s, with maybe a brief drop to \$250 during that period. Gold now sells for around \$450 an ounce.

Orrell and Mother Lode Executive Vice President John Gruen discounted the WEFA report, saying it did not consider other factors affecting gold prices.

Major mining companies recently offered "gold loans" that had a

negative impact on prices, Gruen said. The loans, used by companies to raise capital on the basis of future gold production, caused investors to lose interest because of the apparent abundance of gold.

Kathleen Glancy, an analyst with Pershing & Co. of New York, said, "There's so much sentiment behind gold prices. . . . It's hard to look at five years from now and say production is going to be X, so prices are going to go down."

Orrell and Mother Lode — named after the fabled California gold-producing region — see a new gold rush ahead.

Mother Lode was formed in 1974 as an explorational and gold finance company. But it is only since the start of this year that activities have begun to stir at the junior mine company's various properties, many of which it owns through partnerships:

- The Royal/Mountain King mine near Copperopolis, Calaveras

County. Mother Lode, in a joint venture with Meridian Minerals Co., broke ground in March for a \$45 million mill expected to go into production in the first few months of 1989.

The mine, which will consist of three open pits, is expected to produce 60,000 ounces of gold and an equal amount of silver each year for about 12 years.

- Idaho-Maryland/Brunswick mine in the Grass Valley area, Nevada County. A Mother Lode subsidiary, Northern Mines Inc., acquired the mine last month for an undisclosed amount.

Mother Lode expects the mine, filled with narrow gold veins, to be in production within five years. Orrell said the mine had produced more than 2 million ounces of gold between 1851 and 1956.

- Amador United mines. A cluster of mines in the heart of the Mother Lode "Gold Belt" in Ama-

dor County. The mines are owned by Amador United Gold Mines, in which Mother Lode holds a 43 percent stake.

Under exploration with Meridian, Mother Lode expects the mines to produce 30,000 ounces of gold a year.

- Plymouth mine. A part of the Amador group on the gold belt. Mother Lode has done some drilling and expects production in two years.

Other mining companies have also been active in acquiring mines.

San Francisco's Homestake Mining Co., one of the nation's largest gold producers, last month completed its tender offer for a controlling interest in North American Metals Corp., a British Columbia firm developing a mine with Chevron Corp.

Homestake also completed last April a \$50 million deal for a gold mine in Chile.

EXHIBIT 268

Thursday, August 4, 1988

1 more year for Homestake importing tailings

By LIBBY LANE
Register Staff Writer

Homestake Mining Co. of San Francisco, owner of the McLaughlin mine in northern Napa County, will be able to import tailings from Nevada County for another year.

But the County Conservation, Development and Planning Commission, which approved the request Wednesday, said this is the last time it will consider the import request, called an "interim solution" by McLaughlin officials.

It is the second time in three years the company has won permission to import tailings.

The commission's decision, rendered after a two-hour hearing,

saved Homestake \$12 million a year in processing costs, according to Raymond E. Krauss, the project's environmental manager.

The commission came very close to denying Homestake's application to bring in 14,500 tons of tailings from the Idaho-Maryland mine in Nevada County.

The final vote was 3-1 with Commissioner Robert Lewis opposed.

Tailings, aggregate residue from mining, contain sulfides or pyrite, a needed component for Homestake's sophisticated gold recovery process.

Commissioners were concerned that the owners of the mine, located in Napa, Lake and Yolo counties, were trying to set a precedent that

would allow them to process gold from other sites.

That would make the mine an industrial operation, not simply a processing plant for ore mined on the site.

Krauss told the commission several times the company wouldn't use the approval to argue later that the county had already allowed the mine to import rock and it should be allowed to continue.

Krauss said he'd have the company stipulate this would be the last time it would make the request.

If the company wants to process ore from other locations in the future, it must make the appropriate application, he said.

In the next year, Krauss said the company will build a facility to allow it to process sulfides in its McLaughlin mine ore.

When the mine was proposed, Krauss said officials expected to have enough sulfides on site without importing them.

The sulfides are in the rock but aren't always available in the amounts needed for the processing, requiring the company to obtain it elsewhere, said Phil Barnes, senior environmental planner.

In 1986, the county approved the importation of 43,000 tons of rock from the Empire mine, also in Nevada County.

Barnes told the commission being

allowed to import the tailings "reduces the shipment of sulfuric acid, reduces the need for fossil fuels and facilitates higher gold recovery."

Without the sulfides, which helps heats up the recovery process, the company would have rely on propane and diesel fuel, he said.

Also on Wednesday, the commission

□ **FOLIE A DEUX** — Delayed ruling on an expansion request by Folie a Deux winery after commissioners split 2-2 on requiring it to prepare a focused environmental impact report.

The 21-acre winery wanted approval to increase production from 10,000 to 48,000 gallons a year.

EXHIBIT 269

BUSINESS PROFILE

Mother Lode betting a '90s gold rush will pan out

By Ricardo M. Daysog
Special to The Tribune

FRANK ORRELL is betting the future of his company on higher gold prices, despite the precious metal's sluggish performance.

The chairman of San Francisco's Mother Lode Gold Mines Consolidated believes that deflationary pressures in the U.S. economy — including the federal budget deficit and the Oct. 13 190-point stock market slide — along with proposals in the Soviet Union to turn to a gold backed ruble will mean a bull market similar to the one in early 1980 when gold peaked at \$825 an ounce.

"Our position is that we are at the end of the business expansion cycle," said Orrell. "We feel that the big run in gold is still to come, not in terms of inflation but deflation."

But Orrell has a vested interest in his gloom-and-doom forecast. In February, the Royal Mountain King mine at Copperopolis, Calif., of which Mother Lode owns a 49 percent stake, reopened for production. The company expects the open-pit mine to produce an annual rate of 60,000 ounces of gold and 30,000 ounces of silver for the next 12 years.

With interests in four other underground mines either in the exploration or development stages, the company hopes to boost annual production to 150,000 ounces of gold by 1994.

Yet, executives at the junior gold producer said, even without higher gold prices, the numbers favor the company. It costs Mother Lode about \$285 to produce a single ounce of gold. With gold selling in the \$360 an ounce range today, the precious commodity continues to have a very attractive profit margin.

THE MAIN reason behind the company's low production costs lies in the strategy to mine at locations that were once very successful mines.

"You only go elephant hunting in elephant country," said company president John Gruen III. "You don't try to find gold in some place where it's never been found."

So far, the company has focused its attention around the famous Mother Lode district, a 120-mile strip along the foothills of the Sierra Nevada.

Although the more than \$1.3 billion worth of gold has already been extracted from the area since the late 1840s, company geologist estimate that's only the tip of the iceberg.

Another two-thirds of this underground treasure remains in lower grades, and at depths where access is difficult and mining is expensive.

With the assistance of modern mining methods such as the use of explosives, giant grinders that reduce hillsides to a powdery fineness and chemical leaching processes that strips the gold from the grinded rock, the company has been able to return the glitter to these old, forgotten mines.

One of the famous mines that the



By Pat Greenhouse/The Tribune

John Gruen says Mother Lode's corporate structure makes it easier to manage the company.



Today's gold mining technique — heavy machinery takes big bites.

company is tapping again is the Royal Mountain King Mine, once the site of an underground mine of the same name that yielded 250,000 ounces of gold between the 1870s and 1968 when it became unprofitable to mine.

Another is the Idaho-Maryland/Brunswick Mine in Grass Valley, where the company owns an 83.6 percent share, produced million ounces of gold between 1850 and 1956. The company believes the historic mine, under which 500 miles of tunnels have been bored during its previous life, contains about 1 million ounces of gold.

But despite the company's geological prowess, Mother Lode gold

mines does not consider itself purely as a mining company. Instead, it sees itself as a mining finance company or holding company.

SIMILAR TO the South African gold mining companies, or *kaffirs*, Mother Lode provides seed capital to explore, ore bodies. In the case of the Royal Mountain King, the company is in charge of the initial stages of mining, including mine exploration and feasibility studies. The secondary stages — final exploration drilling, mine development and production — are conducted by the company's partner, Burlington Resources of Seattle.

At the same time, each mine is a

separate entity, incorporated for its own basis, paying its own taxes and issuing its own stock if necessary.

Gruen believes Mother Lode's corporate structure makes it easier to manage the company and helps ensure a profit.

"If you have a mine that is not successful, it's not owned in the company pot," he said. "It doesn't tear down the benefit of the other companies ... it has to fly on its own."

Mother Lode's corporate structure dates back to the company's origins. The company was formed in 1974 by Alameda-native Orrell and fellow "gold bug" Frank Orrell, a Piedmont resident until he passed away in 1982.

Unlike most mining companies whose sole mission is to exploit mineral resources to the greatest extent, Mother Lode was founded on monetary grounds. Orrell, then a stockbroker and Adams, a lawyer, believed that President Nixon's decision in 1974 to take the dollar off the gold standard and opt for a floating currency would lead to economic crisis.

"Gold is the only known entity that isn't anybody else's promise," says Gruen, an Oakland native. "Gold is money and money is gold."

But the company's timing was off. Since the company didn't open its first mine — the Royal Mountain King — until early this year, it missed out on the inflation-induced bull market where gold moved from \$35 in 1974 to \$825 an ounce in early 1980.

"No regrets," said Gruen. "With 20-20 hindsight vision, we think we are right where we want to be."

EXHIBIT 270

RECORDING REQUESTED BY
INTER-COUNTY TITLE COMPANY

89 07873 OFFICIAL
REQUESTED BY
INTER-COUNTY TITLE CO.

AND WHEN RECORDED MAIL TO

1989 MAR 31 AM 9:00

Name
Street
Address
City & State
Mr. & Mrs. Dale F. Cope
4647 Leverett Ct.
Sacramento, CA 95842

JUDGE C. BULLINGER
NEVADA COUNTY
RECORDER

The undersigned grantor(s) declare(s) 58,655 SPACE ABOVE THIS LINE FOR RECORDER'S USE

Documentary transfer tax is \$ 58,655 TRANS TAX PD
() computed on full value of property conveyed, or
() computed on full value less value of liens and encumbrances remaining at time of sale.
9-580-92

7.00 Pd

Grant Deed

ORDER No. 89759

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,
MARY BOUMA, ERICA ERICKSON and WILLIAM TOMS, By Decree of Distribution dated August
12, 1983

hereby GRANT(S) to
DALE F. COPE and SHELLY R. COPE, husband and wife, as Joint Tenants,

the following described real property in the unincorporated area of
County of Nevada State of California:

All that real property situated in the unincorporated area of the County of
Nevada, State of California, more particularly described as follows:

Lot 1, as shown upon the Subdivision Map of BET ACRES, No. 85-7, filed in the
Office of the Recorder, County of Nevada, State of California, on February 24,
1987, in Book 7 of Subdivisions, Page 75.

EXCEPTING AND RESERVING THEREFROM all the mineral, metal matter and rock lying
below 200 feet of the surface, with the right to extract and remove said mineral,
metal matter and rock from any depth up to 300 feet of the surface of said
premises without disturbing the surface thereof.

TOGETHER WITH AND RESERVING THEREFROM, as applicable thereto, ease-
ments and rights-of-way for ingress, egress and utilities, as shown
upon the Official Map referred to above. (Bet Road)

COS

STATE OF CALIFORNIA }
COUNTY OF Sacramento } SS
On March 23, 1989 before me, the under-
signed, a Notary Public in and for said State, personally appeared
Mary Bouma
Erica Erickson
William Toms

Dated March 23, 1989
Erica Erickson
Erica Erickson
Mary Bouma
Mary Bouma
William Toms
William Toms

personally known to me, or proved to me on the basis of satisfactory
evidence, known to me to be the person whose name is
subscribed to the within instrument and acknowledged that
executed the same.

WITNESS my hand and official seal.

Signature A. Radtkey

A. RADTKEY
NOTARY PUBLIC - CALIFORNIA
SACRAMENTO COUNTY
My Commission Expires July 5, 1990

89 07873

CAT NO NND0627
TO 1944 CA (9-84)

 **TICOR TITLE INSURANCE**

(Individual)

STATE OF CALIFORNIA
COUNTY OF Nevada } ss.

↑ STAPLE HERE ↓

On March 30, 1989, before me, the undersigned, a Notary Public in and for
said State, personally appeared Erica Erickson and Mary Bouna

_____, personally known to me or
proved to me on the basis of satisfactory evidence to be
the persons whose names are subscribed to the
within instrument and acknowledged that they exe-
cuted the same
WITNESS my hand and official seal.

Signature *Ruth J. Strong*



(This area for official notarial seal)

END OF DOCUMENT

EXHIBIT 271

RECORDING REQUESTED BY

INTER-COUNTY TITLE COMPANY

AND WHEN RECORDED MAIL TO

89 11820

OFFICIAL RECORDS
REQUESTED BY
INTER-COUNTY TITLE CO.

MAY -9 AM 9:00

JACQUE C. BOLINGER
NEVADA COUNTY
RECORDER

Name
Street
Address
City &
State

Patricia J. Cope
Mary Anne Wilson
14294 Cherokee Lane
Grass Valley, CA 95945

SPACE ABOVE THIS LINE FOR RECORDER'S USE

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$ 62.70 TRANS TAX PD

(X) computed on full value of property conveyed, or

() computed on full value less value of liens and encumbrances remaining at time of sale.

09-580-94 & 09-580-89

Grant Deed

ORDER NO 89754-1A

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged.

MARY BOUMA, ERICA ERICKSON and WILLIAM TOMS, By Decree of Distribution dated August 12, 1983

hereby GRANT(S) to

PATRICIA J. COPE, an unmarried woman and MARY ANNE WILSON, an unmarried woman, as tenants in common

the following described real property in the unincorporated area of
County of Nevada State of California:

Lot 4, as shown upon the Subdivision Map of BET ACRES, No. 85-7, filed in the Office of the Recorder, County of Nevada, State of California, on February 24, 1987, in Book 7 of Subdivisions, Page 75.

EXCEPTING AND RESERVING THEREFROM all the mineral, metal matter and rock lying below 200 feet of the surface, with the right to extract and remove said mineral, metal matter and rock from any depth up to 200 feet of the surface of said premises without disturbing the surface thereof.

TOGETHER WITH AND PRESERVING THEREFROM, as applicable thereto, easements and rights-of-way for ingress, egress and utilities, as shown upon the Official Map referred to above.

COS

STATE OF CALIFORNIA }
COUNTY OF Nevada } ss
On May 1, 1989 before me, the under-

signed, a Notary Public in and for said State, personally appeared
Mary Bouma and Erica Erickson

personally known to me, or proved to me on the basis of satisfactory evidence, known to me to be the person S whose name S ARE subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal

Signature

Jacquie Pollard

Dated April 27, 1989

Mary Bouma

Erica Erickson

William Toms

William Toms



89 11820

CAT. NO. NN00627
TO 1944 CA (9-34)

TICOR TITLE INSURANCE

(Individual)

STATE OF CALIFORNIA
COUNTY OF Sacramento } ss.

↑
WITNESS HERE
↓

On Nov 3, 1950 before me, the undersigned, a Notary Public in and for
said State, personally appeared William J. [unclear]

_____, personally known to me or
proved to me on the basis of satisfactory evidence to be
the person whose name _____ subscribed to the
within instrument and acknowledged that _____ exe-
cuted the same.

WITNESS my hand and official seal.

Signature A. [unclear]



(This area for official notarial seal)

END OF DOCUMENT

EXHIBIT 272

EXHIBIT 273

RECORDING REQUESTED BY

INTER-COUNTY TITLE COMPANY

89 23589 OFFICIAL RECORDS

INTER-COUNTY TITLE CO.

AUG 18 1989

David P. Russo et al
11019 Newtown Road
Nevada City, CA 95959

SPACE ABOVE THIS LINE FOR RECORDER'S USE

7.00 Pd.

The undersigned grantor(s) declare(s):

Documentary transfer tax is \$ 43.45 - TRANS TAX PR.

1 X computed on full value of property conveyed, of

1 computed on full value less value of liens and encumbrances remaining at time of sale

9-580-88

Grant Deed

ORDER No. 95085

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged.

MARY BOURA, ERICA ERICKSON and WILLIAM TOMS

hereby GRANT(S) to DAVID P. RUSSO and KELLY J. RUSSO, husband and wife, as joint tenants, as to an undivided 1/2 interest; and JAMES L. BARSOTTI and CARME E. BARSOTTI, husband and wife, as joint tenants, as to an undivided 1/2 interest

the following described real property in the unincorporated area of the County of Nevada State of California:

All that real property situated in the unincorporated area of the County of Nevada, State of California, more particularly described as follows:

Lot 2, as shown upon the Subdivisor Map of BET ACRES, No 85-7, filed in the Office of the Recorder, County of Nevada, State of California, on February 24, 1987, in Book 7 of Subdivisions, Page 75.

EXCEPTING AND RESERVING THEREFROM all the mineral, metal matter and rock lying below 200 feet of the surface, with the right to extract and remove said mineral, metal matter and rock from any depth up to 200 feet of the surface of said premises without disturbing the surface thereof.

TOGETHER WITH AND RESERVING THEREFROM, as applicable thereto, easements and rights-of-way for ingress, egress and utilities, as shown upon the Official Map referred to above.

COS

STATE OF Alaska
COUNTY OF Kenai
On Aug 4th, 1989 before me, the undersigned a Notary Public in and for said State personally appeared Willie Ann Stone

Dated July 24, 1989
✓ Mary Boura
Mary Boura
✓ Erica Erickson
Erica Erickson
✓ William Toms
William Toms

personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name subscribed to the within instrument and acknowledged that executed the same

WITNESS my hand and official seal

Signature Marjorie Klein

STATE OF ALASKA
NOTARY PUBLIC
Marjorie Klein
My Commission Expires 6-19-91

63 23589

CAT. NO. NN00627
TO 1944 CA 19-841

 **TICOR TITLE INSURANCE**

(Individual)

STATE OF CALIFORNIA
COUNTY OF NEVADA } ss

On August 14, 1989 before me, the undersigned Notary Public in and for
said State, personally appeared Mary Bouma and Erica Erickson

↑ STAPLE HERE ↓

_____, personally known to me or
proved to me on the basis of satisfactory evidence to be
the person(s) whose name is are, subscribed to the
within instrument and acknowledged that they exe-
cuted the same
WITNESS my hand and official seal.

Signature Joy Davenport
Joy Davenport



(This area for official notarial seal)

END OF DOCUMENT

EXHIBIT 274

Air Photo of Brunswick site – April 1997

Emperor Gold Photo Collection



EXHIBIT 275

Recording requested by:
WILLIAM B. WETHERALL

After recording return to:
MARY BOUMA, ERICA ERICKSON
& WILLIAM TOMS
P. O. Box 925
Nevada City, CA 95959

89 36473

OFFICIAL RECORDS
REQUESTED BY

Wm. B. Wetherall

DEC 18 PM 3 18

CLERK

7/11/89

(This notice must be indexed as follows:
grantor and grantee index - each claimant
is a grantor.)

NOTICE OF INTENT TO PRESERVE INTEREST

This notice is intended to preserve an interest in real property from extinguishment pursuant to Title 5 (commencing with Section 880.020) of Part 2 of Division 2 of the Civil Code (Marketable Record Title).

Claimants:

Names: MARY BOUMA, ERICA ERICKSON & WILLIAM TOMS

Mailing address for each claimant: P.O.Box 925, Nevada City, CA 95959

Interest:

All mineral rights and interests in minerals, regardless of character, whether fugacious or nonfugacious, organic or inorganic, that are created by grant or reservation, regardless of form, whether a fee or lesser interest, mineral, royalty, or leasehold, absolute or fractional, corporeal or incorporeal, and including express or implied appurtenant surface rights.

Real Property:

All real property in the County of Nevada, State of California, in which claimants have mineral interests of record in the Office of the County Recorder of said County.

We assert under penalty of perjury under the laws of the State of California that this notice is not recorded for the purpose of slandering title to real property, and we are informed and believe that the information contained in this notice is true.

Signed:

Mary Bouma
MARY BOUMA

Erica Erickson
ERICA ERICKSON

William Toms
WILLIAM TOMS

Date: December 8, 1989.

Claimants

ACKNOWLEDGEMENT

STATE OF CALIFORNIA)
) ss.
COUNTY OF NEVADA)

On this 8th day of December, 1989, before me, INGE MILLETT, a Notary Public, State of California, duly commissioned and sworn, personally appeared MARY BOUMA, ERICA ERICKSON and WILLIAM TOMS, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to this instrument, and acknowledged that they executed it.

WITNESS my hand and official seal.



Inge Millett

Notary Public

EXHIBIT 276



Bee/Dick Schmidt

Silos remain from the Idaho-Maryland Mine, which produced 2.5 million ounces of gold between 1851 and 1956.

Canadian firm hoping to reopen old gold mine under Grass Valley

By Tom Nadeau
Bee Correspondent

GRASS VALLEY — A Canadian mining firm has purchased a 10-year lease with an option to buy the Idaho-Maryland Mine with a view to reopening the second-richest hard rock underground gold mine in California history.

Consolidated Del Norte Ventures of Vancouver, British Columbia, has obtained the lease on the \$5.62 million property, said a spokesman for BET Enterprises, the owner of the mine.

Del Norte plans to spend about \$100,000 in the next few months studying old maps, photographs and engineering reports to determine how much gold may remain in the mine and whether reopening it would be economically feasible.

"We have excellent information on the mine, including 3,000 maps. The maps look like they just closed the mine yesterday," said Ross Gunther, a Shingle Springs geologist advising Del Norte.

"The mine produced about 2.5 million ounces of gold while it was in operation, and, though it is speculative to say, I would

estimate about the same amount may still be there," Gunther said.

Gold sold for about \$35 an ounce while the mine was open, but closed Friday at \$367 an ounce on the New York Commodity Exchange.

Four hundred dollars per ounce is often cited as the bench mark price for deciding whether a gold mine is viable, but not always, Gunther said.

"Each deposit has its own economics. The \$400 is only a very rough rule of thumb, so

See MINE, page B4



Bee Dick Schmidt

Jack Clark, former supervisor of underground operations, examines a model of the mine.

Mine: Evidence of more deposits found

Continued from page B1
each has to be looked at on its own," Gunther said.

The Idaho-Maryland Mine was discovered in 1851 and worked almost continuously until 1956, with one closure from 1942-45 during World War II. It was exceeded in output only by the Empire Mine, which produced 6.5 million ounces of gold. Now a state park, the Empire is also in Grass Valley — a town known in its heyday as "the Gold City."

The Idaho-Maryland is actually a complex of mines beneath 26 surface acres near the intersection of East Bennett and Brunswick roads in Grass Valley. Idaho-Maryland holds about 2,700 acres of mineral rights.

The mine descends via its deepest shaft — called the New Brunswick — through about 150 miles of drifts and crosscuts to a depth of 3,280 feet, Gunther said.

If it is reopened, most mining activity is expected to take place around the New Brunswick shaft, said Jack Clark of Grass Valley, an authority on the history of the Idaho-Maryland and familiar with the plan.

Clark worked the Idaho-Maryland as a safety engineer from 1941 until it closed, finishing as supervisor of underground operations.

"There is a lot of gold left down there in ore reserves left behind when it was closed," Clark said.

"At its peak during the 1940s, we had about 1,000 miners working there," Clark said.

Del Norte director Robert Crompton, a 25-year veteran of mining finance, said re-

search has found evidence that more ore deposits were discovered before the mine was closed, and that his firm may sink the shaft to 5,000 feet to retrieve it.

"This mine was traded on the Pacific Stock Exchange in the 1930s at \$500 and \$600 a share and paying stockholders \$1 million a year in dividends," said Crompton, who helped finance the reopening in 1965 of what remains the largest silver mine in Mexico.

"This is very exciting," said Crompton, who was one of the original financiers of the Hemlo Mine, an Ontario discovery that is now the largest gold-producing mine. One Del Norte partner is Frank Lang, a co-discoverer of the Hemlo, Crompton said.

The mine is now flooded with groundwater, which may turn into a benefit of sorts. Some advocates of the mining venture, for instance, have suggested that the water be pumped out and recycled for community uses.

The very idea of a mining rebirth excites many old-timers in Nevada County.

"It's our heritage. It would be wonderful to see it happen," said Bob Paine, a newspaper man and former mayor of Nevada City.

"Mining critics worry too much. They say the mines aren't safe, but my wife and I built our own house on top of an old mine shaft and it's proved safe enough for us," Paine said.

Some critics who last year backed an unsuccessful ballot initiative, Measure Q — seeking to regulate traffic and dust stemming from gravel mining — are open-

minded but still skeptical about the Idaho-Maryland project.

"Of all the mines they might reopen, the Idaho-Maryland is the best situated," said David Comstock, the author and publisher of books about California history and a prime mover behind Measure Q.

"It is surrounded by areas already zoned commercial and industrial, and there will be a lot of environmental investigation into it before it opens, so I'm not very frightened about it — if it does get going," Comstock said.

If anything dampens local enthusiasm for the project, it may be economic factors that have not been considered yet, Comstock said.

"Cheap labor underlies the whole gold economy. That's why we see it today in places with virtual slavery, like South Africa and South America," Comstock said.

"When local people find out what wages are being offered and the working conditions, laborers may have to be imported," Comstock said.

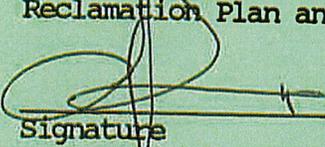
Crompton said his firm plans to change its name to the Idaho-Maryland Corp — due partly to the famous mine's status in mining history.

"We have no illusions about this. It's a gamble — a big gamble," Crompton said, but added he took heart from an instance earlier this century when nervous investors mistakenly decided the Idaho-Maryland was played out, only to have others reopen it successfully.

EXHIBIT 277

10. Total surface acreage of the property 40 acres
Surface acreage included in this application 22 (+ or -) acres
Subsurface acreage included in this application 22 (+ or -) acres

11. Signature of at least one of the mineral rights owners, or a copy of the appropriate agreements.
(Please see notarized statements) _____ Date _____
_____ Date _____

12. **Applicant's signature of Responsibility**
By submittal of this application, the applicant does hereby accept the responsibility to operate and reclaim the proposed project consistent with the conditions of approval imposed by the County on the Reclamation Plan and Use Permit.
 _____ Date 6-15-92
Signature _____ Date
Harry Abbott, for North Star Rock Products, Inc.
Printed Name

FOR OFFICE USE ONLY:

Application Number _____ Supervisorial District _____
Date Filed _____ Receipt Number _____
Present Zoning _____ G.P. Classification _____
Received By _____

EXHIBIT 278

COUNTY OF NEVADA

PLANNING DEPARTMENT

Eric Rood Adm. Bldg.
950 Maidu Avenue
P.O. Box 6100
Nevada City, CA 95959-6100
(916) 265-1440

December 14, 1992

NOTICE OF CONDITIONAL APPROVAL USE PERMIT APPLICATION

Harry Abbott
North Star Rock Products, Inc.
P. O. Box 908
Grass Valley, CA 95945

U92-037
AP#: 09-240-22; 09-550-13, -14
and -17; 09-560-02, -08

You are hereby notified that the Nevada County Planning Commission, at a regular meeting held on December 10, 1992, after public hearing, did duly consider your application filed on June 22, 1992, for Conditional Use Permit and Reclamation Plan, in four phases, which proposes to expand existing rock harvesting, on property located at 10701 Idaho-Maryland Road, Grass Valley. A legal description of the property is on file in the Planning Department, 950 Maidu Avenue, Nevada City, California.

After said hearing, and upon the evidence thereat submitted, the Planning Commission does hereby notify you that your application for a use permit and reclamation plan is granted, subject to the following mitigation measures and conditions:

Mitigation Measures:

1. Prior to commencing rock harvesting operations approved with this use permit the applicant/operator shall submit to the City of Grass Valley Building Department grading plans of the rock harvesting operation. As apart of the review of these grading plans, the Nevada County Resource Conservation District shall review and approved the erosion control measures incorporated into the grading plans. Prior to the City of Grass Valley Building Department approval of the grading permit, a letter shall be submitted to the Nevada County Planning Department from the Nevada County Resource Conservation District indicating the District has approved the erosion control measures. Grading operations shall be completed in accordance with the approved grading plans.
2. Prior to beginning work on phase I a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.

Prior to beginning work on phase II a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.

3. Heavy equipment operators at the quarry site shall wear appropriate hearing loss prevent gear at all times of operation of the heavy equipment.
4. Prior to issuance of a grading permit for this project by the City of Grass Valley, the City Engineering shall evaluate this project's impact on the City of Grass Valley's roads; and shall implement measures such as haul weight fee, contributions towards road improvements, or other measures deemed appropriate as needed.
5. The operator shall stockpile rocks in a manner which insures that the piles are stable, and large loose rocks in harvesting areas of the site shall be removed and stockpiled in a stable manner.
6. Should artifacts or unusual amounts of stone, bone or shell be uncovered during construction activity, work shall be stopped and a qualified archaeologist shall be contacted for an on-site consultation. If the bone appears to be human, California law mandates that the Nevada County Coroner and the Native American Heritage Commission be contacted.

Conditions of Approval - Use Permit:

1. The applicant shall maintain adequate arrangements with the Nevada Irrigation District, if water is taken from Wolf Creek for project operations.
2. The mill pond adjacent to the main project shall be maintained with flash boards in the outlet facility so that suspended material in run-off water can settle out before entering Wolf Creek. This settlement pond shall maintain a useful life as long as the period of time necessary to reestablish the disturbed area after the project ends.
3. The rock processing plant shall not be moved from the present location.
4. Prior to commencing rock harvesting, the applicant shall apply for and receive approval of a rezone application rezoning the project site adding the "ME" combining district.
5. Hours of operation for the processing plant and loader shall be limited to between 8:00 a. m. and 5:00 p.m., Monday through Friday, except for a demonstrated emergency which shall be reported to the Planning Department. The operation may commence at 7:00 a.m. during the summer months (May 1 through September 30), unless an unresolved complaint is received by the Planning Department. Operations beyond the designated times for purposes other than machinery maintenance or authentic emergency may cause the permit to be brought back to the Planning Commission which may modify the conditions on the permit or recommend its revocation to the Board of Supervisors.

6. This permit is subject to the on-going requirements of the Northern Sierra Air Quality Management District.
7. In addition this permit also covers the processing of rock material from off-site locations. Processing of off-site rock material shall not be conducted after 10 years from the issuance of this permit.
8. Vegetative material removed from the site shall be disposed of in a manner acceptable to the Northern Sierra Air Quality Management District. Burning of such material shall only be allowed if permitted by the Northern Sierra Air Quality Management District.
9. The following noise attenuation and dust control measures shall be employed by the applicant for the life of the use permit:
 - a. The subject site and access road shall be watered regularly to control dust emissions.
 - b. All equipment associated with the use shall be muffled with approved mufflers.
 - c. The applicant shall take the sides of the long tailings pile first, and then reduce the height of the last phase of the project. This condition is intended to provide noise barrier between the operation and nearby homes to the north and northeast for the longest time possible.
 - d. Where feasible, all metal to metal contact points will be insulated.
 - e. Rubberize or insulate rock hoppers and bins.
 - f. Cal OSHA ear protection shall be provided to employees.
 - g. Limit the speed of all vehicles on the access road to 25 miles per hour.
 - h. Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.
10. Maintain appropriate permits from the Northern Sierra Air Quality Management District.
11. Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.
12. Any exposed soil area resulting from the proposed operation shall be stabilized by October 1 and remain stabilized through April 30.
13. The Planning Department and Nevada County Resource Conservation District shall be contacted prior to October 1 annually for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer or the use of plastic sheeting on a temporary basis.

14. Disturbed areas seeded in the spring and summer shall be periodically irrigated during the dry season to insure vegetation establishment.
15. There shall be no blasting associated with the mining operation covered by this permit.
16. Pursuant to Policy 7 of the Mineral Management Element, the Use Permit shall return to the Nevada County Planning Commission for a compliance review. The first review shall be after two years of the commencement of operation. After the first review, the operator shall return every five years thereafter. The compliance reviews shall continue throughout the life of this use permit.
17. The Planning Department shall be notified by certified letter of any change of ownership or mine operators. The letter shall contain new contract information.

Conditions of Approval - Reclamation Plan:

1. Revegetation shall be in accordance with the approved revegetation plan. After each phase of revegetation, as outlined in the revegetation plan, the operator shall contact the Planning Department and Nevada County Resource Conservation District for an on-site inspection to insure the revegetation has taken place as prescribed in the revegetation plan. Appropriate measures may be required to insure revegetation meets the requirements of the revegetation plan.
2. The applicant shall provide gravel and/or rip rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.
3. Prior to commencement of any mining activity, either a Surety Bond, a Trust Bond, or any other form of financial assurance acceptable under Section 2773.1(e) of the Surface Mining and Reclamation Act of 1975 (SMARA), shall be submitted and approved by Nevada County to guarantee reclamation of the site. The amount of guarantee shall be 100% of an engineer's estimate plus 25% for contingency, pursuant to Section 2773.1(a)(1), to reclaim the area currently disturbed and the area that is possible to disturb in any phase on which work may be commenced in the following one year period. The estimate shall include the cost of all drainage improvements and erosion control. The estimate shall be reviewed by the Nevada County Resource Conservation District (erosion control and revegetation), Nevada County Department of Transportation (equipment costs, operating time rates, and volume of material to be removed), and approved by the Planning Department (proper form, SMARA compliance).

NOTE: Section 2773.1(a)(3) states that the bond amount shall be adjusted annually to account for new lands disturbed, inflation, and reclamation of lands accomplished in accordance with the approved plan."

4. An annual monitoring program report shall be submitted to the Planning Department and the Resource Conservation District no later than December 1, Of each year. Said report shall include:
 - a. The amount of material mined.
 - b. A summary of the reclamation and revegetation which occurred in that year.
 - c. A discussion of the success of the previous years' revegetation.
 - d. A discussion of the adequacy of the existing engineer's bond estimate (see NOTE above).
 - e. Any other information deemed to be pertinent or that may be required by the County.

NOTE: In the event that Resource Conservation District is unable to perform the inspections, the operator shall hire a qualified person (as defined in Section 2774(b) to perform the inspections and make the required recommendations.

5. All inspections of reclamation activities by Planning Department and Resource Conservation District staff shall be funded by the applicant or his successor. All staff time including inspections, will be billed at actual costs in conformance with the adopted fee schedule in effect at that time.
6. Pursuant to Policy 7 of the Mineral Management Element, the Reclamation Plan shall return to the Nevada County Planning Commission for a compliance review. The first review shall be after two years of the commencement of operation. After the first review, the operator shall return every five years thereafter. The compliance reviews shall continue throughout the life of the use permit.
7. If the operator plans to maintain an "Idle" mining status, pursuant to the definition of Section 2727.1 of SMARA, an Interim Management Plan shall be submitted to Nevada County for review and approval. The Interim Management Plan shall be considered an amendment to the approved Reclamation Plan and shall comply with provisions in Section 2770(h).

NOTE: The review and approval of the interim management plan is not considered a project within the meaning of Division 13 (commencing with Section 21000).

8. All conditions pertaining to the Reclamation Plan, approved by Nevada County, shall be incorporated into the approved Reclamation Plan's appendix. The applicant shall furnish the County with a complete final copy of the approved Reclamation Plan within sixty days of approval.
9. Prior to beginning rock harvesting operations covered by this permit the applicant (operator) shall provide a statement to the County of Nevada accepting responsibility for reclamation of the project site per the approved reclamation plan.

10. Prior to beginning rock harvesting operations covered by this permit the applicant (operator) shall establish a verifiable bench mark. Prior to beginning rock harvesting operation covered by this permit proof of the establishment of this bench mark shall be submitted to the Planning Department.
11. Access roads and traffic routes associated with this project shall be revegetated, in a manner consistent with the approved revegetation plan, as a part of the reclamation of the site prior to final closure if the site is not used immediately for another development or a permit or subdivision map is not processed for the site which will utilize these roads and traffic routes.
12. This project shall comply will all applicable laws governing mining operations.

B. DEPARTMENT OF TRANSPORTATION:

1. A development fee will not be required for processing and hauling material from the borrow area since a development fee was paid on the original use permit to offset those impacts.
2. If the applicant imports material for processing, a development fee of \$.05 per ton of material hauled to the site for processing shall be paid to the County Department of Transportation to offset the impacts the proposal will have on our road system. The applicant shall notify the Department of Transportation at least 24 hours in advance of the haul.

C. ENVIRONMENTAL HEALTH DEPARTMENT:

1. Submit a copy of a current contract for servicing of the chemical toilet on site.
2. Comply with Chapter 6.95 of the California Health and Safety Code, Hazardous Materials Release Response Plans and Inventory, Chapter 6.6 of the Safe Drinking Water and Toxic Environmental Act of 1986, and Chapter XI of the Land Use and Development Code.
3. Comply with waste discharge requirements as established by the Central Valley Regional Water Quality Control Board.
4. NOTE: Additional fees may be incurred and/or required for some or all additional services rendered by this department in regard to this project, including review of compliance with conditions. Said fees will be in accordance with the latest adopted fee resolution.

D. CITY OF GRASS VALLEY:

1. Quarry or mining operations shall be restricted to those portions of the project site currently located within Nevada County's jurisdiction outside the City of Grass Valley.

2. Quarry or mining operations on that portion of the site currently within the jurisdiction of the City of Grass Valley shall not be permitted until a permit therefore is issued by the City of Grass Valley.
3. Revised reclamation planting plans shall be submitted for review and approval by the Planning Department with the following modifications:
 - a. Provide randomly planted trees and shrubs between the natural grade lines to the extent feasible to give the appearance of a natural transition.
 - b. Provide water absorbent polymers to seedlings so as to improve plant survival rate.
4. Prior to issuance of a grading permit for the portion of the site within the City, the applicant shall enter into an agreement with the City to annex portions of the site currently outside the City and resolve any related zoning questions.
5. The project shall be re-evaluated by the Design Review Board in two years from the date of this approval being October 14, 1994. During further review of the project, additional conditions of approval may be added to mitigate the project's appearance impacts.

The applicant is also responsible for compliance with applicable State Laws and County Ordinances including Article 32 of the Land Use and Development Code. In order to maintain a valid permit, Article 32 requires that you commence operation of your project no later than December 10, 1994. If you will not have commenced operation prior to that starting date, you may apply for an extension of time prior to December 10, 1994. If you do not commence operation by the above-referenced dates or do not request in writing an extension of time for those dates, the permit shall become null and void. In any event, this permit shall expire on December 10, 2002.

Pursuant to the requirements of the Land Use and Development Code, you are hereby notified that this permit is not valid until the expiration of ten (10) days from the date of the Planning Commission action. If the granting of the permit is appealed or submitted to the Board of Supervisors for final action, the effective date is stayed until final action by said Board. Any appeal must be submitted on the proper form which is available from the Clerk to the Board of Supervisors, Eric Rood Administrative Center, Nevada City, California 95959 (Deadline for appeal: December 21, 1992, at 5:00 p.m.).

You are advised not to commence any work on this permit until the ten-day period expires and to check with the Planning Department to determine if any appeal has been submitted.

NOTE: This project is subject to Fish and Game impact fees in the amount of \$1,250.00. State law requires payment of the fee at time of filing the Notice of Determination (approximately ten days after approval by the Planning Agency).

NEVADA COUNTY PLANNING COMMISSION
Robert J. Leggett, Ex-Officio Secretary

By: Deborah A. Keyser
DEBORAH A. KEYSER
Clerk to the Planning Commission

RJL:dk

cc: Assessor's Office
Building Department
Department of Transportation
Environmental Health Department
City of Grass Valley

COUNTY OF NEVADA

PLANNING DEPARTMENT

Eric Rood Adm. Bldg.
950 Maidu Avenue
P.O. Box 6100
Nevada City, CA 95959-6100
(916) 265-1440

MEMORANDUM

DATE: December 10, 1992

TO: Honorable Members of the Planning Commission

FROM: Nevada County Planning Department
By: Randy Wilson, Planner III

SUBJECT: U92-037; RP92-002 North Star Rock Products, Inc.

This project was continued from the October 22, 1992, Planning Commission Hearing in order to address issues raised by Mines and Geology, and issues with the City of Grass Valley, and his project was continued from the November 12, 1992, Planning Commission Hearing to complete the process of addressing the outstanding issues on the project.

STAFF COMMENT:

Status of Issues with the City of Grass Valley

North Star Rock Products, Inc. has negotiated an agreement with the City of Grass Valley. (At the time of the writing of this memo North Star Rock Products has signed this agreement, no formal action has taken place by the City on the agreement. However, staff expects that the agreement will be signed by all parties by the December 10, 1992, Planning Commission Hearing.) This agreement contains provisions for:

- 1) Future annexation of those areas of the County into the City;
- 2) Provisions for amending, and when necessary adopting new legislation, the City's Zoning Ordinance and General Plan to allow the use of the site for mining;
- 3) Agreement on the amount and process of collection fees related to road impacts from the project on the City's roads;
- 4) Agreement on the necessary permit processing, including the city grading permit, by North Star Rock Products, Inc. with the City; and,
- 5) Recognition of the County's (pending) approval of the project "Mitigated" Negative Declaration, the Conditional Use Permit, and the Reclamation Plan.

(Note: A copy of this agreement is attached. This copy is signed by North Star Rock Products, Inc.)

Staff finds that the agreement covers all unresolved issues which have been identified with this project concerning the City of Grass Valley. The execution of this agreement and resulting actions, along with County approval of the environmental document, use permit, and reclamation plan will allow this project to proceed.

SMARA and Reclamation Plan Issues

Staff regrets that as of the writing of this memo Staff's responses to the State and County Counsel issues has not been completed. Staff expects that those remaining items, mostly erosion-pending information from RCD, will be resolved by the December 10, 1992, Planning Commission Hearing, and at that time Staff will present these responses to the Commission. (Note: The Planning Commission is not required to act on these responses. These responses, along with the approved mitigation measures and conditions of approval, will be added to the State's files on this project.)

Changes to the Conditions of Approval

The following are proposed changes to the conditions of approval:

Based on comments received from County Counsel, Reclamation Plan Condition No. 3 should be modified slightly to read:

"Prior to commencement of any mining activity, either a Surety Bond, a Trust Bond, or any other form of financial assurance acceptable under Section 2773.1(e) of the Surface Mining and Reclamation Act of 1975 (SMARA), shall be submitted and approved by Nevada County to guarantee reclamation of the site. The amount of guarantee shall be 100% of an engineer's estimate plus 25% for contingency, pursuant to Section 2773.1(a)(1), to reclaim the area currently disturbed and the area that is possible to disturb in any phase on which work may be commenced in the following one year period. The estimate shall include the cost of all drainage improvements and erosion control. The estimate shall be reviewed by the Nevada County Resource Conservation District (erosion control and revegetation), Nevada County Department of Transportation (equipment costs, operating time rates, and volume of material to be removed), and approved by the Planning Department (proper form, SMARA compliance).

"Section 2773.1(a)(3) states that the bond amount shall be adjusted annually to account for new lands disturbed, inflation, and reclamation of lands accomplished in accordance with the approved plan."

This condition was modified to recognize the phases of the project and the appropriate financial surety.

Staff recommends the Planning Commission take the following actions:

- I. Adopt the proposed "Mitigated" Negative Declaration with the following finding:
 - (a) The proposed "Mitigated" Negative Declaration reflects the independent judgment of the Nevada County Planning Commission.

- II. Approve the conditional use permit allowing the expansion of rock harvesting of additional 11 acres and total volume of approximately 220,000 cubic yards, as shown in Attachment "3" of the previous staff report, subject to the Mitigation Measures and Conditions of Approval in Attachment "1", attached hereto, and with the following findings:
 - (a) The proposed project is consistent with the Nevada County General Plan and applicable "M" land use designation therein:
 1. The project site general plan designation of "M" is compatible with surface mining as defined in the Mineral Management Element of the General Plan;
 2. The project by extracting minerals in a manner which provides building sites for future industrial development meets the criteria of Policy 6 of the Mineral Management Element which, "Encourages extraction of mineral resources in compatible areas prior to intensified urbanization or conversion to other incompatible land use development."
 3. The project by mining previously mined land meets the criteria of policy 9 of the Mineral Management Element which, "Encourages the mining of previously mined land, if such land contains economically minable minerals, so the land can be reclaimed for alternative uses."
 4. The project noise generation meets the criteria of Policy 4 of the Mineral Management Element which states, "All operations shall comply with the Nevada County Noise Element standards."
 - (b) This project, in this location, is consistent with the "M1" zoning district assigned to the project site. This finding is based:
 1. The project provides the grading work for ultimate development of the site with uses expressively or conditional allowed in the "M1" zoning district;
 2. The project is compatible with existing land uses in the area of the project site;
 3. The project meets the intent and purpose of the "M1" zoning district which is to provide areas of diverse industrial development in close proximity to commercial and residential development.

(c) This project is consistent with Article 31 (Conditional Use Permits) of the Land Use and Development Code:

1. The site is adequate in size and shape (112.05 acres total, 40 acres for the quarry and the site provides an adequate shape of as the project is designed to accommodate the site for the proposed rock harvesting) to support the project;
2. Adequate public services exist within the project area which are available to serve the project. The project impacts on roads has been addressed in previous project approvals (this project is an amendment to those previous approvals) and through an agreement with the City of Grass Valley mitigating the project's impacts on the City's roads. No other issues concerning public services were raised by any agency in reviewing this project.

(d) The project will have no significant adverse effect on abutting properties, permitted uses on abutting properties, or the project area due to mitigation measures and conditions of approval attached to the approval of this project.

(e) That development fees to offset the cumulative impacts on the County road system were paid on previous approved projects (this project is an amendment to those previously approved projects) and that the project is conditioned, as previous approvals, to pay a development fee on material hauled to the site for processing.

(f) That the conditions stated in the decision are necessary to protect the public health, safety, and general welfare. .

III. Approve the proposed reclamation plan subject to the Mitigation Measures and Conditions of Approval and with the following findings:

(a) The reclamation plan is consistent with the Nevada County General Plan:

1. The reclamation plan is consistent with Policy "8" of the Mineral Management Element, which requires reclamation plans to be consistent with the State Mining and Reclamation Act as the reclamation plan, through adequate revegetation and finished grading, mitigates adverse effects on the environment, provides for the protection and subsequent beneficial use of the land to be mined eliminates residual hazards to public health and safety, encourages the production and conservation of minerals, ensures that mined lands are reclaimed in a timely manor to a usable condition, and avoids environmental and legal problems created by improperly abandoned mines.

- (b) The reclamation plan is consistent with Article 31.B (Surface Mining Permit and Reclamation):
 - 1. The reclamation plan, through adequate revegetation, grading, and operation minimizes water degradation, air pollution, damage to wildlife habitat, erosion, and other adverse aspects of surface mining;
 - 2. The reclamation plan, through adequate revegetation and finished grading restores the mined lands to usable condition which can accommodate new land uses;
 - 3. The reclamation plan, through adequate revegetation and finished grading restores the mined lands to a condition which creates no danger to public health and safety.
- (c) The reclamation plan insures that the mining of the property will have no significant effect on abutting properties or the project area.
- (d) The reclamation plan includes the information and documents required by the Surface Mining and Reclamation Act of 1975 (Public Resources Code Section 2710, et seq.).

ATTACHMENT "1"

North Star Rock Products

Mitigation Measures:

1. Prior to commencing rock harvesting operations approved with this use permit the applicant/operator shall submit to the City of Grass Valley Building Department grading plans of the rock harvesting operation. As apart of the review of these grading plans, the Nevada County Resource Conservation District shall review and approved the erosion control measures incorporated into the grading plans. Prior to the City of Grass Valley Building Department approval of the grading permit, a letter shall be submitted to the Nevada County Planning Department from the Nevada County Resource Conservation District indicating the District has approved the erosion control measures.
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 - h. Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.
10. Maintain appropriate permits from the Northern Sierra Air Quality Management District.
 11. Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.
 12. Any exposed soil area resulting from the proposed operation shall be stabilized by October 1 and remain stabilized through April 30.
 13. The Planning Department and Nevada County Resource Conservation District shall be contacted prior to October 1 annually for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer or the use of plastic sheeting on a temporary basis.
 14. Disturbed areas seeded in the spring and summer shall be periodically irrigated during the dry season to insure vegetation establishment.
 15. There shall be no blasting associated with the mining operation covered by this permit.
 16. Pursuant to Policy 7 of the Mineral Management Element, the Use Permit shall return to the Nevada County Planning Commission for a compliance review. The first review shall be after two years of the commencement of operation. After the first review, the operator shall return every five years thereafter. The compliance reviews shall continue throughout the life of this use permit.
 17. The Planning Department shall be notified by certified letter of any change of ownership or mine operators. The letter shall contain new contract information.

Conditions of Approval - Reclamation Plan:

1. Revegetation shall be in accordance with the approved revegetation plan. After each phase of revegetation, as outlined in the revegetation plan, the operator shall contact the Planning Department and Nevada County Resource Conservation District for an on-site inspection to insure the revegetation has taken place as prescribed in the revegetation plan. Appropriate measures may be required to insure revegetation meets the requirements of the revegetation plan.
2. The applicant shall provide gravel and/or rip rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.
3. Prior to commencement of any mining activity, either an Irrevocable Letter of Credit, a Surety Bond, a Trust Fund, or any other form of a financial assurance acceptable under Section 2773.1(e) of the Surface Mining and Reclamation Act of 1975 (SMARA), shall be submitted and approved by Nevada County to guarantee reclamation of the site. The amount of the guarantee shall be 100% of an engineer's estimate plus 25% for contingency, pursuant to Section 2773.1(a)(1), to reclaim the maximum area that is possible to be disturbed. The estimate shall include the cost of all drainage improvements and erosion control. The estimate shall be reviewed by the Nevada County Resource Conservation District (erosion control and revegetation), Nevada County Department of Transportation (equipment costs, operating time rates, and volume of material to be moved), and approved by the Planning Department (proper form, SMARA compliance).

NOTE: Section 2773.1(a)(3) states that the bond amount shall be adjusted annually to account for new lands disturbed, inflation, and reclamation of lands accomplished in accordance with the approved plan.

4. An annual monitoring program report shall be submitted to the Planning Department and the Resource Conservation District no later than December 1, Of each year. Said report shall include:
 - a. The amount of material mined.
 - b. A summary of the reclamation and revegetation which occurred in that year.
 - c. A discussion of the success of the previous years' revegetation.
 - d. A discussion of the adequacy of the existing engineer's bond estimate (see NOTE above).
 - e. Any other information deemed to be pertinent or that may be required by the County.

NOTE: In the event that Resource Conservation District is unable to perform the inspections, the operator shall hire a qualified person (as defined in Section 2774(b) to perform the inspections and make the required recommendations.

5. All inspections of reclamation activities by Planning Department and Resource Conservation District staff shall be funded by the applicant or his successor. All staff time including inspections, will be billed at actual costs in conformance with the adopted fee schedule in effect at that time.
6. Pursuant to Policy 7 of the Mineral Management Element, the Reclamation Plan shall return to the Nevada County Planning Commission for a compliance review. The first review shall be after two years of the commencement of operation. After the first review, the operator shall return every five years thereafter. The compliance reviews shall continue throughout the life of the use permit.
7. If the operator plans to maintain an "Idle" mining status, pursuant to the definition of Section 2727.1 of SMARA, an Interim Management Plan shall be submitted to Nevada County for review and approval. The Interim Management Plan shall be considered an amendment to the approved Reclamation Plan and shall comply with provisions in Section 2770((h)).

NOTE: The review and approval of the interim management plan is not considered a project within the meaning of Division 13 (commencing with Section 21000).

8. All conditions pertaining to the Reclamation Plan, approved by Nevada County, shall be incorporated into the approved Reclamation Plan's appendix. The applicant shall furnish the County with a complete final copy of the approved Reclamation Plan within sixty days of approval.

B. DEPARTMENT OF TRANSPORTATION:

1. A development fee will not be required for processing and hauling material from the borrow area since a development fee was paid on the original use permit to offset those impacts.
2. If the applicant imports material for processing, a development fee of \$.05 per ton of material hauled to the site for processing shall be paid to the County Department of Transportation to offset the impacts the proposal will have on our road system. The applicant shall notify the Department of Transportation at least 24 hours in advance of the haul.

C. ENVIRONMENTAL HEALTH DEPARTMENT:

1. Submit a copy of a current contract for servicing of the chemical toilet on site.
2. Comply with Chapter 6.95 of the California Health and Safety Code, Hazardous Materials Release Response Plans and Inventory, Chapter 6.6 of the Safe Drinking Water and Toxic Environmental Act of 1986, and Chapter XI of the Land Use and Development Code.

3. Comply with waste discharge requirements as established by the Central Valley Regional Water Quality Control Board.
4. NOTE: Additional fees may be incurred and/or required for some or all additional services rendered by this department in regard to this project, including review of compliance with conditions. Said fees will be in accordance with the latest adopted fee resolution.

D. CITY OF GRASS VALLEY:

1. Quarry or mining operations shall be restricted to those portions of the project site currently located within Nevada County's jurisdiction outside the City of Grass Valley.
2. Quarry or mining operations on that portion of the site currently within the jurisdiction of the City of Grass Valley shall not be permitted until a permit therefore is issued by the City of Grass Valley.

NEVADA COUNTY PLANNING COMMISSION
STAFF REPORT

APPLICANT: North Star Rock Products, Inc. **HEARING DATE:** October 22, 1992
SUPERVISORIAL DISTRICT: III **FILE #:** U92-037; RP92-002

PROJECT: Applications of North Star Rock Products, Inc., proposing to expand existing rock harvesting in an existing quarry. Total expansion is approximately 11 acres and total volume to be harvested is 220,000 cubic yards or 300,000 tons +. No expansion of current mining methods or product sales is proposed. The existing plant and related items pertaining to the operation are to remain in the same locations which currently exist. (The quarry is approximately 40 acres of a 121.05 acre site. Note: This project is located within the City of Grass Valley and unincorporated area of the County.)

LOCATION: 10701 Idaho-Maryland Road, Grass Valley.

FACTUAL DATA:

General Plan: m
Zoning: "M1"
ZDM: #52B
Lot Size: 12.93 ac. (City/ G.V.);
 98.2 ac. (County)
APN: 09-240-22; 09-550-13, -14,
 and -17; 09-560-02 and -08

SERVICES:

Water: Bottled Water/Wolf Creek
Sewage: Chemical Toilet
Fire: Ophir Hill Fire District/
 City of Grass Valley
Schools: Union Hill/N.U.H.S.
Sup. Dist.: III
Prev. File #: U79-41; U86-45

ATTACHMENTS:

1. Mitigation Measures and Conditions of Approval
 2. Proposed "Mitigated" Negative Declaration, including Site Plan, Grading Plan, and Revegetation Plan
 3. Zoning Map
 4. Reclamation Plan
 5. Letter from City of Grass Valley dated October 7, 1992
-

STAFF RECOMMENDATION:

1. **ENVIRONMENTAL ACTION:** The Advisory Review Committee recommends the Planning Commission adopt a "Mitigated" Negative Declaration for the proposed conditional use permit.
 2. **PROJECT ACTION:** Staff recommends the Planning Commission approve the proposed conditional use permit, as shown on exhibits in Attachment "2" subject to the Conditions of Approval and Mitigation Measures contained in Attachment "1".
-

STAFF COMMENT:

Project:

North Star Rock Products proposes to expand an existing rock harvesting operation located in an existing quarry. The project is an amendment of U86-45 which was approved by the Planning Commission on December 18, 1986. (Note: The original project was approved under U79-41, amended under U85-25, and amended again under U86-45.) The present project requests approval to expand the rock harvesting operation by approximately 220,000 cubic yards of material over the next 10 years. All exiting factors of the operation, including the importation of material to be crushed, are proposed to remain as approved under the last permit.

The project has already created two terraces and proposes to expand the upper terrace and create another above. The project proponent has completed a visual impact analysis performed on this project showing the expansion of the existing rock harvesting operation. The project is in the view shed of the State Highway 20/49 corridor between the Glenbrook Basin and the City of Grass Valley. The proposed expansion will also be visible from some areas in the City of Grass Valley.

Part of the proposed expansion is located within the City Limits of the City of Grass Valley. The City has been involved in the environmental analysis for this project.

If approved this project will remove more of the native vegetation from the hillside. Now, and with an expanded operation, the contrast between the native vegetation and the rock harvesting operation will be apparent. A part of the top of the hill will be removed. However, the background contains another ridge line which will soften the impact of removing the top of the hill.

The operation is required by state law to reclaim the site. This reclamation is proposed in four phases and will occur as each phase of the operation is completed over the 10-year life of the project. The end result would be a series of vegetated slopes between three terraces.

The project site is zoned and has general plan designations for industrial and commercial type uses. Future development of the site for such uses will require grading the site with pad (terraces) and the creation of slopes which will be revegetated. This rock harvesting project would accomplish the grading required for the land uses to implement the site's land use designations.

Environmental:

Environmental issues raised by this project include grading impacts (City of Grass Valley), vegetation impacts, noise impacts on site personnel, road impacts on City of Grass Valley roads, safety concerns with loose rocks on slopes and with stockpiled rocks, and possible impacts to cultural resources. Other environmental issues - erosion, air, and water quality problems - normally associated with such a project were not identified by commenting

agencies as past practices and conditions of approval have served to minimize possible problems. (Note: Aesthetic issues were examined during the environmental review of this project. No significant impacts were identified. However, this project will cause a visual impact which can be seen as an aesthetic impact. The revegetation plan and future development potential of the site are expected to mitigate this impact over time.)

The project will be removing vegetation and will be disturbing a rare, but not listed tree, Macnab Cypress. The applicant will be replanting disturbed areas of the project site with a replanting program designed to increase the occurrence of Macnab Cypress on the site by propagating seedlings.

Other mitigations include fencing which is proposed to protect those areas of the site outside of the project grading. Noise impacts on site personnel will be mitigated by proper hearing protection measures. The operation is required to stabilize possible loose rocks.

The City of Grass Valley is concerned about the project's impacts on city roads, and so a mitigation measure requires the applicant to work with the city to mitigate this concern. The City of Grass Valley also is concerned about the project grading and wants to review and approve the project's grading plans. (Note: Under County Ordinance the project is not required to have a grading plan as the use permit covers the project's grading. No cultural resources were identified on the project site. However, a mitigation measure is proposed which covers cultural resources should such resources be uncovered during the project.)

Land Use:

The project site is zoned "M1" (Light Manufacturing and Industrial) and is designated "M" (Industrial) on the general plan land use map. Since the last revision to this permit the County has adopted a new Mineral Management Element of the general plan (January 1990).

Policy "15" of the Mineral Management Element indicates that, "Surface mining is conditionally permitted only in compatible General Plan designations as defined herein and on parcels zoned "ME"...." The project site's General Plan designation of "M" is defined as compatible with surface mining. However, the site does not contain the "ME" combining district zoning required of the new Mineral Management Element. A condition of approval is proposed which requires the project site, within the county, be rezoned with the "ME" combining district.

Section 31.B (Surface Mining Permit and Reclamation Plan) of the Land Use and Development Code requires, "That surface mining will only be considered and allowed in the zoning districts that specifically allow mineral extraction as a permitted use or through a use permit." Zoning districts which specifically allow mining are the "A1", "AE", "FR", "TPZ", and "OS". The project site is zoned "M1" which does not specifically allow mining. However, Section L-II 16.2.H.9 provides the Commission with the ability to find a mining operation compatible with the "M1" zoning district:

"The "M1" District is designated to provide areas for diverse industrial development that can be established in close proximity to commercial and residential development. Permitted uses should not be obnoxious by reasons of noise, fumes, etc. Areas indicated as industrial on the General Plan can utilize the provisions of this district."

Extensive grading of the site is required in order to develop the site under the existing zoning. The rock harvesting (quarrying) operation on this site has been effectively grading pads which may be used for commercial or industrial purposes in the future. This project would be expanding this grading operation by creating additional terraces.

The mining operation has been utilizing this site for a number of years. The Planning Commission in 1986 approved this rock harvesting by a 5-0 vote. The operation has not received any complaints as to noise or other obnoxious problems. The area has some existing commercial and industrial land uses, and one residence near the site, none of which have not complained about the project. The project noise study indicates that the noise levels generated by this project at this residence do not exceed county requirements.

Based on the above discussion staff recommends that the Commission make the finding that this project, in this location, is consistent with the "M1" zoning district assigned to the project site. This finding is based on the project providing the grading work for ultimate development of the site with uses expressly or conditionally allowed in the "M1" zoning district, that the project is compatible with existing land uses in the area of the project site, and that the project meets the intent and purpose of the "M1" zoning district which is to provide areas of diverse industrial development in close proximity to commercial and residential development.

The City of Grass Valley has raised land use concerns about this project in a letter dated October 7, 1992 (Attachment "5"). This letter indicates that the City needs to process a permit separately for this project on those portions of the project within the City. This issue of the City processing a permit was not raised previously. Further, the City now raises an issue over annexation and requests two conditions be added to the permit. (Note: see Attachment "1"). The first condition requires that quarry operations not take place within the City. This condition will, in effect, preclude the rock harvesting operation due to Phase I of the project being within the City. The second condition requires that the applicant process a permit to quarry within the City. Once this is accomplished, all phases of rock harvesting could proceed. Staff finds that while the City's requirement could delay rock harvesting, the Commission should consider this project and either: 1) approve this project, as designed, with the proposed mitigation measures and conditions of approval; or 2) require the project be redesigned for rock harvesting completely outside of the City.

ACTIONS FOR CONSIDERATION:

Staff recommends the Planning Commission take the following actions:

- I. Adopt the proposed "Mitigated" Negative Declaration with the following finding:

- (a) The proposed "Mitigated" Negative Declaration reflects the independent judgment of the Nevada County Planning Commission.

II. With the following findings, approve the conditional use permit allowing the expansion of rock harvesting of additional 11 acres and total volume of approximately 220,000 cubic yards, as shown in Attachment "3", subject to the Mitigation Measures and Conditions of Approval in Attachment "1".

- (a) The proposed project is consistent with the Nevada County General Plan designation of "M", for the following reasons:

1. The project site general plan designation of "M" is compatible with surface mining as defined in the Mineral Management Element of the General Plan;
2. The project by extracting minerals in a manner which provides building sites for future industrial development meets the criteria of Policy 6 of the Mineral Management Element which, "Encourages extraction of mineral resources in compatible areas prior to intensified urbanization or conversion to other incompatible land use development."
3. The project by mining previously mined land meets the criteria of policy 9 of the Mineral Management Element which, "Encourages the mining of previously mined land, if such land contains economically minable minerals, so the land can be reclaimed for alternative uses."
4. The project noise generation meets the criteria of Policy 4 of the Mineral Management Element which states, "All operations shall comply with the Nevada County Noise Element standards."

- (b) This project, in this location, is consistent with the "M1" zoning district assigned to the project site, for the following reasons:

1. The project provides the grading work for ultimate development of the site with uses expressively or conditional allowed in the "M1" zoning district;
2. The project is compatible with existing land uses in the area of the project site;
3. The project meets the intent and purpose of the "M1" zoning district which is to provide areas of diverse industrial development in close proximity to commercial and residential development.

- (c) This project is consistent with Article 31 (Conditional Use Permits) of the Land Use and Development Code:

1. The site is adequate in size (112.05 acres total, 40 acres for the quarry) to support the project;

2. The site has adequate public facilities to support the project.
- (d) The project will have no significant effect on abutting properties or the project area due to mitigation measures and conditions of approval attached to the approval of this project.
- III. Approve the proposed reclamation plan subject to the Mitigation Measures and Conditions of Approval and with the following findings:
- (a) The reclamation plan is consistent with the Nevada County General Plan:

The reclamation plan is consistent with Policy "8" of the Mineral Management Element, which requires reclamation plans to be consistent with the State Mining and Reclamation Act as the reclamation plan, through adequate revegetation and finished grading, mitigates adverse effects on the environment, provides for the protection and subsequent beneficial use of the land to be mined eliminates residual hazards to public health and safety, encourages the production and conservation of minerals, ensures that mined lands are reclaimed in a timely manor to a usable condition, and avoids environmental and legal problems created by improperly abandoned mines.
 - (b) The reclamation plan is consistent with Article 31.B (Surface Mining Permit and Reclamation):
 1. The reclamation plan, through adequate revegetation, grading, and operation minimizes water degradation, air pollution, damage to wildlife habitat, erosion, and other adverse aspects of surface mining;
 2. The reclamation plan, through adequate revegetation and finished grading restores the mined lands to usable condition which can accommodate new land uses;
 3. The reclamation plan, through adequate revegetation and finished grading restores the mined lands to a condition which creates no danger to public health and safety.
 - (c) The reclamation plan insures that the mining of the property will have no significant effect on abutting properties or the project area.

OR

- IV. Continue the project should the Commission find that the project requires a redesign so that the project is entirely within the County.

ATTACHMENT "1"

North Star Rock Products

Mitigation Measures:

1. Prior to commencing rock harvesting operations approved with this use permit the applicant/operator shall submit to the City of Grass Valley Building Department grading plans of the rock harvesting operation. As apart of the review of these grading plans, the Nevada County Resource Conservation District shall review and approved the erosion control measures incorporated into the grading plans. Prior to the City of Grass Valley Building Department approval of the grading permit, a letter shall be submitted to the Nevada County Planning Department from the Nevada County Resource Conservation District indicating the District has approved the erosion control measures.
2. Prior to beginning work on phase I a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.

Prior to beginning work on phase II a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.
3. Heavy equipment operators at the quarry site shall wear appropriate hearing loss prevent gear at all times of operation of the heavy equipment.
4. Prior to issuance of a grading permit for this project by the City of Grass Valley, the City Engineering shall evaluate this project's impact on the City of Grass Valley's roads, and shall implement measures such as haul weight fee, contributions towards road improvements, or other measures deemed appropriate as needed.
5. The operator shall stockpile rocks in a manner which insures that the piles are stable, and large loose rocks in harvesting areas of the site shall be removed and stockpiled in a stable manner.
6. Should artifacts or unusual amounts of stone, bone or shell be uncovered during construction activity, work shall be stopped and a qualified archaeologist shall be contacted for an on-site consultation. If the bone appears to be human, California law mandates that the Nevada County Coroner and the Native American Heritage Commission be contacted.

Conditions of Approval - Use Permit:

1. The applicant shall maintain adequate arrangements with the Nevada Irrigation District, if water is taken from Wolf Creek for project operations.
2. The mill pond adjacent to the main project shall be maintained with flash boards in the outlet facility so that suspended material in run-off water can settle out before entering Wolf Creek. This settlement pond shall maintain a useful life as long as the period of time necessary to reestablish the disturbed area after the project ends.
3. The rock processing plant shall not be moved from the present location.
4. Prior to commencing rock harvesting, the applicant shall apply for and receive approval of a rezone application rezoning the project site adding the "ME" combining district.
5. Hours of operation for the processing plant and loader shall be limited to between 8:00 a. m. and 5:00 p.m., Monday through Friday, except for a demonstrated emergency which shall be reported to the Planning Department. The operation may commence at 7:00 a.m. during the summer months (May 1 through September 30), unless an unresolved complaint is received by the Planning Department. Operations beyond the designated times for purposes other than machinery maintenance or authentic emergency may cause the permit to be brought back to the Planning Commission which may modify the conditions on the permit or recommend its revocation to the Board of Supervisors.
6. This permit is subject to the on-going requirements of the Northern Sierra Air Quality Management District.
7. In addition this permit also covers the processing of rock material from off-site locations. Processing of off-site rock material shall not be conducted after 10 years from the issuance of this permit.
8. Vegetative material removed from the site shall be disposed of in a manner acceptable to the Northern Sierra Air Quality Management District. Burning of such material shall only be allowed if permitted by the Northern Sierra Air Quality Management District.
9. The following noise attenuation and dust control measures shall be employed by the applicant for the life of the use permit:
 - a. The subject site and access road shall be watered regularly to control dust emissions.
 - b. All equipment associated with the use shall be muffled with approved mufflers.

- c. The applicant shall take the sides of the long tailings pile first, and then reduce the height of the last phase of the project. This condition is intended to provide noise barrier between the operation and nearby homes to the north and northeast for the longest time possible.
 - d. Where feasible, all metal to metal contact points will be insulated.
 - e. Rubberize or insulate rock hoppers and bins.
 - f. Cal OSHA ear protection shall be provided to employees.
 - g. Limit the speed of all vehicles on the access road to 25 miles per hour.
 - h. Limit the range of the tracked bulldozer to the plant site and use the rubber-tired loader off the plant site.
10. Maintain appropriate permits from the Northern Sierra Air Quality Management District.
 11. Fine rock particles generated through the proposed crushing operation that would remain on-site during the wet season (October 1 to April 30) shall be stabilized.
 12. Any exposed soil area resulting from the proposed operation shall be stabilized by October 1 and remain stabilized through April 30.
 13. The Planning Department and Nevada County Resource Conservation District shall be contacted prior to October 1 annually for the purpose of site inspection each season to determine the adequacy of the stabilization program. Stabilization may include seeding, mulching, fertilizing, placing of a crushed or broken rock layer or the use of plastic sheeting on a temporary basis.
 14. Disturbed areas seeded in the spring and summer shall be periodically irrigated during the dry season to insure vegetation establishment.
 15. There shall be no blasting associated with the mining operation covered by this permit.
 16. Pursuant to Policy 7 of the Mineral Management Element, the Use Permit shall return to the Nevada County Planning Commission for a compliance review. The first review shall be after two years of the commencement of operation. After the first review, the operator shall return every five years thereafter. The compliance reviews shall continue throughout the life of this use permit.
 17. The Planning Department shall be notified by certified letter of any change of ownership or mine operators. The letter shall contain new contract information.

Conditions of Approval - Reclamation Plan:

1. Revegetation shall be in accordance with the approved revegetation plan. After each phase of revegetation, as outlined in the revegetation plan, the operator shall contact the Planning Department and Nevada County Resource Conservation District for an on-site inspection to insure the revegetation has taken place as prescribed in the revegetation plan. Appropriate measures may be required to insure revegetation meets the requirements of the revegetation plan.
2. The applicant shall provide gravel and/or rip rap for the plant site drainways, roads and conduits. When the site area is reclaimed, following the gravel operation, the intermittent drainage would be re-established to the pre-mining patterns.
3. Prior to commencement of any mining activity, either an Irrevocable Letter of Credit, a Surety Bond, a Trust Fund, or any other form of a financial assurance acceptable under Section 2773.1(e) of the Surface Mining and Reclamation Act of 1975 (SMARA), shall be submitted and approved by Nevada County to guarantee reclamation of the site. The amount of the guarantee shall be 100% of an engineer's estimate plus 25% for contingency, pursuant to Section 2773.1(a)(1), to reclaim the maximum area that is possible to be disturbed. The estimate shall include the cost of all drainage improvements and erosion control. The estimate shall be reviewed by the Nevada County Resource Conservation District (erosion control and revegetation), Nevada County Department of Transportation (equipment costs, operating time rates, and volume of material to be moved), and approved by the Planning Department (proper form, SMARA compliance).

NOTE: Section 2773.1(a)(3) states that the bond amount shall be adjusted annually to account for new lands disturbed, inflation, and reclamation of lands accomplished in accordance with the approved plan.

4. An annual monitoring program report shall be submitted to the Planning Department and the Resource Conservation District no later than December 1, of each year. Said report shall include:
 - a. The amount of material mined.
 - b. A summary of the reclamation and revegetation which occurred in that year.
 - c. A discussion of the success of the previous years' revegetation.
 - d. A discussion of the adequacy of the existing engineer's bond estimate (see NOTE above).
 - e. Any other information deemed to be pertinent or that may be required by the County.

NOTE: In the event that Resource Conservation District is unable to perform the inspections, the operator shall hire a qualified person (as defined in Section 2774(b) to perform the inspections and make the required recommendations.

5. All inspections of reclamation activities by Planning Department and Resource Conservation District staff shall be funded by the applicant or his successor. All staff time including inspections, will be billed at actual costs in conformance with the adopted fee schedule in effect at that time.
6. Pursuant to Policy 7 of the Mineral Management Element, the Reclamation Plan shall return to the Nevada County Planning Commission for a compliance review. The first review shall be after two years of the commencement of operation. After the first review, the operator shall return every five years thereafter. The compliance reviews shall continue throughout the life of the use permit.
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NOTE: The review and approval of the interim management plan is not considered a project within the meaning of Division 13 (commencing with Section 21000).

8. All conditions pertaining to the Reclamation Plan, approved by Nevada County, shall be incorporated into the approved Reclamation Plan's appendix. The applicant shall furnish the County with a complete final copy of the approved Reclamation Plan within sixty days of approval.

B. DEPARTMENT OF TRANSPORTATION:

1. A development fee will not be required for processing and hauling material from the borrow area since a development fee was paid on the original use permit to offset those impacts.
2. If the applicant imports material for processing, a development fee of \$.05 per ton of material hauled to the site for processing shall be paid to the County Department of Transportation to offset the impacts the proposal will have on our road system. The applicant shall notify the Department of Transportation at least 24 hours in advance of the haul.

C. ENVIRONMENTAL HEALTH DEPARTMENT:

1. Submit a copy of a current contract for servicing of the chemical toilet on site.
2. Comply with Chapter 6.95 of the California Health and Safety Code, Hazardous Materials Release Response Plans and Inventory, Chapter 6.6 of the Safe Drinking Water and Toxic Environmental Act of 1986, and Chapter XI of the Land Use and Development Code.

3. Comply with waste discharge requirements as established by the Central Valley Regional Water Quality Control Board.
4. NOTE: Additional fees may be incurred and/or required for some or all additional services rendered by this department in regard to this project, including review of compliance with conditions. Said fees will be in accordance with the latest adopted fee resolution.

D. CITY OF GRASS VALLEY:

1. Quarry or mining operations shall be restricted to those portions of the project site currently located within Nevada County's jurisdiction outside the City of Grass Valley.
2. Quarry or mining operations on that portion of the site currently within the jurisdiction of the City of Grass Valley shall not be permitted until a permit therefore is issued by the City of Grass Valley.

NEVADA COUNTY PLANNING DEPARTMENT
PROPOSED NEGATIVE DECLARATION

APPLICANT: North Star Rock Products, Inc. HEARING DATE: October 22, 1992

FILE NO: U92-37; RP92-02; EIS92-33 (#1677)

PROJECT: Applications of North Star Rock Products, Inc., proposing to expand existing rock harvesting in an existing quarry. Total expansion is approximately 11 acres and total volume to be harvested is 220,000 cubic yards or 300,000 tons +. No expansion of current mining methods or product sales is proposed. The existing plant and related items pertaining to the operation are to remain in the same locations which currently exist. The quarry is approximately 40 acres of a 121.05 acre site. (Note: This project is located within the City of Grass Valley and unincorporated area of the County.)

LOCATION: 10701 Idaho-Maryland Road, Grass Valley.

FACTUAL DATA:

General Plan: m
Zoning: "M1"
ZDM: #52B
Lot Size: 12.93 ac. (City/ G.V.);
 98.2 ac. (County)
APN: 09-240-22; 09-550-13, -14,
 and -17; 09-560-02 and -08

SERVICES:

Water: Bottled Water/Wolf Creek
Sewage: Chemical Toilet
Fire: Ophir Hill Fire District/
 City of Grass Valley
Schools: Union Hill/N.U.H.S.
Sup. Dist.: III
Prev. File #: U79-41; U86-45

PROPOSED MITIGATION MEASURES:

1. Prior to commencing rock harvesting operations approved with this use permit the applicant/operator shall submit to the City of Grass Valley Building Department grading plans of the rock harvesting operation. As apart of the review of these grading plans, the Nevada County Resource Conservation District shall review and approved the erosion control measures incorporated into the grading plans. Prior to the City of Grass Valley Building Department approval of the grading permit, a letter shall be submitted to the Nevada County Planning Department from the Nevada County Resource Conservation District indicating the District has approved the erosion control measures.
2. Prior to beginning work on phase I a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.

ATTACHMENT

"2"

Prior to beginning work on phase II a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.

3. Heavy equipment operators at the quarry site shall wear appropriate hearing loss prevent gear at all times of operation of the heavy equipment.
4. Prior to issuance of a grading permit for this project by the City of Grass Valley, the City Engineering shall evaluate this project's impact on the City of Grass Valley's roads, and shall implement measures such as haul weight fee, contributions towards road improvements, or other measures deemed appropriate as needed.
5. The operator shall stockpile rocks in a manner which insures that the piles are stable, and large loose rocks in harvesting areas of the site shall be removed and stockpiled in a stable manner.
6. Should artifacts or unusual amounts of stone, bone or shell be uncovered during construction activity, work shall be stopped and a qualified archaeologist shall be contacted for an on-site consultation. If the bone appears to be human, California law mandates that the Nevada County Coroner and the Native American Heritage Commission be contacted.

U92-037
EIS92-33

INITIAL STUDY AND PROPOSED NEGATIVE DECLARATION

NORTH STAR ROCK PRODUCTS

Prepared by:

NEVADA COUNTY PLANNING DEPARTMENT

SEPTEMBER 1992

INITIAL STUDY

PROJECT NUMBER : U92-37; RP92-2; EIS92-33

APPLICANT: North Star Rock Products, Inc.
P. O. Box 908
Grass Valley, CA 95945
(916) 273-1177

CONTACT PERSON: Harry Abbott

PROJECT DESCRIPTION:

Proposal to expand an existing rock harvesting operation in an existing quarry. (Note: This permit is a revision of previous use permits. Mitigation Measures and Conditions of Approval which are relevant from the previous permits will remain for this present project and new Mitigation Measures and Conditions of Approval will be added when appropriate.) Total expansion is approximately 11 acres and total volume to be harvested is approximately 220,000 cubic yards or 300,000 tons. No expansion of current mining methods or product sales is proposed. The existing plant and related operation are to remain in the same existing locations. The project proposes four phases of harvesting and revegetation. The quarry is approximately 40 acres of a 110.95 acre site. This project is within the City of Grass Valley and the unincorporated area of Nevada County. (Note: See appendix for exhibits of proposed expansion.)

EXISTING CONDITIONS:

The project site is located on a gentle rolling knoll or hilltop. The site is sparsely vegetated with manzanita, cypress, and digger pine. Most of the site is covered by native grass. Wolf creek is the closest year-round stream which lies approximately 700 feet to the north of the project site. Drainage from the project flows into an existing tailing pond (Idaho-Maryland Mine).

The existing operation has had three previous use permits - U79-41, U85-25, and U86-45. The last use permit, U86-45 allowed the harvesting of approximately 150,000 cubic yards of material from the site. The rock harvesting operation has created a two terraced cuts into the site of the hill, with the bottom terrace containing the existing plant used for rock crushing. The existing use permit allows the importation and storage of materials from off-site for crushing and resale. This present permit is requested by the applicant because the amount of material which could be harvested under U86-45 has been completed. This site was once a part of the Idaho-Maryland and Morehouse mines. North Star Rock processed mine tailings from these historic mines until 1985 when the tailings were exhausted. (Note: See the Appendix to photos of the exiting site.)

EARTH

- 1a. The project is not anticipated to result in unstable earth conditions or changes in geologic substructures.

The final slopes are to be relatively flat at 3 to 1 with some as flat as 5 to 1. (Note: 3 to 1 is for every one foot in slope height there is three feet of horizontal distance.) The slope of the terraces is planned to be very flat, only allowing for drainage, at 2%.

The rock harvesting operation cuts into a hill of serpentine rock. Annually, prior to the rainy season since 1980, the Nevada County Resource Conservation District reviews the site as North Star Rock Products is required to stabilize the site for winter. All exposed soils are required to be protected.

- 1b. This project is a rock harvesting mining operation which will cause disruptions, and some compaction and overcovering of soils. A reclamation plan, which involves revegetation of the site, is required for this project. This plan involves the revegetation of the four phases of the project. The Nevada County Resource Conservation District was consulted prior to the development of revegetation plan. The applicant's landscape architect has incorporated this early consultation into the revegetation plan. The Resource Conservation District has commented on this project and finds that the revegetation plan meets with the District's approval. The ultimate use of the site, after rock harvesting is completed, is planned to be terraced building sites for future commercial/industrial use. The mining/grading will create the building pads.

The harvesting of rock with this project will cause disruptions to the site's soils. However, the revegetation plan and the project design aimed at an ultimate use of the site as a building area for commercial/industrial use will provide a site which is stable and usable in the future.

- 1c. Development of the site will cause some changes to the site topography. As with the discussion above in Section 1b, there is a required reclamation plan, which involves revegetation of the site. This plan involves the revegetation of the four phases of the project. The Nevada County Resource Conservation District was consulted prior to the development of revegetation plan. The applicant's landscape architect has incorporated this early consultation into the revegetation plan. The Resource Conservation District has commented on this project and finds that the revegetation plan meets with the District's approval. The ultimate use of the site, after rock harvesting is completed, is planned to be a terraced building site for future commercial/industrial use. The mining/grading will create the building pads.

The harvesting of rock with this project will cause changes to the site's topography. However, the revegetation plan and the project design aimed at an ultimate use of the site as a building area for commercial/industrial use will provide a site which is stable and usable in the future.

- 1d. The site is not known to contain any unique geological characteristics. No mitigation measures are required.
- 1e. This project is an extension of previous rock harvesting activity into the hillside. Every winter the operator must stabilize the site against erosion which could occur as a result of the disturbance of the site's soils and the winter rains. Since 1980 the Resource Conservation District has inspected the site to insure that the proper erosion control measures have been implemented. The project applicant has submitted grading plans for both the past mining activities (approved in 1986) and proposed mining of the site to the Nevada County Building Department for review. The Resource Conservation District has reviewed the present grading plans and has approved the erosion control measures of these plans.

Another aspect of erosion control is the revegetation plans of the reclamation plans for this project. There are four phases of grading and reclamation planned for this project. Revegetation will occur after each phase of rock harvesting (mining/grading). This revegetation will stabilize the site's soils to insure that erosion problems do not occur. The Resource Conservation District has reviewed these revegetation plans in light of the State requirements for mining reclamation and good erosion control and has found that these plans meet with the District's approval. (Note: See appendix for copies of the Nevada County Resource Conservation District letters on this project.)

The City of Grass Valley has commented on this project and has some concerns about erosion control. The City of Grass Valley requests that the City Building Department also review and approve the erosion control measures of the proposed grading.

The following mitigation measures are proposed to insure that the possible erosion problems associated with rock harvesting (mining/grading) of the site will be controlled and mitigated.

The following mitigation measure shall be complied with so that the project does not cause erosion problems:

- 1) Prior to commencing rock harvesting operations approved with this use permit the applicant/operator shall submit to the City of Grass Valley Building Department grading plans of the rock harvesting operation. As part of the review of these grading plans, the Nevada County Resource Conservation District shall review and approved the erosion control measures incorporated into the grading plans. Prior to the

City of Grass Valley Building Department approval of the grading permit, a letter shall be submitted to the Nevada County Planning Department from the Nevada County Resource Conservation District indicating the District has approved the erosion control measures.

- 1f. The project is not anticipated to change the or modify a river, stream, or lake. Wolf Creek, a year round stream, is within 700 feet of the area presently used for rock processing. No change in the location of the rock processing equipment is proposed with this project. The present site drainage flows into an old Idaho-Maryland Mine sediment basin where sediments fall out of the water before flowing into Wolf Creek. The present proposed project will utilize this same sediment basin for site drainage. No part of the proposed project will be changing any part of the stream bed of Wolf Creek. No mitigation measures are required.
- 1g. Exposure of people or property to geologic hazards as a result of this project is not anticipated.

AIR

- 2a. The Northern Sierra Air Quality Management District has responded to this project. The District indicates that, "Historically, the facility has operated in this area with no significant air quality impact." The District views this present proposal as an extension of the present project and that expanding this facility will not cause significant air quality impacts as long as water is sprayed on the production line and project roads. Further, the District indicates that ambient testing for Asbestos indicates that concentrations both on and off site were, "...insignificant or non detectable.". (Note: See appendix for a copy of the Northern Sierra Air Quality Management District's letter.)

The previous permit required that the project operator fulfill the requirements of the Northern Sierra Air Quality Management District to insure air quality impacts did not occur. This permit is a revision of the previous permits. No new mitigation measures to protect air quality are required as the previous condition will be applied to this present proposal. (Note: See appendix for a copy of previously approved conditions for U86-45.)

- 2b. The creation of objectionable odors is not anticipated as a result of this project.
- 2c. Adverse impacts to the local regional climate have not been identified.

WATER

- 3a. No river channels, streams, or lakes are anticipated to be directly effected by development of the project site. Wolf Creek, a year round stream, is within 700 feet of the area presently used for rock processing. No change in the location of the rock processing equipment is proposed with this project. The present site drainage flows into an old Idaho-Maryland Mine sediment basin where sediments fall out of the water before flowing into Wolf Creek. The present proposed project will utilize this same sediment basin for site drainage. No part of the proposed project will be changing any part of the stream bed, changing in any currents, or direction of water movement of Wolf Creek. No mitigation measures are required.
- 3b. Harvesting rock from the site will change the natural surface of the land, will alter the absorption rates on the project site and slightly increase the runoff rates of surface water. The present site drainage flows into an old Idaho-Maryland Mine sediment basin where sediments fall out of the water before flowing into Wolf Creek. The present proposed project will utilize this same sediment basin for site drainage. No significant increase in surface runoff has been identified by commenting agencies. This permit is a revision of the previous permits. No new mitigation measures related to surface runoff are required due to no significant increase in surface runoff identified and the previous condition will be applied to this present proposal.
- 3c. No alteration to the course of flood waters is anticipated with this project. The project is not located within any mapped 100 year flood plain.
- 3d. No significant change in the amount of surface water in any body of water is anticipated with this project. The project may increase runoff which eventually flows into Wolf Creek via the sedimentation basin. However, no significant amount of additional runoff has been identified with this present proposal.
- 3e. The project is not anticipated to effect the water quality of any surface water. The primary surface water quality problem associated with this project is water sedimentation. The present site drainage flows into an old Idaho-Maryland Mine sediment basin where sediments fall out of the water before flowing into Wolf Creek. The present proposed project will utilize this same sediment basin for site drainage.

Several agencies have responded to this project. The Department of Fish and Game response does not identify a water quality problem. (Note: See appendix for a copy of the Department of Fish and Game letter on this project.) The Nevada County Department of Environmental Health has not identified any issues related to surface water quality. However, Environmental Health does require as a condition of approval that the project meet the waste discharge requirements of the Central Valley Water Quality Control Board. This condition is similar to an existing condition of approval. The Central Valley Water Quality Control Board did not

respond to this project. The Nevada Irrigation District (NID) indicates that there is some concern about the surface water quality with this expansion and requires that the drainage not enter the District's facilities. As stated above the present site drainage flows into an old Idaho-Maryland Mine sediment basin where sediments fall out of the water before flowing into Wolf Creek. The present proposed project is designed for surface flows coming off the project to utilize this same sediment basin for site drainage. The requirement to use this sedimentation basin is a condition on previous permit, and this condition will be applied to this present permit. No other conditions or mitigation measures are required.

- 3f. No alteration to the direction of ground water flows are anticipated. No agency has identified any anticipated alteration of ground water flow as a result of this project. The project will be harvesting serpentine rock in an area which is an expansion of an existing rock harvesting operation. No ground water has been encountered by the operator in past rock harvesting operation and no ground water is anticipated with the present proposal. (Note the present elevation of the lowest existing terrace is below any proposed disturbance on the same hill.)
- 3g. Significant changes in the quantity of ground water is not anticipated. Water for dust control is retrieved from Wolf Creek. Domestic water used by personnel at the site comes from bottled water.
- 3h. The provision of water to the project is not anticipated to substantially reduce the amount of water available for public water supplies. The operator has an account to purchase 1 miner inch of surface water during the irrigation season from NID. (Note: NID indicates that winter water is not available to this project.) Domestic water used on the site comes from bottled water.
- 3i. The potential for significant water related hazards (flooding, tidal waves) does not exist on this project site.
- 3j. Thermal springs have not been identified on this site.

PLANT LIFE

- 4a. Some vegetation on the site will be removed as a result of the project. The project site contains a thin layer of soil over serpentine rock. Such soil is high in magnesium and low in calcium making conditions difficult for growing plants.

A plant inventory of the site identifies the following species of plants are present on the site:

Trees identified on the site include Digger Pine, Ponderosa Pine, Macnab Cypress, Leather Oak, and Kellogg Oak. Shrubs identified on the site include Coffeeberry, White Leaf Manzanita, Buckbrush, Chaparral Pea, and Yerba Santa. Forbs presently growing on the site include Woolly Sunflower, Harvest Brodiaea, Tarweed, and grasses.

The project will remove some of these some members of these species. However, the proposed revegetation plan will be replacing most of the plants removed on the slopes created by the project. No mitigation measures are required.

- 4b. The Department of Fish and Game requested a survey of the site for Stebbins' Morning Glory (Calystegia Stebbinsii) and the Pine Hill Flannel Bush (Fremontodendron Decumbens) both state listed endangered species. A survey was conducted of the site specifically looking for these species of plants. This survey did not find any of these plants located on the site. (Note: See appendix for a copy of the Department of Fish and Game Letter and a copy of the plant study on these state endangered plants.)

The project proponent has identified the Macnab Cypress on the site as being rare. The project will be destroying some the this species of trees during phase one. The proponent proposes to replace those Macnab Cypress removed from the site by the project with a replanting program of seeds collected on the site as a part of the project revegetation plan.

Staff finds that the operator will be required to followed the approved revegetation plan which includes a program to replace the Macnab Cypress tree with extensive planting of seedlings harvested from the existing trees on the site. (Note: See appendix for a copy of this Revegetation Plan.)

However, there could be impacts to vegetation outside of the areas approved for rock harvesting due to possibility of equipment occasionally getting beyond the boundaries of approved disturbance areas.

The following mitigation measure is proposed to insure the disturbance of plant life does not go beyond the boundaries of grading approved with this permit.

- 2) Prior to beginning work on phase I a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.

Prior to beginning work on phase II a fence of no more than three stands of wire shall be installed along the perimeter of the area to be disturbed. This fence shall remain until all excavation work is completed for this phase.

- 4c. Revegetation of the site will introduce new species of plants onto the site. This impact is considered minimal. No significant impacts are identified with introducing new species of plants associated with revegetation of disturbed areas of the project site.
- 4d. This project does not propose the reduction in acreage of any agricultural crop.

ANIMAL LIFE

- 5a. No change in the diversity or numbers of animal species is anticipated as a result of this project.
- 5b. A reduction of rare or endangered animals has not been identified by the Department of Fish and Game as a result of this project.
- 5c. The proposed project is not anticipated to introduce any new species of animals into the area, and is not expected to be a barrier to the movement of animals.
- 5d. The Department of Fish and Game has not identified possible impacts related to existing wildlife habitat as a result of this project. (Note: See appendix for a copy of the Department of Fish and Game letter.)

NOISE

- 6a. A Noise Study was conducted for this project by Brown-Buntin Associates, Inc. dated June 4, 1992 and a response to the City of Grass Valley concerning noise dated July 29, 1992 was also conducted by Brown-Buntin Associates, Inc.. (Note: See appendix for copies of this noise study and letter.) This study concludes that,

"...the maximum hourly Leq associated with the excavation of materials is 65 dB at a distance of 170 feet. The distance to the 55 dB hourly Leq contour is estimated to be 550 feet from the excavation area. Therefore, the noise level at the closest residence to the south (1/4 mile) is predicted to be less than 55 dB Leq and would be in compliance with the Nevada County Noise Element standards."

The follow up letter addressing the City of Grass Valley's concerns about noise generated from this project indicates,

"Based upon the project description, the proposed quarry expansion is scheduled to operate between the hours of 7:00 a.m. and 6:00 p.m.. Assuming a worst case scenario with the bulldozers operating continually between the hours of 7:00 a.m. and 6:00 p.m., the estimated CNEL value at the nearest residence would be 44.1 dB. Therefore, the proposed project would comply with the City of Grass Valley 60 dB CNEL exterior noise level standard. The location of the 70 dB CNEL contour would be approximately 60 feet from the excavation area."

Based on the conclusion of the noise study and follow up letter by Brown-Buntin Associates, Inc. this project does not violate either the Nevada County General Plan noise standards or the City of Grass Valley noise standards. While the project does produce noise no mitigation measures are required as long as the project meets the hours of operation of the conditions of approval and complies substantially with the project description as proposed. (Note: This

means the equipment used for crushing the rock is not relocated and other heavy equipment (bulldozers) remain the same. Also see the hours of operation will remain as previously approved under the existing permit.)

- 6b. The project is anticipated to expose people to severe noise levels. In particular, the operators of the equipment used in harvesting the rock and crushing the rock may be exposed to severe noise levels. The applicant indicates that for a number of years all operators of this equipment have worn appropriate hearing loss prevention gear in accordance with OSHA standards. (Note: The exposure to severe noise levels by this project to people off the project site is not indicated by the noise study.)

The following mitigation measure is proposed to insure that workers at the project site operating heavy equipment are not exposed to severe noise levels: (Note: The previous conditions related to noise will remain in effect for this project. See appendix for a copy of this conditions.)

- 3) Heavy equipment operators at the quarry site shall wear appropriate hearing loss prevent gear at all times of operation of the heavy equipment.

LIGHT & GLARE

7. The hours of operation for this project are between 8:00 a.m. and 5 p.m. for rock harvesting work and 7:30 a.m. to 5:00 p.m. for sales of harvested materials. No outdoor lighting of the project site exists presently, nor is any outdoor lighting of the site proposed. No significant impacts related to light and glare are anticipated.

LAND USE

8. The project site, within the county jurisdiction is zoned "M1" Light Manufacturing & Industrial and has a general plan designation of "M" Industrial. The City of Grass Valley General Plan shows this site as "PEC" Planned Employment Center and "SC Shopping Center Commercial.

The present land use of the site is rock harvesting, rock crushing operation, with sales of the crushed rock. The existing permit also allows the importation of materials to be processed for resale. The ultimate use of the site is for development of an industrial park or possibly a commercial shopping center.

The rock harvesting operation thus far has produced a site with two terraces capable of supporting the ultimate planned uses for this site. This proposed revision of the an existing use permit will expanded the terracing of the site increasing the amount of usable space for the future planned uses of the site.

NATURAL RESOURCES

- 9a. The harvesting of rock from the site will be removing a natural resource. This operation has been determined to not have a significant effect on the rate of use of the rock resources of the site.
- 9b. The harvesting of rock from the site will be removing a non-renewable resource from the site. This removing of rock, a non-renewable resource, has been determined to not have a significant effect on non-renewable resources.

RISK OF UPSET

- 10a. This project will make use of hazardous materials. The applicant indicates that no blasting is proposed for the rock harvesting operation. However, the applicant indicates that the project will, "...have on-site oils and related materials for maintaining equipment." The operation has current permits with the county for these materials and there is an existing Hazardous Materials Business Plan. Significant impacts resulting from the risk of an upset are not anticipated.
- 10b. Reviewing agencies have commented and have not identified an interference with an emergency response or an emergency evacuation plan.

POPULATION

- 11. This project will not alter the planned location, distribution, density, or growth rate of the human population of the area.

HOUSING

- 12. This proposal will not create a demand for additional housing nor will it reduce any existing housing areas within the region.

CIRCULATION

- 13a. The Nevada County Department of Transportation has not identified a significant increase in traffic associated with this project, and this project is considered to present only a minimum impact to the circulation system.
- 13b. The Nevada County Department of Transportation has not identified this project as resulting in significant impacts to existing parking spaces or facilities.
- 13c. The Nevada County Department of Transportation indicates that this project will have only a minimum impact on existing transportation systems. However, the City of Grass Valley has noted concerns about the continued impact of traffic related to this project on the City's roads.

The following mitigation measure is proposed to mitigate impacts to the City of Grass Valley's roads.

- 4) Prior to issuance of a grading permit for this project by the City of Grass Valley, the City Engineering shall evaluate this project's impact on the City of Grass Valley's roads, and shall implement measures such as haul weight fee, contributions towards road improvements, or other measures deemed appropriate as needed.
- 13d. The Nevada County Department of Transportation indicates that this project will only minimally alter the present patterns of circulation or movement of people and/or goods.
- 13e. This project does not propose or will not result in a significant alteration of air, rail, or waterborne traffic.
- 13f. The Nevada County Department of Transportation indicates that this project is not anticipated to have a substantial impact on traffic hazards to bicyclists and/or pedestrians.

PUBLIC SERVICES

The eventual use of this site is for industrial or commercial uses, and when this occurs the site may be annexed into the City of Grass Valley.

- 14a. The project is not anticipated to have an effect on fire protection services.
- 14b. The project is not anticipated to have impacts on police protection.
- 14c. This project is not anticipated to have impacts on schools.
- 14d. The project is not anticipated to have impacts on recreation facilities.
- 14e. The increased use of public roads, as a result of the project will not result in impacts on public roads. The Nevada County Department of Transportation has not identified any need for increased maintenance of roads serving the project site. However, the City of Grass Valley has noted concerns about the continued impact of traffic related to this project on the City's.

The following mitigation measure is proposed to mitigate impacts to the City of Grass Valley's roads.

- 3) Prior to issuance of a grading permit for this project by the City of Grass Valley, the City Engineering shall evaluate this project's impact on the City of Grass Valley's roads, and shall implement measures such as haul weight fee, contributions towards road improvements, or other measures deemed appropriate as needed.
- 14f. Impacts to other governmental services are not anticipated.

ENERGY

- 15a. The use of substantial amounts of energy is not anticipated by this project.
- 15b. Substantial increases to the demand for energy sources is not anticipated by this project.

UTILITIES

- 16a. No impacts to power or natural gas utilities are anticipated.
- 16b. No impacts are identified to existing communications systems.
- 16c. Impacts to an existing water system are not anticipated.
- 16d. Sewage disposal is presently through chemical toilets located on the project site. Impacts to an existing sewer system or sewer systems are not anticipated.
- 16e. The project is not anticipated to have a significant effect on drainage facilities. The present site drainage flows into an old Idaho-Maryland Mine sediment basin where sediments fall out of the water before flowing into Wolf Creek. The present proposed project will utilize this same sediment basin for site drainage. No part of the proposed project will be changing any part of the stream bed of Wolf Creek. No mitigation measures are required.
- 16f. The project is not anticipated to have a significant effect on solid waste disposal facilities.

HUMAN HEALTH

- 17a. Rock stockpiled on the site and loose rock from the rock harvesting operation could create a hazard to human health. The following mitigation measure is proposed to mitigate potential human health hazards due to unstable piles of rocks or unstable rocks in the rock harvesting areas of the project site.
 - 5) The operator shall stockpile rocks in manor which insures that the piles are stable, and large loose rocks in harvesting areas of the site shall be removed and stockpiled in a stable manner.
- 17b. Exposure of people to a health hazard or potential health hazards is not anticipated with this project. The Northern Sierra Air Quality Management District indicates that ambient testing for Asbestos indicates that concentrations both on and off site were, "...insignificant or non detectable.". (Note: See appendix for a copy of the Northern Sierra Air Quality Management District's letter.)

AESTHETICS

18. The project has already created two terraces and proposes to expand the upper terrace and create another above. The project proponent has completed a visual impact analysis performed on this project showing the expansion of the existing rock harvesting operation. The project is in the view shed of the State Highway 20/49 corridor between the Glenbrook Basin and the City of Grass Valley. The proposed expansion will also be visible from some areas in the City of Grass Valley. No new buildings are proposed with this project.

If approved this project will remove more of the native vegetation from the hillside. Now and with an expanded operation the contrast between the native vegetation and the rock harvesting operation will be apparent. A part of the top of the hill will be removed. However, the background contains another ridge line, and this ridge line will soften the impact of removing the top of the hill.

The operation is required by state law to reclaim the site. This reclamation is proposed in four phase and will occur as each phase of the operation is completed over the life of the project. The end result of this revegetation being a series vegetated slopes between three terraces.

The project site is zoned and has general plan designations for industrial and commercial type uses. Development of the site for such uses will require grading the site with pad (terraces) and the creation of slopes which will be revegetated. This rock harvesting project will accomplish the grading required for the land uses to implement the site's land use designations.

While this project will cause a visual impact which can be seen as an aesthetic impact, the reclamation plan which contains a revegetation plan is expected to mitigate this impact over time.

The City of Grass Valley is requiring that this project be reviewed by the City of Grass Valley Design Review Board as a part of the processing of this use permit. (Note: Part of this project lies within the City of Grass Valley.) This review may require changes to the project reclamation plan.

RECREATION

19. The project is not anticipated to have significant effects on recreation.

CULTURAL RESOURCES

A Cultural Resources Survey of the site was conducted by Jensen and Associates dated August 10, 1992. This report is on file at the Nevada County Planning Department in Nevada City, California.

- 20a. Impacts to prehistoric cultural resources were not identified with this project. However, there is the chance that during the rock harvesting operation on this site that cultural resources could be uncovered. The following mitigation measure is proposed to mitigate possible impacts to cultural resources as a result of this project.
- 6) To offset the potentially adverse impacts associated with harvesting rock from the project site, the following mitigation measures shall be required:
- Should artifacts or unusual amounts of stone, bone or shell be uncovered during construction activity, work shall be stopped and a qualified archaeologist shall be contacted for an on-site consultation. If the bone appears to be human, California law mandates that the Nevada County Coroner and the Native American Heritage Commission be contacted.
- 20b. No historic buildings will be adversely effected by this proposal. The historical resources identified in this report will be protected by the project design. No mitigation measures are required.
- 20c. Impacts on cultural values have not been identified and are not anticipated.
- 20d. Impacts related to existing religious or sacred uses within the are not been identified nor are they anticipated.

MANDATORY FINDINGS OF SIGNIFICANCE

- A. With mitigation measures this project will not substantially degrade the quality of the environment, will not substantially reduce the habitat of fish or wildlife species, will not cause a fish or wildlife population to drop below self-sustaining levels, will not threaten to eliminate a plant or animal community, will not reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of major periods of California history or prehistory.
- B. With mitigation measures this project will not achieve short-term, to the disadvantage of long term, environmental goals. (A short-term impact on the environment is one which occurs in relatively brief, definitive period of time while long-term impacts will endure well into the future.)
- C. With mitigation measures this project will not have substantial impacts which are individually limited, but cumulatively considerable. (A project may impact on two or more separate resources where the impact on each resource is relatively small, but where the effect of the total of those impacts on the environment is significant.)
- D. With mitigation measures this project will not have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly.

MITIGATION MONITORING PROGRAM

MITIGATION (number)	MONITORING (Dept/Agcy)	PRE- CONSTR.	CONSTR.	PRE-OCC	ONGOING
1	PLANNING	XXXXX			
2	PLANNING	XXXXX			XXXXX
3	PLANNING				XXXXX
4	PLANNING	XXXXX			
5	PLANNING				XXXXX
6	PLANNING				XXXXX

PRE-CONSTR - Prior to CONSTRUCTION

PRE-OCC - Prior to issuance of a Certificate of Occupancy

ONGOING - Through the life of the project

EXHIBIT 279

**HISTORICAL NOTES ON THE IDAHO-MARYLAND MINE
GRASS VALLEY DISTRICT
NEVADA COUNTY, CALIFORNIA**

**By Ross Guenther
July 31, 1994**

IDAHO-MARYLAND MINE

Emperor Gold Corporation, through its wholly owned subsidiary, Emperor Gold (U.S.) Corp., is leasing with an option to purchase the Idaho-Maryland Mine located near Grass Valley California. The property consists of about 117 acres of surface rights and 2750 acres of mineral rights.

Emperor has started the permitting process to rehabilitate the New Brunswick 3460 foot shaft, dewater the mine to the 3280 foot level, and commence exploratory drilling in promising areas from the 2000 foot level and below. The mine has produced about 2.3 million ounces from 1862 to 1956 when rising costs and a gold price fixed by the government at \$35 per ounce forced the mine to shut down. A review of the substantial mine records indicates existing resources at as much as 9,117,500 tons with a grade of 0.326 ounces per ton containing 2,968,400 ounces of gold. These possible resources are presently capitalized at only about US\$1.00 per ounce of gold.

The Empire Mine, just to the south of the Idaho-Maryland Mine, has produced over 6 million ounces of gold to depths of more than 8,000 feet.

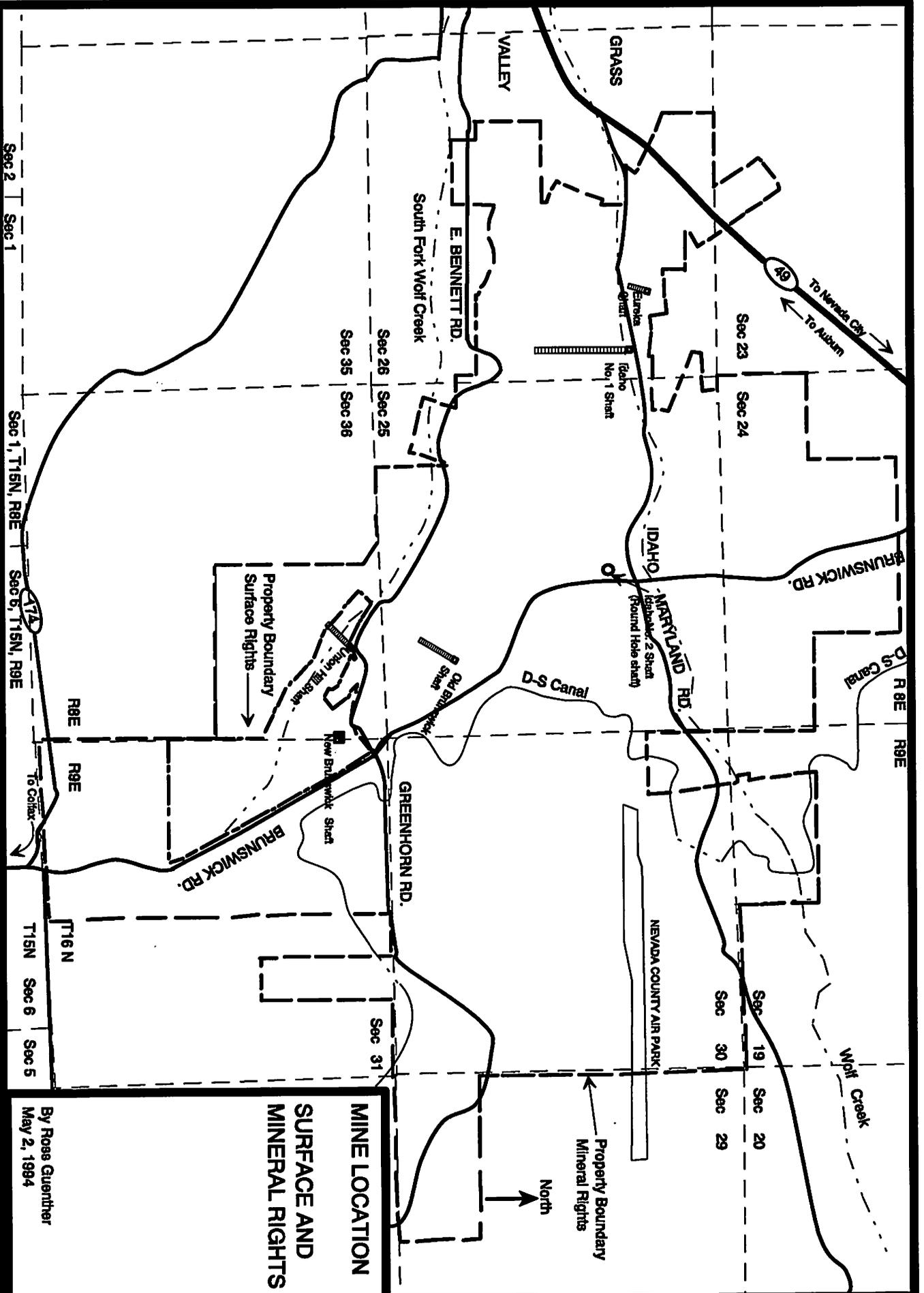
Initial estimates on the Idaho-Maryland Mine indicate a healthy return on capital and there is considerable potential for additional ore discoveries. There is still much exploration work to be done, but the commercial potential of the property appears considerable.

EUREKA CLAIM

The Eureka Claim was located in 1851. In 1857 the claim was purchased by Fricot and others. Low grade quartz outcrops (yielding \$4 per ton) were worked to a depth of 48 feet from 1857 to 1863.

In 1864 a vertical shaft on the Eureka was sunk to 100 feet and the main ore shoot was encountered. The mine was sold to the Eureka Company on October 1, 1965 for \$400,000. The mine was worked to 1873 when the yield began to decrease, and was shut down in 1877 when a continuation of the ore shoot to the west was not found. The adjoining veins of Mobile and Roannaise were also prospected without success. A smaller parallel vein, 30 feet to the south of the main Eureka ore shoot, had reportedly (1896) never been worked. The Eureka mine produced a total of \$5,700,00, for several years producing from 10,000 to 12,000 tons per month, running from \$23 to \$60 per ton, and averaging \$28, at a cost of mining and milling of \$10 to \$15 per ton.

EMPEROR GOLD (U.S.) CORP. / IDAHO-MARYLAND MINE



MINE LOCATION
SURFACE AND
MINERAL RIGHTS

By Rose Guenther
 May 2, 1994

Nevada County, California
 Scale: 1 Inch = 2000 Feet

The Eureka was developed by a shaft that reached a depth of 1200 feet, but no good ore was found below 600 feet. The vein dips steeply to the south and the ore shoot rakes to the east at a shallow angle to the Idaho Mine.

GOLDEN GATE GROUP (ALPHA AND KENTUCKY VEINS)

In Raymond's report for 1873, the Alpha and Kentucky veins are two parallel north dipping veins in serpentine with a diabase dike in the hanging wall of the Kentucky. These veins lie within the Property about a quarter of a mile NE of the Eureka. The Kentucky is credited with a production of \$5,000, the ore averaging \$17 per ton. (Lingren, 1896)

From 1877 to 1881 the Alpha paid \$20 to \$30 a ton to a depth of 120 feet from a vein reported to be 20" to 24" wide. The Kentucky produced ore that yielded from \$17 to \$30 a ton from a vein 6" to 18". The vein had 6 feet of width including lower grade ore. The shaft was about 250 feet deep in 1873 with only 150 feet of drifts. The shaft had reached a depth of 300 feet by about 1898. Later an inclined shaft was sunk 1020 feet and nearly 5,000 feet of underground workings were driven. A 10 stamp mill was used. From 1909 to 1915, about 8,000 tons of ore was mined and milled yielding \$6.40 a ton. The concentrate was less than 1% of ore and was low grade, containing only about \$45 to \$50 a ton in gold. The adjacent Spring Hill Mine was owned and worked separately. (Bradley, 1940)

The Golden Gate Group includes five veins in the Dana, Christopher Columbus, Golden Gate, Alpha, Kentucky, and Treasury claims and the Ismert (agricultural patented land) for a total of 230 acres, much of which is a part of the Property. This group together with the Spring Hill vein (much of the Spring Hill vein is outside the property) lies about 1420 north of and parallel to the Eureka-Idaho-Maryland vein, but dip about 30-34 degrees N. The Spring Hill vein had produced from 1931 to 1940 about \$300,000 in gold and apparently extends westerly through the Roannaise and possibly might intersect the Eureka vein slightly to the west of the property boundary. (MacBoyle, 1919, Johnson, 1940)

The Grant claim is about 10 acres adjoining the SE part of the Golden Gate Group. In 1898 an inclined shaft was sunk to a depth of 200 feet and 140 foot of drifting was done on a four foot wide vein. No ore was encountered. (MacBoyle, 1919)

IDAHO AND MARYLAND CLAIMS 1863-1925

The Idaho claim, located in 1863, lies to the east of the Eureka, and was worked but little until 1865 when a 120 foot shaft was started but found no good ore.

The first period of mining extended from 1867 to 1893, under the Idaho Quartz Mining

Co., with Edward Coleman as president. In 1867, the Idaho shaft was sunk to 300 feet and the great ore shoot was found. From 1867 to 1894, when the eastern limit of the Idaho was reached, the total output of the Idaho claim was \$11,638,000. The ore grade ran from \$12.76 to \$35 per ton, averaging about \$20 per ton. The cost of extraction and treatment was from \$8 to \$10 per ton.

The main ore shoot on the Idaho claim reached vertical depth of about 2000 feet as it reached the Maryland ground to the east. A smaller shoot was located at a vertical depth of about 2100 feet. The main ore shoot was worked through a shaft inclined at an angle of 70 degrees, which extended to the 1,000 foot level and an inclined winze raking to the east, called the Canyon shaft, which bottomed at a vertical depth of 2180 feet. The same shoot continues easterly for 5600 feet averaging about one ounce of gold per ton and 2.5 feet in width, but in places was as much as 8 feet wide. Between 1 and 2 percent of the ore was composed of sulfides, mostly pyrite. The sulfides yielded between 5 and 20 ounces per ton. The ore shoot had a dip height of from 500 to 1000 feet. Over one million ounces was taken from this ore shoot. Serpentine is generally in the footwall with a diabase dike generally in the hanging wall.

In 1893, as a result of a lawsuit between the Idaho and Maryland Companies over the eastward continuation of the Eureka-Idaho shoot, the Maryland Co. acquired the Idaho Quartz Mining Co. for \$85,000. Under the management of Samuel P. Dorsey, from 1893 to 1901, the Maryland Mining Co. produced \$1,250,000 in gold. In 1894 a fire destroyed the hoist and the mine was flooded. In 1901, under the management of S.P. Dorsey, partly because of the bad condition of the workings, the mine was closed.

The mine remained idle until 1903 when it was bonded to the Idaho-Maryland Development Co., which worked it until October, 1914. This company only opened the mine to the 1,000 foot level and produced \$300,000 in gold from old stopes and pillars left behind by earlier operators.

From 1918 to 1925 the mine was operated by the Metals Exploration Co., financed by H.P. Whitney. The workings were extended down to a vertical depth of 2,000 feet, but no new ore shoot was found. Only \$500,000 in gold was produced at a considerable loss. The company suspended its operation in 1925. The mine was equipped with a 20-stamp electrically-driven mill, a flat rope water-power hoist, a 14 inch Cornish pump, operated by electricity, handling 250 gpm for 10 months and 500 gpm during the short rainy season.

SOUTH IDAHO MINE

As of 1918 the South Idaho Mine was under option from local owners to the Gold Point Consolidated Mines, Incorporated. The claim group consisted of the S.B.C. and O.K. patented claims consisting of about 20 acres. The vein lies about 1500 feet south of and parallel to the famous Eureka-Idaho-Maryland vein. The vein strikes about N 85 degrees E dips 70 degrees S. It extends easterly through an area of diabase-gabbro on the west to the large area of metasediments containing the Brunswick veins.

In the diabase-gabbro the vein was explored to a depth of only 155 feet by an inclined

shaft sunk on the footwall of the vein, which had been extensively hydro-thermally altered and impregnated with pyrite and calcite for a width of 8-15 feet at the surface. At a depth of 60 feet, a crosscut driven 12 feet to the south did not reach the hanging wall. A gold specimen worth more than \$25,000 was taken from a rich vein of quartz from 6" to 1' in width which followed the foot-wall from the surface to a depth of from 60 to 100 feet. At that point the stringer extended toward the hanging-wall. Besides free gold the ore carries about 4% sulfides, consisting of pyrite, galena, and sphalerite. The only drifting was on the 100' level where a drift was driven 25 feet south [SE] of the shaft.

The South Idaho Tunnel was driven 800' east on the vein, apparently entirely in the metasediments, and opened a well defined vein of quartz from 2' to 4' in width.

INDEPENDENCE CLAIM

This claim lies just north of the Old Brunswick shaft area. In 1896 a small inclined shaft was sunk in the serpentine to a depth of 800 feet, and a crosscut was driven south toward the contact of the serpentine and metasediments. A vein was said to have been encountered and a drift was driven. As of 1911, no ore had been developed. The owner at that time was D. Fricot of Angels Camp. (MacBoyle, 1919)

BRUNSWICK MINE

The Old Brunswick Mine was located as the J.M. English Quartz Mine, and was also known as the O'Connor Mine. The claim contained 27 acres and was later combined with the Matteson Ranch with 320 acres of patented agricultural land. The veins in the Brunswick area are a continuation of the same mineralized vein system as the great Eureka-Idaho-Maryland ore shoot in an area of numerous generally wider lower grade veins primarily in a competent metasediments away from the less stable serpentine. The Old Brunswick shaft was developed on an incline to SE down to 400 feet at 45 degrees, 60 degrees at 600 feet and then to 70 degrees. Within the Brunswick area some stope widths were as wide as 60 feet. This mine was located early, but by 1888 the shaft was only down to 300 feet, and was later extended to 1250 feet.

In 1915 the New Brunswick vertical shaft was sunk about 2,000 feet SE of the Old Brunswick inclined shaft and a 20 stamp mill and cyanide plant were installed, which by 1917 was treating 2/3 of the ore. R. Chester Miller was the general manager. The recovery at the new mill was 90.8%. In 1917, 30,805 tons were produced yielding \$5.92 per ton of gold per ton. Total costs (including development) per ton for 1917 was \$6.26 per ton. By 1918 the vertical shaft had reached 1,347 feet and connected with the lower level of the old inclined shaft. The mine had operated profitably until 1917 when WWI brought a scarcity of labor and high costs. Work was suspended for the duration of the war. In 1922 the mine was dewatered and operated until 1927. In 1933 the Idaho-Maryland Co. acquired control and began putting it back into production.

GOLD POINT MINE

The Gold Point vein is south of and parallel to the Old Brunswick vein. It was developed by a tunnel from the South Fork of Wolf Creek and connecting with inclines from above.

UNION HILL MINE

The Union Hill mine had one of the earliest located veins in the Grass Valley area. The ore was worked with an arasta up to 1854. In 1865, mill and hoisting works were erected, and \$250,000 of gold was produced, at a profit. By 1870 an inclined shaft on the vein which dips 50 degrees south had been developed to 268 feet. Scheelite, calcium tungstate, has been reported in at least two veins at the Union Hill mine. At the turn of the century the mine was reopened, and a new shaft sunk to 600 feet. Mining continued until 1911, when operations were suspended. The mine opened again in 1914 and mining continued until 1918. The shaft today reaches 1200 feet on the incline. During WWI 8 tons of hand picked ore averaging 1.5% WO₃ was taken from the Greek or Tungsten vein. In the Tungsten vein, there was a stringer of scheelite varying from 2" to 7" in width associated with the quartz, and free gold was found in the scheelite.

No work was done on the Union Hill Mine, or within perhaps 50 to 100 feet (or more) after it was acquired by the Idaho-Maryland Co., due largely to the uncertainty of the exact location of the Union Hill workings, which have not been unwatered since 1918. In 1993 the water was only 20 feet from the shaft collar, and perched 160 feet higher than the Brunswick mine water which drains to the west out through the old Idaho workings. Water at the Union Hill is reported to meet drinking water standards.

Total production from the Union Hill, Lucky and Cambridge mines is credited by MacBoyle with a total production of between \$500,000 and \$750,000.

LUCKY AND CAMBRIDGE MINES

The Lucky and Cambridge mines are on a vein paralleling the Union Hill vein which was worked extensively from about 1865 to 1868. The Lucky mine had 15-stamp mill and a shaft 400 feet on the incline. From 1865 to 1867 10,000 tons were mined. At the Cambridge, a 200 foot shaft and a 10-stamp mill was producing 75 tons per week for "a long time" with a grade of \$20 per ton. These mines were later developed at depth from the Union Hill Mine.

IDAHO-MARYLAND MINE 1926-1957

Shortly after Metals Exploration Co. suspended its work in 1925, operations resumed by the Idaho-Maryland Mines Co., under the management of Errol MacBoyle. New ore was

found and the mine prospered until its closure during WWII.

In 1935, the Idaho Maryland Mines Company and Idaho Maryland Consolidated Mines, Inc. were merged into one corporation known as Idaho Maryland Mines Corporation. The combined holdings, including Brunswick and Idaho Maryland Mines, were then operated as a single unit with Edwin Oliver, President, Errol MacBoyle, Executive Vice President and Albert Crase, General Manager. Edwin Oliver was the inventor of the Oliver filter. Errol MacBoyle wrote several reports on mineral resources of Nevada, Sierra, and Plumas counties published in the 1919 report of the State Mineralogist and had been a member of the State Mining Board.

In 1934 the entire gold mining industry was stimulated when the official gold price rose from \$26.67 to \$35 per ounce.

The attached Brunswick Mine Summary Of Operations is taken from four years of operations, 1936 through 1939. This data might represent some of the future possibilities operating primarily from the New Brunswick shaft.

From 1930 to 1940 inclusive, development and operations proceeded systematically and smoothly with the production of 2,186,381 tons of ore from which bullion and concentrates to the gross value of \$26,767,574 were extracted and sold. Dividends of \$5,723,965 were paid. During this time the New Brunswick shaft was sunk from about the 1400 foot level to the 3280 level, with a sump at 3460 feet. Relatively minor development has taken place below the 1600 foot level, although the reserve potential appears as good as the upper levels. The Idaho 30 winze was sunk from the 2000 foot level to below the 2700 foot level. The 45 winze was sunk on a vein 800 feet (on the incline) below the 2000 foot level and later, below the 2400 foot level. During the 11 year period 228,901 linear feet (43.3 miles) of new headings were driven, in addition to 270,380 cubic feet of rock excavation and 130,921 feet (24.8 miles) of diamond drilling. The number of employees had increased until about 950 were working at the end of 1940.

Within Nevada County in 1940, about 2500 men were employed in gold mining, receiving about \$4,500,000 per year which was about 40% of the selling price of all the gold produced, supporting directly and indirectly practically all the people in the county. With labor costs being about 60 to 65% of the total cost of mining, the gold mining companies were spending annually more than \$7 million. During the Great Depression, the gold mines made Nevada County one of the few places in the country that prospered.

During the 1930 to 1940 period the Idaho 20-stamp mill operated steadily. Milling capacity increased by constructing a new mill near the main Idaho shaft where two Marcy mills with flotation equipment, and a cyanide plant to treat the concentrates and sands had a capacity of 700 tons per day. At the New Brunswick mill capacity was increased to slightly more than 600 tons per day, through the installation of a Marcy mill, a re-grind mill and other equipment.

In 1939 the combined milling plants handled 434,514 tons of ore, and in 1940, a total of 432,024 tons, of which about 25,000 tons annually came from the Grass Valley

BRUNSWICK MINE SUMMARY OF OPERATIONS 1936 - 1939
Nevada County, California (Excludes Idaho Mine Unit)

	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>Total</u>
Tons of Ore Hoisted	216,969	217,257	229,629	306,713	970,568
Tons of Ore Mined from:					
Stopes	111,898	157,401	156,904	212,627	638,830
Development	108,784	62,480	72,188	105,010	348,462
Total Ore Extraction	220,682	219,881	229,092	317,637	987,292
Tons of waste Mined	12,854	19,339	38,845	53,721	124,759
Tons of Ore and Waste	233,536	239,220	267,937	371,358	1,112,051
Tons Milled (Dry)	207,222	209,729	218,147	290,800	925,898
Mill Heads Value	\$6.11	\$6.42	\$8.27	\$9.00	\$7.60
Mill Heads (Oz/T Au)	0.17	0.18	0.24	0.26	0.22
Ounces of Au in mill head	36,175.04	38,470.29	51,545.02	74,777.14	200,967.49
Ounces of Au in Tails	2,387.90	2,505.40	2,265.92	3,348.57	10,507.78
Mill Recovery rate	93.40%	93.49%	95.60%	95.52%	94.77%
Lost in tails	6.60%	6.51%	4.40%	4.48%	5.23%
Value of Au Recovered	\$1,182,550	\$1,258,771	\$1,724,769	\$2,500,000	\$6,666,090
Ounces of Au Recovered	33,787.14	35,964.89	49,279.10	71,428.57	190,459.71
Ore % From Stopes	50.71%	71.58%	68.49%	66.94%	64.71%
Ore % From Development	49.29%	28.42%	31.51%	33.06%	35.29%
Waste as % of ore	5.82%	8.80%	16.96%	16.91%	12.64%
Total Man Shifts U.G.	61,330	52,547	53,901	75,184	242,962
Ore & Waste/U.G. Man Shift	3.81	4.55	4.97	4.94	4.58
Dry Tons Milled/Man Shift	3.38	3.99	4.05	3.87	3.81
Total Drill Shifts	17,754	17,456	18,202	26,039	79,451
Tons Broken per Drill Shift	13.15	13.70	14.72	14.26	14.00
Ore Reserves in Tons:					
Ore Reserves on 12/31	558,835	479,698	556,774	744,733	
Ore Broken in Stopes, 12/31	19,635	27,251	33,853	64,410	
Yearly Gain in Reserves	19,635	7,616	6,602	30,357	
Development Footage					
Drifts	17,798	9,019	13,406	17,963	58,186
X-Cuts	1,894	2,263	3,978	2,644	10,779
Raises	4,500	4,750	4,980	5,539	19,769
Winze		291			291
Shaft			163	847	1,010
Total Development Feet	24,192	16,323	22,527	26,993	90,035
Shaft Sta.&Pockets, Cu. Ft.				86,519	86,519
Diamond Drilling, Feet	6,772	7,063	7,731	13,001	34,567

*The above statistics have been calculated from data of the old Idaho Maryland Mines Corporation
By Ross Guenther, August 19, 1993*

Bullion Mine and other small mines for which custom work was done. In 1940, there was a total of 293,005 tons of ore hoisted from the Brunswick shafts, and 113,702 tons from the Idaho shaft. Much of the Brunswick ore was brought up to the Idaho mill. The average grade of the combined mill heads in 1940 was 0.333 ounces of gold per ton and the recovery rate was 96%.

The Idaho No. 2 (Round Hole) Shaft was sunk in the 1930's under the direction of J.B. Newsom to a depth of 1,125 feet. The shaft was made by a five foot diameter core drill which was developed on the property. The cost of sinking this single compartment shaft was well below the cost of sinking a conventional shaft. This shaft was used to move men and materials, as a safety exit and for ventilation.

Cornish miners were brought to the district soon after underground production started in the 1850's. They brought with them considerable experience from their deep underground tin mines in Cornwall. The Grass Valley Cornish Carol Choir originated with the early Cornish miners and their recordings have been sold around the world. On Christmas Day in 1940, a group of miners sang on a nationwide radio broadcast from the 2000 foot level of the Idaho-Maryland. The broadcast received such enthusiastic response from all over the world that it was repeated in 1951 and 1952.

At the end of 1940, steel was on the ground for the installation of a new 135 foot headframe at the New Brunswick shaft. An Ottumwa double-drum hoist with a 1000 horsepower motor, capable of operating 6 ton skips to 4800 feet vertically, was being installed on the surface as was a 600 horsepower Norberg man and material hoist with a single 8 foot drum. It apparently was the intention of the company to sink the shaft to about the 4800 foot level to develop the lower zone (as projected by Bateman and others) to reach the potentially rich ground where the Idaho, Morehouse and 6-3 Faults intersect. Governmental actions taken at the start of WWII apparently prevented the deepening of the shaft.

A "wildcat" labor strike wholly shut down operations from May 1 - May 19, 1941. Mr. R. Farmin was the Chief Engineer & Geologist.

Operations of gold mines in the U.S. were suspended in October, 1942 when the War Production Order L-208 was issued. Prior to closing, 71,751 tons were milled at the Brunswick mill and 40,363 tons at the Idaho mill for a total of 112,114 tons. Production started to seriously decline after March of 1942 and essentially ended in about June 1942. Albert Crase was the General Manager and Fred W. Denton, Jr. the mine Superintendent.

In May of 1943 there were already reports of serious deterioration in the underground workings of the Idaho (westerly) part of the mine, but with the ground holding well in the Brunswick area.

The L-208 Order was lifted in July 1945 and the Idaho-Maryland reopened. Maintenance and pumping costs at the Idaho-Maryland continued throughout the war and were a serious drain on reserve funds.

After the war the mine started production again and remained open until 1956. Expensive labor, high prices for equipment and supplies, shortages of experienced miners, and the fixed gold price of \$35 per ounce caused the mine to become unprofitable to operate in 1956.

In 1945, after WWII ended, 60,640 tons were milled at the Brunswick unit. New development workings were driven for a total of 1,728 feet and 20,142 cubic feet of additional rock was excavated for development.

In 1946 nearly 200,000 tons were milled. New development workings were driven for 8,490 feet and 36,175 cubic feet of additional rock excavated.

In 1947, 12,407 feet of new development workings were driven, 746 feet of core was drilled and 109,184 cubic feet of additional rock was excavated. 198,004 dry tons were fed to the ball mills, of which 170,703 tons was from the Brunswick mill and 27,301 tons was from the Idaho mill. Recoveries ran from 95% to 97% at the Brunswick and from 90% to 96% at the Idaho mill. Mill head feed ran from 0.18 to 0.25 opt at the Brunswick mill and from 0.27 to 0.95 opt at the Idaho mill. Mr. Beechel, a geologist until the closing of the mine in 1956, joined the staff in February. Neil O'Donnell was General Manager of mines and Rollin Farmin was Assistant General Manager of Idaho Maryland Mines Corporation.

In May of 1947 there was a general dwindling of manpower. On May 8 and May 31 there was a work stoppage related to a C.I.O. drive to get union recognition. All plants were strike-bound from May 31st until June 4th, when the members of the Mine Workers Protective League came back to work through C.I.O. wildcat picket groups. Very few miners were working at first and little work on ore was accomplished in the first half of the month. By the end of the month 46 workers were underground at the Idaho and 78 in the Brunswick. By June 30th the total number of employees had risen to 243.

The effects of the C.I.O. picket lines diminished in July 1947, but a shortage of first-class miners continued. The N.L.R.B. hearing on the 1946 C.I.O. petition resulted in a decision that lack of jurisdiction blocked any action of the N.L.R.B. The California Department of Employment denied the application and subsequent appeal of C.I.O. members for unemployment insurance while on strike. In July an unbalance existed between surface and underground crews (at 50%-50%) instead of the normal ratio of two underground to one surface employee.

In September 1947 sand-filled stopes were giving the mine more flexibility, with successful under-hand mining of pillars below the general sand level proving a great safety contribution.

In November 1947 a strict "pay-or-else" was applied to the Idaho mine. Most of the development work on the lower levels was stopped as was all development work on the upper levels. Stopping in the best pillars available was pressed with as many good crews as could be used. The remainder were dropped or transferred to the Brunswick.

In 1948, 13,245 feet of new development workings were driven, 6,522 feet of core was drilled and 127,451 cubic feet of additional rock was excavated. 186,350 dry tons were fed to the ball mills, of which 168,934 tons was from the Brunswick mill and 17,416 tons was from the Idaho mill. Recoveries were about 96% and 95% respectively. Mill head feed ran from 0.20 opt to 0.33 at the Brunswick mill and from 1.56 to 0.34 at the Idaho mill. J.C. O'Donnell was General Superintendent of mines and Neil O'Donnell was Executive Vice President of Idaho Maryland Mines Corporation.

In 1949, 7,674 feet of new development workings were driven, 11,654 feet of core drilling, and 78,824 feet of additional development rock was excavated. Over 130,000 tons were milled with recoveries of about 96%. In April the black slates were causing some excess tails in the cyanide residue. On December 9, T. Nishiwaki, a Japanese geologist, visited the mine (which was perhaps a brave move on his part).

In 1950, there was 7,965 new development workings, 10,064 feet of diamond drilling and 79,117 cubic feet of additional rock excavation from development. About 100,000 tons of ore was milled with a recovery of over 96%. J.C. O'Donnell was General Superintendent of Mines and Neil O'Donnell was Executive Vice President of Idaho-Maryland Mines Corporation.

In 1951, 8,419 feet of new development workings were driven, core drilling was 11,809 feet, and additional rock excavation totaled 66,067 feet. Mill tonnage (dry) at the Brunswick was 121,068 and 21,387 tons at the Idaho for a total of 142,455 tons.

In 1952, 6,215 feet of development work was done (including 746 feet by leasers. In addition 716 feet of additional stope development was done and 67,796 cubic feet of enlarging and sideswiping was done. Diamond drilling totaled 12,173 feet. In December, D.D. No. 2 cut a stinger zone 64 inches wide at 2830-60 with a grade of 1.27 ounces, about 50 feet ahead of face of 2800 64-57 stope.

In 1953, 5,669 feet of development was done as well as 6,742 feet of diamond drilling. Also 18,787 cubic feet of additional rock excavation was made (stations, sidings and turnouts. In March "much scheelite" was reported at 1000-65D, and D.D. Hole # 41 on the 2700 level indicated low to medium grade (presumably gold) from 53 to 114 feet (61') and 159 to 175 feet (16') in stringer zones. In October D.D. hole Nos. 35 and 36 were drilled from the 3280 level upward to cut the 3 vein resulting in 2 feet of quartz at 0.12 ounces plus 15 feet of diabase at 0.14 ounces; and 2.1 feet of quartz at .09 ounces plus 7 feet of diabase at 0.27 ounces.

In 1954, 7,284 linear feet of development was done and 88,632 dry tons of ore were milled.

More than 3,000 feet of development work was done in 1955 from the 900 to 3280 foot levels.

In January 1956, 308 feet of development drifts driven on the 900 and 1100 levels of the Brunswick, and in February, 324 feet on the same levels. Then great mine went into hibernation.

The Korean war tungsten subsidy program helped prolong keeping the mine open. After the mine closed down, in a letter dated April 24, 1957 to the U.S.G.S, G.R. Beechel, mining geologist, summarized the tungsten exploration, development, production and potential of the Brunswick Mine. The tungsten ore is closely associated with the gold quartz veins, a series of more or less parallel steeply vein zones in the porphyrite. The tungsten ore body was exposed for 400 feet in length, 105 feet of dip, 3 feet average width with values ranging from 0.3% to 20% CaWO₄. The deposition apparently favors the grey slaty members of the porphyrite in a fractured zone extending downward westerly beneath the workings of the Union Hill Mine. Production was 8,343 tons of scheelite ore at a head value of 1% WO₃ (an undiluted vein value of 4.5%) and a mill recovery of 80%. Value of tungsten produced was \$401,971.54. There is a potential reserve of 20,000 tons of scheelite ore averaging 1.83% CaWO₄ over a mining width of 36 inches.

IDAHO-MARYLAND MINE 1957-1994

William and Marian Ghidotti purchased the mine from Idaho Maryland Industries Inc. on June 10, 1963. Subsequently William Ghidotti died and later his wife Marian died leaving the property (through her will in probate dated August 12, 1983) to the present owners Mary Bouma, Erica Erickson, and William Toms.

In 1986, Ross Guenther brought the Property to the attention of Mother Lode Gold Mines of San Francisco. Mother Lode leased (with an option to purchase) the property in March of 1988 and assigned the lease to a subsidiary, Northern Mines Inc., in April of 1988. Preliminary investigations indicated more than a million ounces of gold from the thousands of old mine maps and documents available. Northern Mines, however, quit claimed it's lease back to the owners in January of 1990.

In January of 1990, Del Norte Chrome Corporation, a California corporation owned by Consolidated Del Norte Ventures Inc., a British Columbia corporation, negotiated a lease-option on the Property. The subsidiary subsequently changed its name to Idaho-Maryland Mining Corporation. Upon falling gold prices, after having done considerable research on the old mine data which indicated the possibility of over 3 million ounces of gold, the company dropped its lease in February, 1993.

On August 18, 1993, a Mining Lease and Option to Purchase was made with EMPEROR GOLD (U.S.) CORP., a Nevada corporation, which is a subsidiary of Emperor Gold Corporation, a British Columbia corporation. This property consists of 37 acres of surface rights and about 2750 acres of mineral rights. On March 10, 1994, Emperor Gold executed a lease with Sierra Pacific Industries, a California corporation, for the adjacent old Brunswick sawmill site, consisting of about 80 acres and over 60,000 square feet of industrial buildings.

In June of 1994, Emperor applied for a permit to dewater the New Brunswick shaft and to explore the mine by underground diamond drilling.

During July, 1994 and the following five months, or more, Emperor Gold, with the Nevada County Planning Department and its consultants are preparing an Environmental Impact Report in regard to the effects of its dewatering and exploratory activities. Also, the exploration potential is being re-evaluated as the thousands of maps and reports are being computerized.

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BRUNSWICK MINE SUMMARY OF OPERATIONS 1936 - 1939
Nevada County, California (Excludes Idaho Mine Unit)

	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>Total</u>
Tons of Ore Hoisted	216,969	217,257	229,629	306,713	970,568
Tons of Ore Mined from:					
Stopes	111,898	157,401	156,904	212,627	638,830
Development	108,784	62,480	72,188	105,010	348,462
Total Ore Extraction	220,682	219,881	229,092	317,637	987,292
Tons of waste Mined	12,854	19,339	38,845	53,721	124,759
Tons of Ore and Waste	233,536	239,220	267,937	371,358	1,112,051
Tons Milled (Dry)	207,222	209,729	218,147	290,800	925,898
Mill Heads Value	\$6.11	\$6.42	\$8.27	\$9.00	\$7.60
Mill Heads (Oz/T Au)	0.17	0.18	0.24	0.26	0.22
Ounces of Au in mill head	36,175.04	38,470.29	51,545.02	74,777.14	200,967.49
Ounces of Au in Tails	2,387.90	2,505.40	2,265.92	3,348.57	10,507.78
Mill Recovery rate	93.40%	93.49%	95.60%	95.52%	94.77%
Lost in tails	6.60%	6.51%	4.40%	4.48%	5.23%
Value of Au Recovered	\$1,182,550	\$1,258,771	\$1,724,769	\$2,500,000	\$6,666,090
Ounces of Au Recovered	33,787.14	35,964.89	49,279.10	71,428.57	190,459.71
Ore % From Stopes	50.71%	71.58%	68.49%	66.94%	64.71%
Ore % From Development	49.29%	28.42%	31.51%	33.06%	35.29%
Waste as % of ore	5.82%	8.80%	16.96%	16.91%	12.64%
Total Man Shifts U.G.	61,330	52,547	53,901	75,184	242,962
Ore & Waste/U.G. Man Shift	3.81	4.55	4.97	4.94	4.58
Dry Tons Milled/Man Shift	3.38	3.99	4.05	3.87	3.81
Total Drill Shifts	17,754	17,456	18,202	26,039	79,451
Tons Broken per Drill Shift	13.15	13.70	14.72	14.26	14.00
Ore Reserves in Tons:					
Ore Reserves on 12/31	558,835	479,698	556,774	744,733	
Ore Broken in Stopes, 12/31	19,635	27,251	33,853	64,410	
Yearly Gain in Reserves	19,635	7,616	6,602	30,357	
Development Footage					
Drifts	17,798	9,019	13,406	17,963	58,186
X-Cuts	1,894	2,263	3,978	2,644	10,779
Raises	4,500	4,750	4,980	5,539	19,769
Winze		291			291
Shaft			163	847	1,010
Total Development Feet	24,192	16,323	22,527	26,993	90,035
Shaft Sta.&Pockets, Cu. Ft.				86,519	86,519
Diamond Drilling, Feet	6,772	7,063	7,731	13,001	34,567

*The above statistics have been calculated from data of the old Idaho Maryland Mines Corporation
By Ross Guenther, August 19, 1993*

EXHIBIT 280

AND WHEN RECORDED MAIL TO

Name North Star Rock Products
Inc.
Street P. O. Box 908
Address Grass Valley, CA 95945
City & State

93-10975 ...
93 10975 OFFICIAL RECORDS...
REQUESTED BY...
INTER COUNTY TITLE CO MON...
03-31-1993/8:00 AM...
BRUCE C. BOLINGER...
NEVADA COUNTY RECORDER...
RECORDING FEE-02 PAGES...
\$8.00...

MAIL TAX STATEMENTS TO

Name Same as above.
Street Address
City & State

SPACE ABOVE THIS LINE FOR RECORDER'S USE

CAT. NO NN00682
TO 1923 CA (7-82)

Individual Grant Deed
THIS FORM FURNISHED BY TICOR TITLE INSURERS

ALL	P.T.N.	<p>The undersigned grantor(s) declare(s): Documentary transfer tax is \$ <u>528.00</u> (<input checked="" type="checkbox"/>) computed on full value of property conveyed, or () computed on full value less value of liens and encumbrances remaining at time of sale. () Unincorporated area: () City of _____, and</p> <p>FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, MARY BOUMA, ERICA ERICKSON and WILLIAM TOMS, each a married person dealing with his or her sole and separate property,</p> <p>hereby GRANT(S) to NORTH STAR ROCK PRODUCTS CORPORATION, INC., a California corporation,</p> <p>the following described real property in the unincorporated area of the County of Nevada, State of California:</p> <p>(See <u>EXHIBIT A</u> attached hereto for property description.)</p>
		<p>Dated: <u>March 25, 1993</u></p> <p>STATE OF CALIFORNIA COUNTY OF _____ } ss. On _____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____</p> <p>_____ personally known to me or proved to me on the basis of satisfactory evidence to be the person whose name subscribed to the within instrument and acknowledged that _____ executed the same. WITNESS my hand and official seal.</p> <p>Signature _____</p> <p>(This area for official notarial seal)</p>
		<p>Title Order No. _____ Escrow or Loan No. _____</p>

COS

MAIL TAX STATEMENTS AS DIRECTED ABOVE

STATE OF CALIFORNIA
 COUNTY OF..... NEVADA.....

On this... 25th ... day of... March ... in the year of 19 93,
 before me, the undersigned, a Notary Public in and for said State, personally
 appeared MARY BOUMA, ERICA ERICKSON**, personally known to me
 (or proved on the basis of satisfactory evidence) to be the person(s) whose
 name(s) is/are subscribed to the within instrument and acknowledged to me
 that he/she/they executed the same in his/her/their authorized capacity(ies),
 and that by his/her/their signature(s) on the instrument the person(s), or the
 entity upon behalf of which the person(s) acted, executed the instrument.
 ** and WILLIAM TCMS



WITNESS my hand and official seal.

Marta S. Woodward
 Notary Public in and for said State.

This document is only a general form which may be proper for use in simple transactions and in no way acts, or is intended to act, as a substitute for the advice of an attorney. The printer does not make any warranty, either express or implied, as to the legal validity of any provision or the suitability of these forms in any specific transaction.
 Coady's Forms No. 100 - ACKNOWLEDGMENT - All Purpose - (1991)

EXHIBIT A

The Morehouse Quartz Mine, being Lot 53 of Section 26, Township 16 North, Range 8 East, M.D.M., and being more particularly described as follows:

Beginning at a point from which the center $\frac{1}{4}$ corner of said Section 26 bears South $1^{\circ} 25' 00''$ East 146.09 feet THENCE FROM SAID POINT 0° BEGINNING North $71^{\circ} 30' 00''$ West 491.16 feet; thence North $18^{\circ} 30' 00''$ East 869.88 feet; thence South $71^{\circ} 30' 00''$ East 246.44 feet; thence North $21^{\circ} 30' 00''$ East 121.19 feet; thence South $71^{\circ} 30' 00''$ East 297.00 feet; thence South $18^{\circ} 30' 00''$ West 990.90 feet; thence North $71^{\circ} 30' 00''$ West 58.68 feet to the point of beginning.

EXCEPTING AND RESERVING THEREFROM all the mineral, metal matter and rock lying below 200 feet of the surface, with the right to extract and remove said mineral, metal matter and rock from any depth up to 200 feet of the surface of said premises without disturbing the surface thereof.
 (APN 9-55-13 and 9-55-14)

TOGETHER WITH a non-exclusive easement 60 feet in width for purposes of ingress, egress and utilities, the centerline of which is described as follows:

Beginning at a point along the easterly line of the hereinabove described property from which the Northeasterly corner thereof bears North $18^{\circ} 30' 00''$ East 192.49 feet. Thence, along said centerline North $31^{\circ} 54' 38''$ East 46.90 feet; thence along a curve to the right having a radius of 150 feet and a central angle of $29^{\circ} 19' 10''$ for an arc distance of 76.76 feet; thence North $61^{\circ} 13' 48''$ East 71.61 feet; thence along a curve to the right having a radius of 150 feet and a central angle of $17^{\circ} 27' 09''$ for an arc distance of 45.69 feet; thence North $78^{\circ} 40' 57''$ East 71.74 feet; thence along a curve to the left having a radius of 200 feet and a central angle of $31^{\circ} 41' 44''$ for an arc distance of 110.64 feet thence North $46^{\circ} 59' 13''$ East 103.77 feet to a point in the southerly line of that certain right-of-way for Idaho Maryland Road as deeded to the County of Nevada in Book 835, Official Records of Said County, at Page 107. The sidelines of said easement are to be lengthened or shortened, as the case may be, to remain within the lands of the grantor.

Said non-exclusive easement shall be appurtenant to the above described parcel of land, and each and every part thereof, and each and every part into which the same may hereafter be divided as to ownership.

END OF DOCUMENT

EXHIBIT 281



ORDINANCE No. 1853

OF THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA

AN ORDINANCE AMENDING SECTION L-II 36.7, CHAPTER II, LAND USE AND DEVELOPMENT CODE OF THE NEVADA COUNTY CODE, TO ESTABLISH "M1-SP" ZONING, INCLUDING DEVELOPMENT STANDARDS, FOR PROPERTY OWNED BY SIERRA PACIFIC INDUSTRIES (Z93-004)

THE BOARD OF SUPERVISORS OF THE COUNTY OF NEVADA, STATE OF CALIFORNIA, ORDAINS AS FOLLOWS:

SECTION I:

Article L-II of the Code of the County of Nevada, California, is hereby amended to provide as follows:

Section L-II 36.7, Boundary Establishment by Description, by the adoption of an amendment to Zoning District Map No. #53, as shown on Exhibit "B" attached and made a part of this Ordinance. Said property contains 79.9 acres (total) and is located at the corner of Brunswick Road and East Bennett Street (Bohemia Mill site), Grass Valley.

All that certain territory shall be, and the same is hereby rezoned from "M1" and "M1-SP", to establish an "M1-SP" Zoning District, including development standards attached hereto as Exhibit "A", for the 79.9 acres (total) parcel, as defined in Chapter II of the Land Use and Development Code, of the County of Nevada, California, as amended, and hereby becomes subject to the restrictions set forth herein.

SECTION II:

This Ordinance shall take effect and be in force at the expiration of thirty (30) days from and after its passage, and it shall become operative on the 17th day of February, 1994, and before the expiration of fifteen (15) days after its passage it shall be published once, with the names of the Supervisors voting for and against same in the Union, a newspaper of general circulation printed and published in the County of Nevada.

PASSED AND ADOPTED by the Board of Supervisors of the County of Nevada at a regular meeting of said Board, held on the 18th day of January, 1994, by the following vote of said Board:

Ayes: Supervisors Dave Tobiasen, Karen Knecht,
Jim Weir, Bill Schultz, R.W. Drake.
Noes: None.
Absent: None.
Abstain: None.

ATTEST;
CATHY R. THOMPSON
Clerk of the Board of Supervisors

By: Cathy R. Thompson

Karen Knecht
Chairman

DATE	COPIES SENT TO
1-21-94	Union (Summary)
	Planning (3) <u>20</u>
	SPI c/o Sylvester Engineering
	Bldg. Insp. <u>20</u>
	Assessor <u>20</u>
	DOT <u>W</u>
	Counsel <u>mc</u>
	E.H.

53

"MASTER DESIGN THEME"

The central theme behind the Nevada County Business and Industrial Center is a coordinated infrastructure plan with preapproved design guidelines. While there are three separate land use categories proposed in the Master Plan the basic theme is to provide consistent design. To accomplish this goal, standards for acceptable design must be established to provide the guidelines needed. The architectural style of the building and overall landscaping of the center is the central component of the design theme. The basic purpose is to create a utility oriented atmosphere in a wooded setting while recognizing economic necessity. Emphasis shall be placed on buildings having variable roof lines with related earth tone colors and a overall pine tree canopy. The following is an outline of the minimum standards recommended to achieve design consistency for the overall development:

BUILDINGS:

1. The setback requirements in the Land Use and Development Code for the Light Manufacturing and Industrial Zoning District shall apply to all property lines and roadways within this development plan.
2. Buildings shall be separated by a minimum distance of 30 feet.
3. Buildings in excess of 10,000 square feet shall have staggered walls or variation in footprint to break up long undivided surfaces. Building deviations shall take place every 100 feet. In addition, extended roof overhangs and window arrangements can be used to avoid long monotonous structures.
4. Building heights are set forth within each building envelope and shall not exceed the maximum height set forth in the Light Manufacturing and Industrial designation of the County's Land Use and Development Code. Building height shall vary to promote variation in roof lines. Flat roofs should be avoided.

5. Building Materials: Exterior building walls may be of tilt up concrete, textured concrete, brick or stone masonry, ornamental concrete block, wood, stucco or flushed metal panels. Sheet, ribbed, or corrugated metal panels or prefabricated buildings should be discouraged in areas that are highly visible to the roadway unless landscaping or other architectural treatments can modify the premanufactured look.
6. Colors: Colors are to be light earth tones and graded related. Bright contrasting colors shall only be used as accents to offset specific design features.
7. Mechanical equipment, including air conditioning units, utility vaults, transformers, meters and fire protection apparatus should be located to minimize visibility from adjacent highways or incorporated into landscape areas to screen equipment from view of the roadways.
8. Buildings should be designed and oriented to allow maximum solar access and minimize heating and cooling requirements. Where appropriate, energy conservation methods such as; tinted windows, recessed entryways, awnings and shade lattices shall be used.

LANDSCAPING:

1. Street trees along the major roadway through the project shall be located as to create a bordered alignment. These trees should consist primarily of Ponderosa Pines or similar species. Emphasis should be placed on trees and ground covers only. Minimum shrubs should be planted in this area unless associated with berms or monument signs.
2. Trees shall be planted in areas to simulate informal growth. It is recommended that trees not be aligned in rows, but planted in irregular groupings of at least three to seven trees or more.
3. Landscaping and trees associated with front yard setbacks and/or entryways should have a variety of plant types including ground covers, shrubs and trees at various heights.

Use of rocks and berms should be encouraged to enhance the architectural aspect of the buildings and provide a pleasing entry to the structures. Planting to accent driveways or building entries should offer seasonal interest. Landscaping around buildings may incorporate ornamental plants but should emphasize pine trees or indigenous plant species as the predominant plant material.

4. Parking lot areas should emphasize canopy tree cover to encourage shading of the parking lot areas. Not only would this create a shaded atmosphere but also will be visually appealing for passing motorists using Brunswick Road and East Bennett Street. Parking lot tree planting should recognize seasonal changes. A combination of evergreens and deciduous trees are recommended. Planter areas should emphasize trees and ground cover rather than shrubs. The dominant feature in this area is to provide shade and tree color during the various seasons.
5. Recommended Understory Trees: Dogwood (*Cornus* spp.), Multi-Trunked Strawberry tree (*Arbutus unedo*), Redbud (*Cercis occidentalis*), Flannelbush (*Fremontodendron californicum*), Silktassel (*Garria elliptica* "James Roof").
6. Recommended Tree Type: Evergreen Trees (Conifers), Ponderosa Pine (*Pinus ponderosa*), Incense Cedar (*Calocedrus decurrens*), Douglas Fir (*Pseudotsuga menziesii*), Coast Redwood (*Sequoia sempervirens*), Sugar Maple (*Acer saccharum*), Red Maple (*Acer rubrum*), London Plane Tree (*Platanus acerifolia*) and Red Oak (*Quercus rubrum*).
7. Recommended Shrubs and Ground Covers: McMinn Manzanita (*Arctostaphylos densiflora* "Howard McMinn"), Dark Star Ceanothus or Dark Star Mountain Lilac (*Ceanothus* "Dark Star"), Western Azalea (*Rhododendron occidentale*), Oregon Grape (*Mahonia aquifolium*), Rockrose (*Cistus* spp.), Creeping Mahonia (*Mahonia repens*), Manzanita (*Arctostaphylos uva-ursi*), Cotoneaster (*Cotoneaster* "Lowfast"), Creeping St. Johnswort (*Hypericum calycinum*).
8. The open space area shown on the attached plan should be left in its natural state, except to provide adequate fire protection. Limbing of understory vegetation, brush abatement, and other recognized abatement programs to reduce the threat of wildland fires are encouraged in this area.

OFF STREET PARKING:

1. Off street parking shall be in conformance with the specifications of Article 28 of the Nevada County Land Use and Development Code. However, more extensive parking may be needed to meet some of the uses proposed in three separate building zones identified on the plan. In general the parking ratios range from one space for 300 square feet of gross floor area to one space per 2,000 square feet of warehouse storage area. All other requirements applicable in Article 28, shall apply to the off street ratios.
2. In areas with light parking lot turn over ratios turf block may be substituted for paving. In all other areas paving or concrete is the acceptable surface for off street parking.

SIGNS:

All signs shall be in conformance with the provisions set forth in the Nevada County Land Use and Development Code. However to achieve a coordinated and well designed sign theme, the following criteria shall be met.

1. Signs may be located on exterior building walls or mounted on the ground as free standing signs in the front of the building. One ground mounted sign for each major entry is permitted. Maximum allowable height of a ground sign is 6 feet above the top of an adjacent curb.
2. Signs shall contain only the company's name, business performed or product produced and company's logo design.
3. Signs shall not project above roof line of any building.
4. An maximum letter height for signs is 2 feet.
5. Letters may be illuminated by back lighting or by floor lights mounted on the ground. All light sources shall be directed to avoid light spill over to adjacent properties and/or roadways.
6. Multi tenant buildings may have signs coordinated and mounted on a single structure or frame.

One such structure or frame may be located at the main vehicular entry and one located on the building adjacent to the main entry.

7. All conduit transformers and other equipment shall be screened from view from adjacent roadways.
8. Small internal lot directional signs are encouraged to direct traffic and specify specific parking areas for multi tenant buildings. Such signs may contain business or company's logo and shall not be counted in the overall permitted sign area.

LIGHTING:

The overall intent of lighting throughout the Business and Industrial Center is to provide a soft lighted atmosphere that provides necessary onsite security and safety, but also maintains the rural atmosphere of the surrounding area. To achieve this goal the following is required.

1. All outdoor lighting fixtures should be designed and situated so that night time illumination will not become a nuisance to the adjacent properties. Emphasis shall be placed on lighting entryways, ground lighting to illuminate building walls or specific architectural features and low profile walkway lighting.
2. Lighting for advertising is not permitted.
3. Pole heights should not exceed 25 feet for mercury vapor or sodium type lighting.
4. All street and entryway lighting shall emphasize landscaped areas or directional signs providing information on circulation and/or specified parking areas.

NOISE:

The Nevada County Noise Element shall provide the governing standards for maximum noise level regulation and attainment necessary to provide compatibility with surrounding properties.

Development projects submitted for review should contain description of the types of uses, anticipated noise levels, an appropriate mitigation to insure compatibility with the Nevada County Standards and the surrounding land uses.

AIR POLLUTION:

All uses within the Development Park shall be subject to the regulations imposed by the Nevada County Air Pollution Control District. In addition the following standards shall also apply:

1. The use of any materials subject to becoming airborne shall only be permitted if it is demonstrated that no significant air pollution impacts will result.
2. Refuse burning shall be prohibited.
3. Any odors which interfere with the comfort of the adjacent residential uses and/or workers on site shall be prohibited.

HAZARDOUS MATERIAL:

Any hazardous materials, stored or used on site shall conform to the Hazardous Waste Disposal Standards of the Nevada County Environmental Health Department. All development requests within the Industrial Center shall be accompanied with a use description and hazardous material management plan to insure compliance with Nevada County's Regulations.

CIRCULATION:

There will be two encroachment points, subject to County Dept. of Transportation approval: one on Bennett Street, and one on Brunswick Road.

STANDARDS:

Where the development standards proposed differ from County standards, the more restrictive standard shall apply.

LAND USE REGULATIONS

I. BUSINESS PARK

EXISTING CONDITIONS:

The area devoted to the Business Park is located in the western portion of the site at the intersection of East Bennett Street and Brunswick Road. This area is 5.4 acres in size and overlooks the existing recycling pond. Access to the Business Park section of the development is proposed via East Bennett Street. Currently a road does bisect this portion of the property and the plan is to utilize the alignment of this roadway. This area of the property is graded and was previously used for finished lumber storage.

PLANNED PURPOSE:

This area is planned for corporate headquarters of business's operating onsite. The intent is to provide a campus atmosphere consisting of coordinated architectural treatment, extensive landscaping and areas devoted for guest parking. The primary uses in this area are intended to include office administration and research. In addition, sales display's and meeting rooms that can host luncheons, dinner events and lectures. Employment training and sales promotion associated with business activities conducted on site are encouraged.

Secondary uses include; incidental light manufacturing for products produced on site, ie; laboratories, service and repair, and research facilities.

DEVELOPMENT CHARACTERISTICS:

- A. Lot Sizes: Flexible
- B. Highway visibility: Very important.
- C. Outdoor Storage: Prohibited.
- D. Architectural: Corporate/Campus atmosphere.
- E. Traffic: Employee, Deliveries, Guest and Customer.
- F. Maximum Building Height: 40 feet or 3 stories.
- G. Parking Ratio: 1 parking stall per every 300 square feet of floor area.
- H. Minimum Parking Lot Landscaping Requirements: 80 square feet of landscaping per required parking stall.
- J. Building Intensity Ratio: 10,000 square feet per acre.

EXAMPLES OF PERMITTED USES:

- A. Office and Professional
- B. Administrative and Research
- C. Employment Center Support:
 - 1) Restaurants
 - 2) Fitness Center
 - 3) Automatic Branch Bank
 - 4) Daycare Facilities
- D. Sales Office/Showroom (Relative to products produced on site).
- E. Conference Facilities (Related to service, training, and lectures incidental to activities conducted on site).
- F. Other similar type uses.

II. SERVICE BUSINESS LIGHT MANUFACTURING

EXISTING CONDITIONS:

This portion of the property, approximately 18.6 acres houses the existing mill site. The majority of the area is paved and was used as log storage from the previous lumber mill activity. An extensive water system is currently in place. This system provided irrigation to stored logs and fire flow for the existing mill facility. It is doubtful that any part of this system will be utilized in the domestic or fire flow facilities for the new uses. However, a complete evaluation has not taken place, so remnants or portions of this existing system may be able to be utilized.

PLANNED PURPOSE:

The purpose of the Service Business Light Manufacturing area is to promote enough flexibility within the permitted uses to support services and a variety of light manufacturing activities that can service the needs of Nevada County.

Development should provide a wide range of square footage needs from incubator business's requiring 1,000 square feet of floor area to large production facilities that may require 50,000 to 60,000 square feet of floor area.

The primary uses in this area will include service maintenance and repair, manufacturing and processing, warehousing and distribution facilities. The secondary activities would include office, professional and conference facilities.

Outdoor storage activities are permitted, but screening and design techniques should be incorporated to provide transition from the corporate atmosphere of the business park area and to minimize visual impacts from traffic on Brunswick Road and adjacent properties.

DEVELOPMENT CHARACTERISTICS:

- A. Lot Sizes: Variable
- B. Visibility: Is not an important criteria.
- C. Outdoor Storage: Permitted (Conditioned upon design techniques to minimize visual impacts on adjacent properties and land uses).
- D. Architectural Style: Utility oriented.
- E. Traffic: Employee, Truck Deliveries and Customer.
- F. Maximum Building Height: 45 feet.
- G. Parking Ratio: Varies from 1 to 500 per gross floor area for active uses and 1 to 1,000 floor areas devoted to warehousing and storage.
- H. Minimum Parking Lot Landscaping Requirements: 45 square feet of landscaping per required parking stall.
- I. Building Intensity Ratio: 13,000 square feet per acre.

EXAMPLE OF PERMITTED USES:

- A. Food Products
- B. Chemical Laboratories
- C. Dry Cleaning
- D. Metal Fabricators
- E. Wholesale Stores and Showrooms
- F. Service Contractors; Including General, Plumbing, Janitorial, Roofers, Pool Installers, etc.
- G. Service Maintenance and Repair; Including parts distribution and repairs, small service shops, automotive repairs such as; tune-ups, transmission repairs, electrical appliance repairs, business machinery repairs, upholstery and etc.
- H. Other similar type uses.

III. INDUSTRIAL

EXISTING CONDITIONS:

This portion of the facility is 18.3 acres in size. It is different in elevation than the service business area and was previously used for excess log storage. This area property will require the most intensive grading. An existing cut bank is exposed and visible from Brunswick Road.

PLANNED PURPOSE:

The purpose and intent of this area is to provide for land uses that are site intensive. This area will allow for industrial uses which requires a large building area, outside storage, or combination there of. The primary purpose of this zoning category is to allow uses that are labor intensive. Minimum customer activity is anticipated so parking demands should be limited to that necessary to service employees on site.

SITE DEVELOPMENT CHARACTERISTICS:

- A. Lot Sizes: Flexible
- B. Visibility: Is not important.
- C. Outdoor Storage: Permitted, emphasis should be placed on mitigating visual affects from Brunswick Road.
- D. Architectural: Typical industrial type architectural will be permitted in these areas, including metal, tilt up concrete and other noncombustible type structure that allow for large spans and high door openings.
- E. Traffic: Emphasis should be placed on truck maneuvering, loading and unloading and truck storage.
- F. Maximum Building Height: 45 feet
- G. Parking Ratio: One space for every 800 square feet of active floor area for active use areas and one space for every 2,000 square feet of bulk storage area.
- H. Parking Lot Landscaping Ratios: Landscape ratios should allow 20 square feet of interior landscaping for every required parking stall.

EXAMPLES OF PERMITTED USES:

- A. Moving and Storage Facilities
- B. RV Repair and Storage Lots
- C. Well Drilling, Contractors Equipment and Storage Yards
- D. Large Equipment Storage and Repair
- E. Auto Dismantling Yards
- F. Milling and Planing Facilities
- G. Lumber Yards
- H. Truss Manufacturing Yards
- I. Large Truck Repair and Service
- J. Large Wholesaling and Distribution Facilities
- K. Other Similar Type Activities
- L. Recycling Center
- M. "Green Tech" Recyclers

\\pdcoe\018\spirep.pre

EXISTING ZONING: "M1" and "M1-SP"

PROPOSED ZONING: "M1-SP"

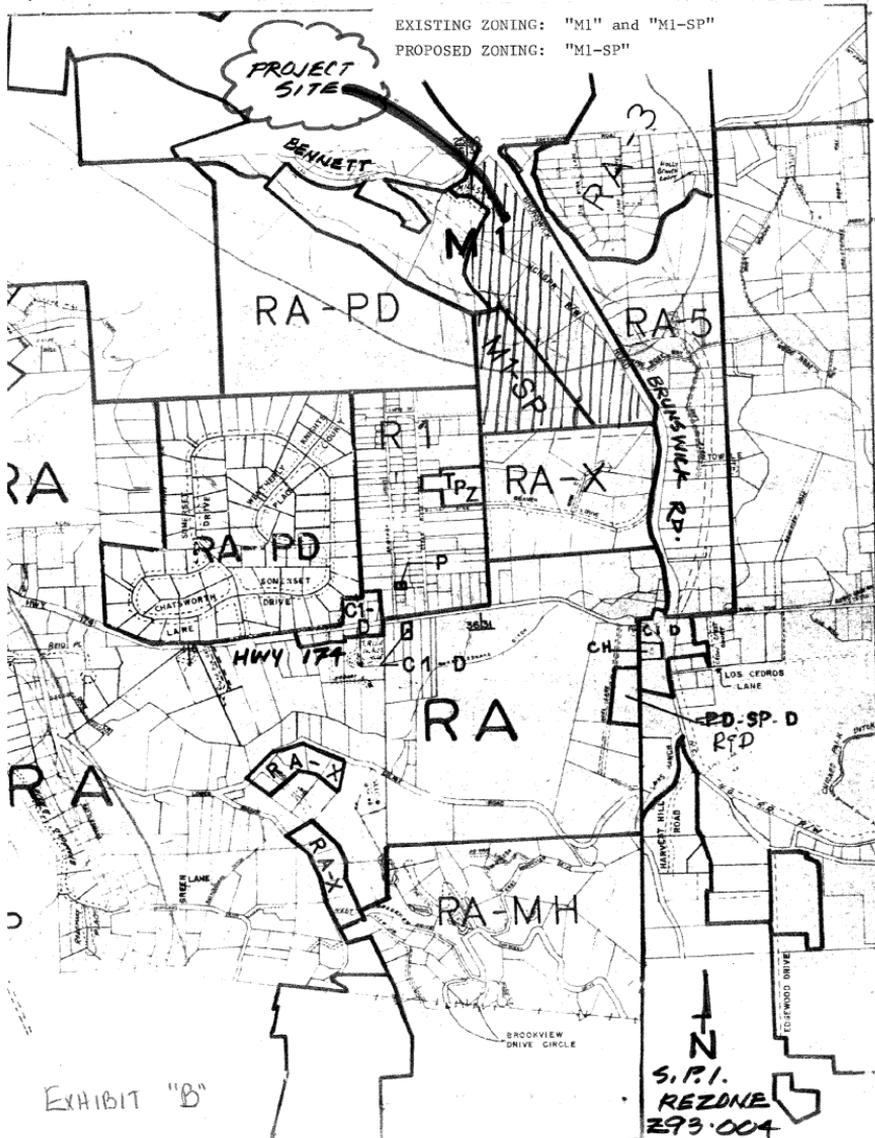


EXHIBIT "B"

T10JNS BM '66
T16

T15

EXHIBIT 282

STATE OF CALIFORNIA, COUNTY OF NEVADA
BOARD OF SUPERVISORS MINUTES, DECEMBER 14, 1993

Meeting held in the Board Chambers, Eric Rood Admin. Center, 950 Maidu Ave., Nevada City, CA

REGULAR MEETING: 9:00 A.M.

I. STANDING ORDERS:

Chairman Schultz called the meeting to order at 9:00 a.m.

The following Supervisors present:

Dave Tobiassen, 1st District
Karen Knecht, 2nd District
Jim Weir, 3rd District
Willard "Bill" Schultz, 4th District
Bob Drake, 5th District (Absent until 9:55 a.m., due to weather)

Pledge of Allegiance held.

Motion made by Supervisor Tobiassen, seconded by Supervisor Weir, and passed unanimously, to approve the minutes of December 7, 1993.

II. DEPARTMENT HEAD MATTERS:

A. Mental Health Director: (Diane Chenoweth)

1. A Resolution Approving the Nevada County Mental Health Substance Abuse and Mental Health Services Administration (SAMHSA) Federal Block Grant Proposal in the Amount of \$19,917. 12

ACTION TAKEN: Ms. Diane Chenoweth, Mental Health Director, introduced the agenda item.

Motion made by Supervisor Schultz, seconded by Supervisor Tobiassen, to adopt Resolution 93-600. On a roll call vote, the motion passed unanimously. (Supervisor Drake absent)

B. Health Administrator: (Gary House)

1. A Resolution Appointing Richard J. Burton, M.D., M.P.H., as the Public Health Officer of Nevada County, Effective December 6, 1993. 13

ACTION TAKEN: Mr. Gary House, Health Administrator, introduced Dr. Rich Burton, the new Public Health Officer, and introduced the agenda item.

Motion made by Supervisor Weir, seconded by Supervisor Knecht, to adopt Resolution 93-601. On a roll call vote, the motion passed unanimously. (Supervisor Drake absent) (See page 423).

C. County Administrator: (Doug Latimer)

1. A Resolution Canceling Supplemental Appropriations and Adjusting the Adopted Budget for 1993/94. 11

ACTION TAKEN: Ms. Dana Shigley, Administration, introduced the agenda item.

Motion made by Supervisor Weir, seconded by Supervisor Knecht, to adopt Resolution 93-602. On a roll call vote, the motion passed unanimously. (Supervisor Drake absent)

2. A Resolution Transferring Funds for Non-Profit Contracts Totalling \$87,684. 25

Motion made by Supervisor Weir, seconded by Supervisor Knecht, to adopt Resolution 93-603. On a roll call vote, the motion passed unanimously. (Supervisor Drake absent)

D. Clerk-Recorder: (Bruce Bolinger)

1. (First Reading) An Ordinance Amending Subsection II of Section A-II 1.7.a of Chapter II, Article 1, of the Administrative Code of the County of Nevada Pertaining to Hours of Operation of the Nevada County Recorder's Office. 26

ACTION TAKEN: Mr. Bruce Bolinger, Clerk Recorder, introduced the agenda item.

Mr. Jim Curtis, County Counsel, called the Board's attention to the Ordinance page under A-2 1.7a, recommending striking "located in Nevada County"; the Board accepted that change.

Mr. Curtis introduced the document into the record as a first reading.

E. County Counsel: (James Curtis)

1. A Resolution Terminating the Mello-Roos Bond Funding for the Wildwood Estates Subdivision; Terminating the Acquisition Agreement; Making an Election to Terminate the Arbitrage Penalties as to the Mello-Roos Bond Funds, and Making Certain Findings and Determinations in Support Thereof. 11
46

ACTION TAKEN: Mr. James Curtis, County Counsel, introduced the agenda item, noting it was a joint recommendation by the County Administrator and himself.

(END CASSETTE #93-168)

He offered background information on this issue, explained the intent to terminate and discussed the process to do same, noting there would be a one-time payment of approximately \$450,000 to the IRS to terminate the ongoing accrual of the three percent per year penalties.

Mr. Ed Ness, Bond Counsel, advised the Board that he held out for a long time for a different position, which was to put the money in the ground and complete the improvements. However, he was finally convinced by the evidence presented to them from more than one source that it was a long period out there to absorb that many lots. He was pleased that the bank saw fit to foreclose on the property and become the owner, which gives some stability. It was too early for them to say what they intended to do. He indicated that they had from now to March 20 to

continue to work and see if there was a way for the bank, or someone outside the development, to come in and do something. He supported County Counsel's recommendation.

Ms. Marguerite Leipzig, Lake Wildwood Association, understood this was probably the only thing that could be done. She questioned the 104 lots; i.e., would the buyers of the 104 individual lots be saddled with the \$4.5 million remaining cost of the Mello-Roos Fund.

Mr. Curtis stated that they would be responsible for their share of the special tax that was allocated according to the original tax formula, and it went beyond the 104 lots. He commented that there were many issues that were yet to be resolved regarding what would happen in the future.

Motion made by Supervisor Schultz, seconded by Supervisor Weir, to adopt Resolution 93-604. On a roll call vote, the motion passed unanimously. (Supervisor Drake absent)

After a brief recess, the meeting reconvened.

III. COMMUNICATIONS:

1. Request by Ms. Mueller, Court Appointed Special Advocate (CASA) Board Member, for a Letter Acknowledging Their Request for Grant Funds from the Judicial Council for Funding of a Court Appointed Special Advocate Program. 34

ACTION TAKEN: Chairman Schultz introduced the agenda item.

Motion made by Supervisor Schultz, seconded by Supervisor Tobiassen, and passed unanimously, to approve the request. (Supervisor Drake absent)

IV. INFORMATIONAL CORRESPONDENCE: Chairman Schultz introduced the informational correspondence.

- A. NEVADA COUNTY COMMISSION ON AGING - Minutes of October 28, 1993 Meeting.
- B. STATE DEPARTMENT OF WATER RESOURCES - A Letter Enclosing a Draft Copy of Bulletin 160-93, "The California Water Plan Update" Volumes I and II, for Review and Comment.
- C. FOUNDATION CONSORTIUM FOR SCHOOL-LINKED SERVICES - Notification that the County's Proposal to Participate in the Policy Academy for County Collaboratives Was Not Selected.

ACTION TAKEN: All correspondence acknowledged.

V. **BOARD MEMBERS/COUNTY ADMINISTRATOR COMMITTEE UPDATES:**

Report by Individual Board Members and County Administrator.

Supervisor Knecht reported that she attended a Solid Waste Planning & Review Committee meeting from 5:00 to 10:00 p.m., noting that they did complete the document. She thanked all of the County staff that stayed and worked through the document.

Supervisor Weir reported on the Air Quality Meeting held last week. The electric car has been delivered to the high school, and the kids have already removed the motor, etc. The parts have been ordered and should be in a couple of weeks, with the estimated date of completion set for May 1994. Secondly, they were looking for a spot for the compressed natural gas refueling. He asked the status of the green barn; Mr. Doug Latimer, County Administrator, responded the County cars are currently maintained there, noting the supplies were kept there as well.

Chairman Schultz reported that all three JPAs met last week. The \$67 million in bonds have been sold to two California investors. That money would be available for mortgages the end of January.

(Supervisor Drake noted present at 9:55 a.m.)

VI. **CLOSED SESSION:** To Discuss Personnel Matters, Labor Negotiations, and Litigation Pursuant to Government Code Section 54956.9.

ACTION TAKEN: Mr. Doug Latimer, County Administrator, announced the need for a closed session on labor negotiations.

Chairman Schultz recessed the meeting into closed session.

At the end of the closed session, Mr. Latimer announced that the Labor Negotiation Team would proceed as directed.

VII. **SPECIAL ORDERS: 10:30 A.M.**

- (1) A Public Hearing to Consider the Formation of Sierra Woodlands/Lee Lane Permanent Road Division, Consisting of Approximately 218 Acres that Will Derive Access from Idaho-Maryland Road, to Provide Maintenance and Snow Removal Service and Levy a Special Tax.

A Resolution Authorizing the Formation of Sierra Woodlands/Lee Lane Permanent Road Division and the Levy of a Special Tax.

ACTION TAKEN: Mr. Charley Washburn, Department of Transportation, introduced the agenda item and reviewed the staff report. He stated that the surrounding property owners did not appear to be interested, and suggested there was not enough support from those properties outside the subdivision to include them in the boundary. He recommended that the Board consider the formation, open the public hearing, take testimony from those people present, and continue the public hearing not to exceed 30 days from now to make the final decision.

Chairman Schultz opened the public hearing.

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Mr. Ken Baker, representing the owner, agreed with staff's recommendation to put this off for 30 days. He understood that the Board was going to conduct a Study Session regarding PRDs on January 10, and they would like to have the benefit of the knowledge gained from the Study Session prior to proceeding with the PRD.

Mr. Tom Cembura, citizen, stated his property accessed Idaho-Maryland and has no access off Lee Lane. He did not want his property to be included in the assessment, nor did he feel any other property outside the development should be assessed.

Supervisor Weir stated that the Department of Transportation recommended excluding Mr. Cembura's property.

Mr. Ken Goepfner, resident off Lee Lane, objected to PRDs in general. The funds that were collected were put into an account, and the maintenance was performed by County crews. The participants would have no say as to how funds were spent; i.e., they could not fire the County if they were dissatisfied with the service.

Chairman Schultz indicated that the residents would determine the level of service for the road, then the County would perform that level of service.

Mr. Washburn reported that the County, by accepting the roadway into the County-maintained system, would be required to establish a minimum level of service, which would be imposed on the property owners in the area. Anything beyond that minimum level of service would be entirely up to the property owners.

Supervisor Knecht questioned the difference between a CSA and a PRD; Mr. Washburn responded.

Mr. Tom Miller, Director of Transportation, stated that the recommended PRD boundaries had been drawn down to only the subdivision being discussed and not to encompass any other private holdings. He reiterated that Mr. Goepfner's property was not included.

Supervisor Drake believed that anyone being impacted by this should be noticed on the Study Session item; Mr. Miller indicated that could be done.

Ms. Theresa Banko, property owner on Climbing Way, wished to clarify that those people outside the subdivision were not to be included in the PRD.

Supervisor Weir stated that the Board seemed to be going along with that. If the public hearing was continued, any action could be taken at a future hearing. As it stands right now, it would only involve the subdivision.

Mr. Miller stated that he would provide notice of the Study Session and of the continued Board hearing on this PRD.

Chairman Schultz announced that the public hearing was continued to January 11, 1994 at 10:30 a.m.

- (2) A Public Hearing to Consider the Formation of West Hacienda Drive Permanent Road Division, Consisting of 11 Acres that Will Derive Access from Magnolia Road, to Provide Road Maintenance Services. 2

ACTION TAKEN: Mr. Charley Washburn, Department of Transportation, introduced the agenda item and reviewed the staff report. He explained that the maintenance services would stand inactive until such time as other properties annex to this or until there were other property owners that initiate an action to initiate the services.

Chairman Schultz opened the public hearing.

Mr. Ken Baker, representing the owner, stated that Mr. Washburn's statement did not mean that the roads would not be maintained because there was a supplemental condition within the Conditions of Approval of the tentative map that a Homeowner's Road Maintenance Agreement be formed. The culdesac street of the development would be maintained by those lot owners. They would not be maintaining in consortium with the other people, less Hacienda Drive, until the entire district was formed.

There being no further testimony, Chairman Schultz closed the public hearing.

####

A Resolution Authorizing the Formation of West Hacienda Drive Permanent Road Division. 2

ACTION TAKEN: Motion made by Supervisor Knecht, seconded by Supervisor Weir, to adopt Resolution 93-605. On a roll call vote, the motion passed unanimously.

DEPARTMENT HEAD MATTERS:

B. Health Administrator: (Gary House)

1. A Resolution Appointing Richard J. Burton, M.D., M.P.H., as the Public Health Officer of Nevada County, Effective December 6, 1993. 5

ACTION TAKEN: Motion made by Supervisor Weir, seconded by Supervisor Tobiassen, and passed unanimously, to reconsider the motion to appoint the new Health Officer. 34

Motion made by Supervisor Weir, seconded by Supervisor Tobiassen, to adopt Resolution 93-601. On a roll call vote, the motion passed unanimously.

VIII. PUBLIC COMMENT:

Mr. Ed Tellum, citizen, wished to discuss locked gates on public right-of-ways; specifically Oak Drive. He explained that Oak Drive left Highway 49 at Cherry Creek, crossed over Buck Mountain, and into the culdesac at Shannon Way in Alta Sierra. He stated that was no longer accessible, noting that the road had been open at least 60 years. A new person built a house in the area and before the cement was dry he put up a gate across the ditch, the road and put up two no trespassing signs. Because the neighbors would not cooperate with him in keeping the gate closed, he moved it to the other side of his driveway. Another individual on East Lime Kiln asked for a key to the gate because he brought his children up to catch the bus on Shannon. He

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was told that he was lucky he was allowed to walk through that area. He believed it was an illegal gate and wanted to know who would tell this individual to take the gate down.

Chairman Schultz noted that the Board could not comment on issues discussed during public comment.

Supervisor Weir suggested that this issue be placed on a Study Session and develop a policy to determine whether the County would or would not take these cases to court.

Chairman Schultz agreed that was a good idea.

Recess for Lunch: Chairman Schultz recessed the meeting at 11:35 a.m.

AFTERNOON SESSION 1:30 P.M. Chairman Schultz called the meeting to order at 1:30 p.m., all Supervisors noted present.

BOARD OF SUPERVISORS ADDENDUM AGENDA - December 14, 1993
PLANNING DEPARTMENT
SUPERVISORIAL DISTRICT: III

Time: 1:30 p.m. Public hearing to consider rezone application of *Sierra Pacific Industries (Z93-004; EIS93-042)* to add to and modify the "SP" Combining District for "M1" Industrial zoned property, located at the corner of Brunswick Road and East Bennett Street (Bohemia Mill site), Grass Valley. The addition will be to modify development standards for this property.

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- ATTACHMENTS:**
1. Proposed Zoning Ordinance, with proposed standards attached as Exhibit "A"
 2. Adopted Negative Declaration
 3. Memo for County Counsel
 4. Planning Commission staff report, excluding the Negative Declaration
-

Proposal

The item before your Board is the Planning Commission's recommendation to approve a rezone application for property at the southwest corner of Bennett Street and Brunswick Road. The commission's recommendation came at the conclusion of their November 10 public hearing on the request for "SP" zoning on the old Bohemia Mill site.

If approved, the rezone would remove the restrictions under the current "SP" designation on the site, and clarify with the new "SP" zoning that the County does not intend to restrict the site to a mill use. As a result, it would also show that the County prefers some type of mixed industrial/business park uses. Furthermore, it would include development standards for any development application on the site.

Background

The proposed standards are attached as Exhibit "A" to the proposed Ordinance (Attachment "1"). They are consistent with the County standards, except for areas of parking and landscaping, where the commission required that they be amended to conform to our standards.

An approval does not carry with it any project approvals or entitlements, since the applicant has not applied for a specific project. Their objective is more fundamental than that: they seek the County's agreement that uses such as those contemplated, with the proposed standards (as modified by the Commission), would be considered appropriate for this site.

In recommending approval, the commission made the following finding to make clear that there are definite limits to such an action:

"The Planning Commission review and recommendation is limited to the requested rezone adding and modifying the "SP" Combining District to impose more restrictive site development standards than would otherwise apply and no entitlement or other approval is intended, or to be implied, whether as to the conceptual plans for future industrial park use or circulation or a sewage disposal system or otherwise. Any action beyond the recommendation on the rezone would be premature without a specific project and environmental review thereof to consider."

We have attached a memo from Chief Deputy County Counsel, Hal DeGraw which provides a more technical explanation of the limits of the proposed rezone. (See Attachment "3").

Other issues were presented by the application, including the concept of a sand filter septic system, and a conceptual circulation system. But in the absence of a specific development proposal, such as a use permit, site plan, or subdivision map, the county can't make an assessment of the concepts. That can occur with project applications.

The overall issues are discussed in greater detail in the attached commission staff report, and in the commission's findings (Attachment "4").

ACTIONS FOR CONSIDERATION:

The Planning Commission recommends the Board take the following actions:

- I. Review and consider the environmental document approved by the Planning Commission.
- II. Amend Zoning District Map #53 to modify the zoning designation for Assessors Parcel Numbers 06-441-03, -04, -05, & -29 & -30 from the current "M1-SP" to "M1-SP", including standards attached to the Ordinance as Exhibit "A". Where the standards differ from County regulations, the more restrictive will apply.
- III. In approving the proposed rezone, make the following findings:
 - A. The request is consistent with the Industrial General Plan designation and the existing land uses in the area.
 - B. The Board of Supervisor's approval is limited to the requested rezone adding and modifying the "SP" Combining District to impose more restrictive site development standards than would otherwise apply and no entitlement or other approval is intended, or to be implied, whether as to the conceptual plans for future industrial park use or circulation or a sewage disposal system or otherwise. Any action beyond the recommendation on the rezone would be premature without a specific project and environmental review thereof to consider.
 - C. The request is consistent with the adopted Mitigated Negative Declaration.

ACTION TAKEN: Mr. Bob Leggett, Assistant Planning Director, introduced the agenda item and reviewed the staff report. He asked that the Board include in their action today a new heading on page 12 that said, "Circulation: There will be two encroachment points subject to County Department of Transportation and CALTRANS approval; one on Bennett Street and one on Brunswick Road." A second area that he had not made clear and carried over into the development standards was that where the development standards differ from County regulations, the more restrictive would apply. This was being recommended by the Planning Commission and staff because their standards were much higher in some respects for the internal parking and circulation. He recommended that be added on page 12, with a new heading "Standards: Where the development standards differ from County standards, the more restrictive standards shall apply." He commented on a letter received from Anne Ercolani which stated concerns regarding parking, traffic, noise and precedence. He recommended that the Board approve it as recommended by the Planning Commission, with the requested modifications. He further advised the Board he had just received a note that CALTRANS was not involved with the review of the encroachment sites.

Mr. Dale Creighton, representing the owner, explained the intent of Sierra Pacific to use the site for industrial purposes.

Chairman Schultz opened the public hearing. There being no testimony, Chairman Schultz closed the public hearing.

Supervisor Weir questioned the lighting requirements, noting that was a concern of neighboring residents.

Motion made by Supervisor Weir, seconded by Supervisor Drake, to approve I, II and III, A, B and C of the staff report dated December 14, 1993, and that the Board had reviewed and considered the environmental document. On a roll call vote, the motion passed unanimously.

####

(First Reading) An Ordinance Amending Section L-II 36.7, Chapter II, Land Use and Development Code of the Nevada County Code, to Establish "MI-SP" Zoning, Including Development Standards, for Property Owned by Sierra Pacific Industries (Z93-004). 20

ACTION TAKEN: Mr. Bob Leggett, introduced the agenda item into the record as a first reading.

DEPARTMENT HEAD MATTERS:

C. County Administrator: (Doug Latimer)

1. A Resolution Canceling Supplemental Appropriations and Adjusting the Adopted Budget for 1993/94. 11

ACTION TAKEN: Supervisor Weir asked if the Board would consider a reconsideration of this issue.

Motion made by Supervisor Weir, seconded by Supervisor Drake, and passed unanimously, to reconsider the agenda item.

Supervisor Weir stated that the airpark had been fighting for funds since its inception, and he questioned a \$13,000 item.

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Mr. Doug Latimer, County Administrator, advised the Board that all of the funds go right back to the trust fund from whence they came.

Supervisor Knecht questioned "cancel supplemental appropriations"; Mr. Doug Latimer, County Administrator, responded.

After a brief recess, the meeting reconvened.

OFF-AGENDA ITEM

1. A Resolution Authorizing Execution of Amendment #2 to Farmers Home Administration Sewer Grant Agreement for the North San Juan Wastewater Project in the Amount of \$87,520.00 (Tom Farrell, Director of Sanitation)

ACTION TAKEN: Ms Zelna Morrow, Department of Sanitation, stated that the issue arose after the agenda had been published and it dealt with increasing the North San Juan Grant application.

Mr. Jim Curtis, County Counsel, further stated that the issue must be dealt with this week.

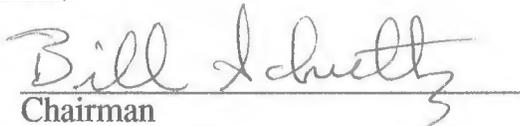
Motion made by Supervisor Drake, seconded by Supervisor Weir, and passed unanimously, to agendize the issue for the reasons cited.

Ms. Morrow explained that the Department of Sanitation submitted an application on September 23, 1993 for a grant increase on the North San Juan project. They were notified yesterday that it would be considered if the Board Chairman could sign the necessary paperwork, which was a resolution authorizing the Chairman to sign a letter of conditions included in the Board packet.

Motion made by Supervisor Drake, seconded by Supervisor Weir, to adopt Resolution 93-606. On a roll call vote, the motion passed unanimously.

- IX. **ADJOURNMENT:** There being no further business, Chairman Schultz adjourned the meeting at 2:10 p.m.

(END CASSETTE #93-169)


Chairman

ATTEST:

CATHY R. THOMPSON
Clerk of the Board

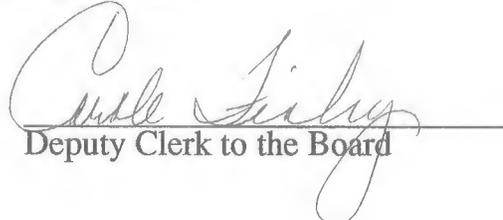
By: 
Deputy Clerk to the Board

EXHIBIT 283



EMPEROR GOLD CORPORATION

9

Emperor Gold Corporation through its wholly owned subsidiary Emperor Gold (U.S.) Corp. holds an option to acquire the IDAHO-MARYLAND MINE, Grass Valley, California. Closed in 1956 due to the low price of gold at \$35/oz., the mine produced 2.3 million ounces gold and is reported by an international mining engineering firm to still contain an in-situ resource and potential gold mineralization of up to 3 million ounces gold. A new six-page brochure and information pack is available to potential investors.

The Company is listed in Standard and Poors Directory and trades on the Vancouver Stock Exchange under the trading symbol "EMR".

EXHIBIT 284

**British Columbia
Securities Commission**

SCHEDULE A: FINANCIAL INFORMATION

See Attached Financial Statements.

SCHEDULE B: SUPPLEMENTARY INFORMATION

See Attached Schedule B.

SCHEDULE C: MANAGEMENT DISCUSSION

See Attached Management Discussion.

ISSUER DETAILS

NAME OF ISSUER

Emgold Mining Corporation

ISSUER'S ADDRESS

1610 – 777 Dunsmuir Street, P.O. Box 10435

**ISSUER'S
TELEPHONE**

604-687-4622

CITY

Vancouver

PROVINCE

BC

**POSTAL
CODE**

V7Y 1K4

CONTACT PERSON

Shannon Ross

**CONTACT'S
POSITION**

Secretary

**CONTACT'S
TELEPHONE**

604-687-4622

CERTIFICATE

The three schedules required to complete this Quarterly Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Quarterly Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE

“Frank A. Lang”

DIRECTOR'S SIGNATURE

“William J. Witte”

PRINT FULL NAME

Frank A. Lang

PRINT FULL NAME

William J. Witte

Emgold Mining Corporation

EMGOLD MINING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1999 and 1998

AUDITORS' REPORT

To the Shareholders of Emgold Mining Corporation

We have audited the consolidated balance sheets of Emgold Mining Corporation as at December 31, 1999 and 1998, and the consolidated statements of operations and deficit, cash flows and mineral property interests for each of the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for each of the years then ended, in accordance with Canadian generally accepted accounting principles. As required by the Company Act (British Columbia), we report that, in our opinion, these principles have been applied on a consistent basis.

"PricewaterhouseCoopers LLP"
Chartered Accountants

Vancouver, Canada
April 7, 2000 (except for note 6(b) which is at
April 28, 2000)

EMGOLD MINING CORPORATION

Consolidated Balance Sheets

	December 31, 1999	December 31, 1998
Assets		
Current assets		
Cash and cash equivalents	\$ 3,584	\$ 43,804
Accounts receivable	7,606	492
	11,190	44,296
Mineral property interests (note 3)	1	6,321,258
Capital assets (note 4)	109,849	153,847
	\$ 121,040	\$ 6,519,401
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 157,505	\$ 239,127
Due to related parties (note 9)	207,500	272,665
Interest payable, minimum option payments (notes 3 and 7)	7,438	3,845
	372,443	515,637
Convertible debenture (note 6)	580,153	506,864
Promissory notes – minimum option payments (notes 3 and 7)	250,154	129,764
	1,202,750	1,152,265
Shareholders' Equity (Deficiency)		
Share capital (note 5)	16,966,359	15,926,662
Share subscriptions	--	42,500
Deficit	(18,048,069)	(10,602,026)
	(1,081,710)	5,367,136
Going concern and nature of operations (note 1)		
Contingency (note 8)		
Subsequent events (notes 3, 6(b) and 8)		
	\$ 121,040	\$ 6,519,401

See accompanying notes to consolidated financial statements.

Approved by the Board

/s/Frank A. Lang
Frank A. Lang
Director

/s/William J. Witte
William J. Witte
Director

EMGOLD MINING CORPORATION

Consolidated Statements of Operations and Deficit

	Years ended December 31,	
	1999	1998
Expenses		
Amortization	\$ 43,998	\$ 59,311
Exchange (gains) losses	(5,222)	(3,479)
Finance expense (note 6)	83,287	43,578
Legal, accounting and audit	46,900	80,109
Management and consulting	63,658	63,577
Office and administration	150,883	228,876
Shareholder communications	76,469	88,829
Travel and conferences	4,944	6,081
Interest income	(890)	(3,359)
	(464,027)	(563,523)
Gain on disposition of abandoned mineral property	--	12,500
Write-down of mineral property interest (note 3(d))	(6,982,016)	--
Loss for the year	(7,446,043)	(551,023)
Deficit, beginning of year	(10,602,026)	(10,051,003)
Deficit, end of year	\$(18,048,069)	\$(10,602,026)
Loss per share	\$(0.53)	\$(0.05)
Weighted average number of common shares outstanding	14,076,773	11,464,018

See accompanying notes to consolidated financial statements.

EMGOLD MINING CORPORATION

Consolidated Statements of Cash Flows

	Years ended December 31,	
	1999	1998
Operating activities		
Loss for the year	\$ (7,446,043)	\$ (551,023)
Items not affecting cash		
Amortization	43,998	59,311
Finance expense	68,067	43,578
Gain on disposition of abandoned mineral property	--	(12,500)
Write-down of mineral property interest	6,982,016	--
	(351,962)	(460,634)
Changes in non-cash working capital		
Accounts receivable	(7,114)	17,880
Accounts payable and accrued liabilities, and due to related parties	335,132	254,847
	(23,944)	(187,907)
Financing activities		
Common shares issued for cash	290,500	--
Share subscriptions	--	42,500
Option granted with convertible debenture	--	47,294
Convertible debenture, net of option granted	--	463,286
	290,500	553,080
Investing activities		
Mineral property interests		
Acquisition costs	(21,762)	(76,646)
Exploration and development costs	(285,014)	(341,144)
Proceeds on sale of investment	--	8,932
Proceeds received on sale of abandoned mineral property	--	12,500
	(306,776)	(396,358)
Cash and cash equivalents		
Decrease during the year	(40,220)	(31,185)
Balance, beginning of year	43,804	74,989
Balance, end of year	\$ 3,584	\$ 43,804

Supplementary cash flow information (note 12)

See accompanying notes to consolidated financial statements.

EMGOLD MINING CORPORATION

Consolidated Statements of Mineral Property Interests

	Years ended December 31,	
	1999	1998
Acquisition costs		
Balance, beginning of year	\$ 2,634,697	\$ 2,392,154
Incurred during the year	375,745	242,543
Balance, end of year	3,010,442	2,634,697
Exploration and development costs		
Consulting and engineering studies	150,659	132,143
Site activities	43,625	74,253
Property taxes	60,448	55,747
Salaries and benefits	748	50,968
Travel and accommodation	17,577	18,141
Well monitoring	11,957	9,892
Incurred during the year	285,014	341,144
Balance, beginning of year	3,686,561	3,345,417
Balance, end of year	3,971,575	3,686,561
	6,982,017	6,321,258
Less: write-down (note 3(d))	6,982,016	--
Mineral property interests	\$ 1	\$ 6,321,258

See accompanying notes to consolidated financial statements.

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

1. **Going concern and nature of operations**

Emgold Mining Corporation (the "Company") is incorporated in the Province of British Columbia under the Company Act (British Columbia), and its principal business activity is the exploration and development of mineral properties. The Company's focus is in North America.

As at December 31, 1999, the Company had a working capital deficiency of \$361,253 (1998 – \$471,341), and a deficit of \$18,048,069 (1998 - \$10,602,026). The Company will require US\$250,000 to maintain its properties in good standing throughout the next fiscal year in addition to ongoing general and administration expenditures.

The Company's ability to continue in operation is dependent on the continuing support of its creditors and funding from related parties (note 9), and its ability to secure additional financing. While it has been successful in securing additional financing in the past, there can be no assurance that it will be able to do so in the future.

These financial statements are prepared on a going-concern basis, which implies that the company will continue realizing its assets and discharging its liabilities in the normal course of business. Accordingly, they do not give effect due to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these financial statements.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance regulatory requirements.

2. **Significant accounting policies**

(a) Principles of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned United States subsidiary, Emperor Gold (US) Corp. and have been prepared in accordance with accounting principles and practices generally accepted in Canada. All inter-company balances and transactions have been eliminated.

(b) Use of estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of

2. **Significant accounting policies (continued)**

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

(b) Use of estimates (continued)

impairment of mineral property interests and capital assets, reclamation obligations, rates for amortization, and classification of accounts receivable between current and non-current assets. Actual results could differ from those estimates.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with maturities of less than ninety days from the original date of acquisition.

(d) Capital assets

Capital assets are recorded at cost. Amortization is calculated using the declining balance basis at the rate of 20% per annum for office and exploration equipment and 30% per annum for computer equipment. Leasehold improvements are amortized on a straight-line basis over five years.

(e) Fair value of financial instruments

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, amounts due to related parties and interest payable approximate fair value due to their short-term nature.

(f) Mineral property interests

Mineral property acquisition costs and exploration and development costs are deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. These costs will be amortized over the estimated life of the property following commencement of commercial production or written off if the property is sold, allowed to lapse or abandoned.

Mineral property acquisition costs include cash expenses at cost and the fair market value of common shares, based on the trading price of the shares, issued for mineral property interests pursuant to the terms of the related property agreements. Payments relating to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded as mineral property costs upon payment.

The amount shown for mineral property interests represents costs incurred to date and the fair market value of common shares issued and does not necessarily reflect present or future value.

Administrative expenditures are expensed in the year incurred.

(g) Translation of foreign currencies

The Company's operation in the United States is considered to be integrated for the purposes of foreign currency translation. Its monetary assets and liabilities are translated at the rate of exchange at the balance sheet date, non-monetary assets and related amortization at historical rates, and revenue and expense items at the exchange rates prevailing on transaction dates. Foreign currency translation gains or losses are included in the consolidated statements of operations and deficit.

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

2. Significant accounting policies (continued)

(g) Translation of foreign currencies (continued)

Exchange gains and losses relating to the translation of foreign currency denominated items that have a fixed life extending beyond the following year are deferred and amortized to earnings over the remaining life of the monetary items on a straight-line basis.

(h) Loss per common share

Loss per common share is computed using the weighted average number of shares outstanding during the year. Fully diluted loss per share has not been presented, as the exercise of options and warrants and the conversion of convertible debentures would be anti-dilutive.

(i) Share option plan

The Company from time to time issues share purchase options as described in note 5(b). No compensation expense is recognized for this plan when shares or share purchase options are issued. Consideration for shares issued on exercise of share purchase options is credited to share capital.

3. Mineral property interests

The cumulative costs of the Company's interest in mineral properties owned, leased or under option, consist of the following:

	Acquisition Costs	Deferred Exploratio n	Write- down of Mineral property	1999 Total Costs	1998 Total Costs
Idaho-Maryland Property, California	\$3,010,442	\$3,971,575	\$(6,982,016)	\$ 1	\$6,321,258

Idaho-Maryland property, California

(a) The Company holds a mining lease and an option, as amended, to purchase the Idaho-Maryland Mine, Grass Valley Mining District, California to October 17, 2004. The lease is payable as a royalty of between 4% and 8% of net smelter returns based on grade of ore mined with a minimum royalty of US\$100,000 per year payable monthly. The option price to purchase the mine is US\$8,000,000 net of option payments, minimum and production royalty payments. The option to purchase the mine is held for consideration of US\$75,000 per year, commencing August 18, 1995. All payments are subject to indexing based on the Consumer Price Index.

In the first amendment the Company obtained the right to defer, for up to three years, 50% to 100% of each of the US\$75,000 annual option payments due in the years 1998 to 2000 if the 30-day average gold price during these periods does not exceed US\$400 per ounce of gold. In consideration for this extension, the Company agreed to pay the vendors additional extension payments totalling US\$200,000 in the period

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

3. Mineral properties (continued)

October 18, 2000, to October 18, 2003, which are included as promissory notes in these financial statements. The extension payments are not to be included as a credit against the original US\$8,000,000 purchase price. As at December 31, 1999, the Company has accrued \$257,592 for the 1998 and 1999 annual option payments and interest.

The second amendment defers the monthly minimum royalty payments for up to two years dependent upon the price of gold. In lieu of payments for the period March 1998 to February 1999, the Company executed a promissory note bearing interest at 8% per annum, payable monthly, in the amount of US\$113,136. This note was forgiven since the 30-day average gold price preceding February 18, 1999, was less than US\$300 per ounce. During the second year of the amendment, in lieu of the monthly minimum royalty payments, for the period March 1999 to February 2000, the Company executed a promissory note bearing interest at 8% per annum payable monthly, in the amount of US\$116,538. This amount, including any accrued interest, became due and payable on February 17, 2000, but was forgiven since the 30-day average gold price preceding February 17, 2000, was less than US\$300 per ounce. Accordingly, the promissory note has not been recorded in the financial statements at December 31, 1999.

If at any time during the second year of the second amendment, the Company should raise a cumulative total of US\$10 million, the minimum royalty payments would become payable regardless of the price of gold at that time. In fiscal 2000, minimum royalty payments of US\$3,000 will be made for the period February 2000 to September 2000. In October 2000 the Company will commence making the original royalty payments as stated in the original agreement.

(b) Until December 31, 1999, the Company held a lease and option to purchase on an adjoining 80-acre parcel of land. The purchase price was US\$2,000,000 less lease payments paid. The Company made lease payments of US\$600,000 to December 31, 1998, and received an extension on the remaining US\$1,400,000 option payment to September 10, 2000. In return for the extension, the Company agreed to pay interest at the rate of 8% per annum payable quarterly on the outstanding payment and the Company has agreed to issue the owners a series of bonus warrants to acquire common shares of the Company (note 5(d)). The vendor also agreed to accept 224,000 common shares of the Company for the quarterly interest payments due up to and including March 10, 1998 (note 5(a)). In the event the Company should raise between US\$3 million and US\$10 million during the term of the amendment, the Company would apply 20% of the funds raised against the final payment outstanding.

Effective December 1, 1998, the Company, in an effort to conserve cash, signed an additional amendment to the original agreement changing the payment date for the final US\$1,400,000 option payment to December 10, 1999, and cancelling the US\$28,000 quarterly interest payments payable by the Company after June 10, 1998. As compensation for the amendment, the vendor received one million common shares (note 5(a)). Subsequent to the 1999 fiscal year-end, the Company completed a revised license agreement for the continued rental of the mill site and buildings for a term to run from February 1, 2000, to February 1, 2001, at US\$1,500 per month, and the original lease agreement as amended has been terminated.

(c) Pursuant to an agreement dated November 8, 1996, the subsidiary acquired real property consisting of 13.9 acres adjoining the Idaho-Maryland property in consideration for US\$250,000. This property has been pledged as collateral for a Convertible Debenture issued by the Company (note 6).

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

3. Mineral properties (continued)

(d) Write-down of mineral property

At December 31, 1999, the Company reviewed the carrying value of the Idaho-Maryland property. It concluded that due to the prevailing low gold prices and uncertainties surrounding the ability of the Company to raise the additional financing to maintain its interest and develop the property, that the carrying value of the property may exceed its recoverable amount. Accordingly, a write-down of \$6,982,016 was made to reduce the carrying value of the property to a nominal value of \$1.

Rozan Gold Property, British Columbia

(e) Subsequent to the 1999-year end, the Company has entered into an option agreement to acquire the rights to the Rozan Property, a gold prospect, located south of the community of Nelson in the Red Mountain area of southeastern British Columbia. The Company can earn a 100% interest in the property by making stepped payments totalling \$100,000 and issuing 200,000 common shares by April 1, 2006. The first \$5,000 payment will be made on regulatory approval and the first 50,000 common shares will be issued at that time. The property is subject to a 3% net smelter returns royalty. The Company has the right to purchase 66 2/3% of the royalty for the sum of \$1,000,000 and has the first right of refusal to purchase the remaining 33 1/3%.

4. Capital assets

	Cost	Accumulated amortization	Net Book Value 1999	Net Book Value 1998
Office equipment	\$ 51,066	\$ 26,500	\$ 24,566	\$ 30,743
Computers	241,517	167,079	74,438	106,338
Property improvements	29,606	18,761	10,845	16,766
	\$ 322,189	\$ 212,340	\$ 109,849	\$ 153,847

The original cost in 1998 was \$322,189.

5. Share capital

The authorized share capital of the Company consists of 50,000,000 common shares without par value and 50,000,000 preferred shares without par value.

(a) Common shares issued and outstanding are as follows:

	Number of Shares	Amount
Balance, December 31, 1997	11,337,903	\$ 15,717,279
Shares issued for property interest payments at \$0.72	224,000	162,089
Option granted under convertible debentures (note 6(a))	--	47,294
Balance, December 31, 1998	11,561,903	15,926,662

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

5. Share capital (continued)

Balance, December 31, 1998	11,561,903	15,926,662
Private placement at \$0.25 net of issue costs	360,000	87,500
Property amendment at \$0.23	1,000,000	230,000
Private placement at \$0.25	982,000	245,500
Debt settlement at \$0.19	1,301,051	247,200
Debt settlement at \$0.15	1,529,980	229,497
Balance, December 31, 1999	16,734,934	\$ 16,966,359

There are 4,558 (1998 – 4,558) common shares held in escrow, which may not be released without the approval of the Canadian Venture Exchange.

(b) Stock options

The Company has a fixed stock option plan for its directors and employees to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The plan allowed for the issue of up to 2,267,580 common shares, of which 745,080 shares are available to be issued. The options currently outstanding are exercisable for periods up to ten years.

No share purchase options were exercised during fiscal 1999.

The following table summarizes information about the stock options outstanding at December 31, 1999:

Options Outstanding and Exercisable			
Range of Exercise Prices	Number Outstanding at December 31, 1999	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$0.20	10,000	2.5 years	\$0.200
\$0.25	422,000	9.0 years	\$0.250
\$0.30	<u>1,090,500</u>	3.2 years	\$0.300
\$0.20 to \$0.30	1,522,500	4.8 years	\$0.285

A summary of the changes in stock options for the years ended December 31, 1999 and 1998 is presented below:

	Shares	Weighted Average Exercise Price
Balance, December 31, 1997	1,967,800	*\$1.859
Granted	275,000	\$0.271
Cancelled	(897,300)	\$1.751
Balance, December 31, 1998	1,345,500	\$0.293
Granted	442,000	\$0.250
Cancelled	(265,000)	\$0.275
Balance, December 31, 1999	1,522,500	\$0.285

*In May 1998, all outstanding options priced in excess of \$0.30 were repriced to \$0.30.

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

5. Share capital (continued)

(c) Share purchase warrants

As at December 31, 1999, share purchase warrants relating to the two private placements completed during the year (note 5(a)) for 1,342,000 (1998 – 320,000) common shares were outstanding as follows:

Number of Warrants	Exercise Price	Expiry Date
982,000	\$ 0.30	January 12, 2000
360,000	\$ 0.30	March 12, 2000
1,342,000		

Subsequent to year-end, the price of the warrants noted above was changed to \$0.35 and the expiry term was extended by one year to January 12, 2001, and March 12, 2001, respectively.

(d) Bonus warrants

Pursuant to an agreement amendment dated September 30, 1997, the Company has granted bonus warrants to the owners of an 80-acre parcel of land to which the Company has a lease and option to purchase, as compensation for extending the term of the original agreement to September 10, 2000. The bonus warrants

entitle the property owners to acquire a maximum of 300,000 common shares of the Company, for no additional consideration, if the 30-day average gold price should exceed certain price levels during the term of the amendment (note 3(b)). As at December 31, 1999, no bonus warrants have been exercised.

6. Convertible debenture

(a) In 1998 the Company raised \$510,580 by issuing a two-year convertible debenture, maturing June 8, 2000, to the president of the Company and a company controlled by the president of the Company. The debenture is convertible into units at an exercise price of \$0.40 in year one and \$0.45 in year two, with each unit consisting of one common share and one-half common share purchase warrant. Each whole warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.50 in year one and \$0.60 in year two. The debenture bears interest at 10% per annum. The Company has the right to redeem the debenture at any time after December 9, 1998, by giving 30 days notice to the debenture holders. During this 30-day notice period, the debenture holders have the right to convert the debenture in accordance with the terms of conversion described above. The principal amount and accrued interest are due at maturity.

As security for the principal sum and interest owing on the debenture, the Company has pledged by way of a floating charge, all of its property assets and a first charge on certain of the assets held by its subsidiary.

In accordance with generally accepted accounting principles relating to the presentation of convertible debt instruments, the convertible debentures have been split between long-term and equity components. The debt component reflects the present value of interest and principal after factoring out the conversion premium option value (equity component). It is being accrued over the life of the notes to the principal and interest amounts payable by a charge to earnings.

Based on assessment of current market conditions, the fair value of the debenture at December 31, 1999, approximates carrying value.

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

6. Convertible debenture (continued)

(b) On April 28, 2000, the Company entered into negotiations to amend the original debenture terms. Under the proposed amended terms, the maturity date of the debenture will be extended to June 8, 2003. The conversion price of the related units will be renegotiated accordingly, based on the market price of the Company's shares at the amended agreement date. Finalization of the amended terms will be subject to regulatory approval.

7. Promissory notes – minimum option payments

On August 18, 1998, the Company signed a long term promissory note in the amount of US\$84,896 (Cdn \$129,764), and an additional promissory note was signed on August 18, 1999, in the amount of US\$86,823 (Cdn \$120,390), for a total of US\$171,719 (Cdn\$250,154) at 8% interest payable annually as consideration for the annual option payment due on the Idaho-Maryland Mine Property (note 3(a)). Per the terms of the amended option agreement, since the price of gold was below US\$350 per ounce on the date the option payment was due, the obligation for the option payment was deferred for three years to August 18, 2001.

As at December 31, 1999, the Company has accrued US\$5,049 (Cdn\$7,438) in interest payable on the promissory notes, which has been recorded as part of the property acquisition cost. The Company can make payments towards the outstanding principal and interest at any time without penalty.

8. Contingency

The Company's wholly owned subsidiary was named as a defendant in a lawsuit filed in the Superior Court of the County of Nevada, California, by a homeowner. The lawsuit named several defendants including the County, the property's previous owner and a real estate development company. On March 13, 2000, at the Nevada County Superior Court a Notice of Settlement and Dismissal was obtained. The Company will not have to contribute any funds to settle the case. All other defendants contributed in amounts ranging from US\$1,600 to US\$11,000 and waived their litigation costs which were substantially more than those incurred by the Company to date. The Company has waived its costs of suit. The settlement does not admit any liability on the part of any of the defendants, was supervised by a judge, and will be enforceable by the court under California law.

9. Related party transactions and balances

Services rendered by:	1999	1998
Lang Mining Corporation (a)	\$ 208,197	\$ 253,564
Dumoulin Black (b)	\$ 11,481	\$ 29,003
Director (c)	\$ US19,347	\$ US27,143
Director (d)	\$ US72,000	\$ US72,000

Balances receivable from (payable to) (e):	1999	1998
Lang Mining Corporation	\$ (144,281)	\$ (180,029)
Dumoulin Black	\$ (6,000)	\$ --
Director	\$ US(8,499)	\$ US(61,539)
Director	\$ US(12,835)	\$ US(18,000)

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

9. Related party transactions and balances (continued)

- (a) Lang Mining Corporation ("LMC") is a private company controlled by the President of the Company. On February 1, 1996, LMC signed an agreement to provide management services at a rate of \$5,000 per month, and to provide accounting, geological, and other services related to a publicly traded company at cost plus 15% until February 1, 2001. During the year, 1,422,653 common shares were issued in exchange for \$254,315 in debt owing to LMC.
- (b) Legal fees of \$11,481 (1998 - \$29,003) were paid to a law firm of which a director is a partner. During the year, 261,500 common shares were issued in exchange for \$49,685 in debt owing to Dumoulin Black.
- (c) Legal fees of US\$19,347 (1998 - \$27,143) were paid to a firm of which a partner is a director of the Company's subsidiary.
- (d) A director of the Company, who is also project manager at the Idaho-Maryland property, receives project management consulting services. During the year, 293,500 common shares were issued in exchange for \$44,025 in debt owing.
- (e) During the year, the Company issued 836,753 common shares in exchange for debt to two private companies controlled by a director and officer of the Company and to the director and officer of the Company directly, in exchange for cash advances made to the Company.
- (f) The president of the Company and a company controlled by the president are holders of a \$510,580 convertible debenture issued by the Company (note 6).

Balances receivable and payable are included in amounts receivable and accounts payable and accrued liabilities, respectively, on the consolidated balance sheets. These amounts are non-interest bearing and due on demand.

10. Income taxes

The Company has non-capital losses of approximately \$3,283,000 available to offset future taxable income in Canada, which expire between 2000 and 2006. In addition, the subsidiary has losses available to offset future taxable income in the United States of approximately US\$3,095,000 that expire between 2009 and 2013. The benefits of these losses carried forward have not been recognized in the financial statements. The Company also has an amount of approximately US\$2,160,000 relating to the write-down of its mineral properties in the United States, which has been recorded for book purposes but is not included in the income tax losses of the subsidiary.

11. Segmented financial information

The Company has one operating segment, which is the exploration and development of mineral properties. The Company's mineral property interests and capital assets are located in the United States.

12. Supplementary cash flow information

During the year ended December 31, 1999, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants that pertain to the Consolidated Cash Flow Statements. As a result, what were formerly referred to as the "Consolidated Statements of Changes in Financial Position" were renamed "Consolidated Statements of Cash Flows" and were revised to reflect a new format.

EMGOLD MINING CORPORATION

Notes to Consolidated Financial Statements

Years ended December 31, 1999 and 1998

12. Supplementary cash flow information (continued)

Consequently, certain comparative numbers have been restated to comply with the current year's disclosure.

During the years ended December 31, 1999 and 1998, the Company conducted non-cash operating, financing and investing activities as follows:

	1999	1998
Operating activities		
Shares issued for debt settlements	\$ (476,697)	\$ --
Financing activities		
Shares issued for property interest payment	--	162,089
Shares issued for property agreement amendment	230,000	--
Promissory note issued for property interest payments	120,390	129,764
Accrued property interest payment – subscriptions receivable	--	(129,801)
Shares issued for debt settlements	476,697	--
	827,087	162,052
Investing activities		
Shares issued for property interest payments	--	(162,089)
Promissory note issued for property interest payments	(120,390)	(129,764)
Accrued property interest payments – subscriptions receivable	--	129,801
Shares issued for property agreement amendment	(230,000)	--
	\$ (350,390)	\$ (162,052)

EXHIBIT 285

94 13076 6

Recorded at request of
and return to:

Mr. Ross Guenther
Post Office Box 1320
Pollock Pines, California 95720

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RECORDING FEE .05 PAGES . . .
\$19.00 . . .

MEMORANDUM OF AGREEMENT

NOTICE IS HEREBY GIVEN that the "Brunswick millsite" situated in Nevada County, California and designated as Assessor's Parcel Nos. APN 6-44' 03, -04, -05, -29, and -30, is subject to a "Lease and Option to Purchase" effective March 10, 1994 between Sierra Pacific Industries, a California corporation, as owner; and Emperor Gold (U.S.) Corp., a Nevada corporation, as lessee. The property affected by this Agreement is more particularly described on Exhibit A attached hereto.

Pursuant to the Agreement, Emperor Gold shall have the right to explore the property for a period of three years, commencing on the effective date of the Agreement, with the further right and option to purchase the property during the lease term.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

MINUTE BOOK

Real Property Description
(Nevada County, California)

TRACT I

Those parcels of land in the unincorporated area, County of Nevada, State of California, described as follows:

PARCEL ONE: (APN: 6-441-03)

The surface and sub-surface to a depth of 75 feet below the surface of a portion of the Northwest 1/4 of Section 31, Township 16 North, Range 9 East, M.D.M., being more particularly described as follows, to-wit:

Beginning at a point on a Southwesterly line of that certain County Road known as the Brunswick Road from which the Northwest corner of Section 31, Township and Range aforesaid, bears North 38°50'44" West 1125.7 feet distant; thence from said point of commencement with true bearings South 46°19' West 469.54 feet to a steel drill; thence South 55°18' East 140.65 feet to a steel drill; thence South 62°53' East 118.76 feet to a steel drill; thence South 36°38' West 495.05 feet to a steel drill; thence South 34°37' East 612.51 feet to a steel drill; thence North 55°33' East 725.10 feet to a steel drill situate on the said Southwesterly line of the Brunswick Road; thence along said line North 29°16'14" West 1083.60 feet to a steel drill, the place of beginning.

PARCEL TWO: (APN: 6-441-04)

All that certain portion of the Northwest one-quarter (NW 1/4) of Section Thirty One (31), Township Sixteen (16) North, Range Nine (9) East, M.D.M., being more particularly described as follows:

Exhibit A - Page 1 of 3
Nevada County, California

Beginning at the Southwest corner of that certain 10.044 acre tract of land as described in deed dated December 1, 1956, recorded December 10, 1956, in Book "317" of Official Records, Page 792, File No. 4997, Nevada County Records, executed by Idaho Maryland Mines Corporation to Milton Balmain and Ina V. Balmain, at a point on the Southwesterly line of the "New Brunswick" County Road as described in Parcel 2 of deed dated October 24, 1955, recorded November 4, 1955, in Book "214" of Official Records, Page 431, File No. 4722, Nevada County Records, executed by Idaho Maryland Mines Corporation to County of Nevada; thence from said point of beginning, South 55°33' West along the Southeasterly line of said 10.044 acre tract to its intersection with the Southwesterly line of the former Nevada County Narrow Gauge Railroad right of way; thence Southeasterly along the Southwesterly line of said Railroad right of way to its intersection with the Southwesterly line of said County Road; thence North 29°16'14" West along the Southwesterly line of said County Road to the point of beginning.

PARCEL THREE: (APN: 6-441-05)

All that portion of the West one half of Section 31, Township 16 North, Range 9 East, M.D.M., described as follows:

Beginning at the West one quarter section corner of said Section 31; thence North 1°21' West 814.65 feet along the West line of the Northwest one quarter of said Section 31 to a point in the Southerly line of the Wm. Ghidotti (formerly Idaho Maryland) property; thence along said Southerly line the following three courses: South 62°40' East 33.07 feet; thence North 81°56' East 176.07 feet; thence North 33° 28' East 90.00 feet to a corner of Pendola (formerly Yuba River Lumber Company); thence along two courses of Pendola as follows: South 54°37' East 612.51 feet, and North 55°33' East 368.30 feet to a point in the Southwesterly right of way line of abandoned Nevada County Narrow Gauge Railroad; thence along said Southwesterly right of way line the following two courses: South 47°23' East 340.52 feet; thence along a curve to the left with radius of 490.74 feet through an angle of 13°16'41" for a distance of 113.73 feet, the long chord of which bears South 54°01'26" East 113.47 feet; thence along the Westerly line of Brunswick Road, County Road Number 31 the following two courses: South 29°16'14" East 825.46 feet; thence along a curve to the right with radius of 750 feet, through an angle of 31°29'41" for a distance of 412.27 feet, the long chord of which bears South 11°31'26"

Exhibit A - Page 2 of 3
Nevada County, California

East 407.01 feet; thence West 1130.14 feet to a point on the West line of the Southwest one quarter of said Section 11; thence North 129' West 576.30 feet to the point of beginning.

EXCEPTING THEREFROM all minerals, gas, oil and mineral deposits below a depth of 200 feet beneath such surface; together with all necessary and convenient rights to explore for, develop, produce, extract and take the same subject to the express limitations that the foregoing shall not include any right of entry upon the surface of said land without the consent of the owner of such surface of said land as excepted in the Deed recorded August 12, 1959, in Book 266 of Official Records, at Page 185, by Idaho Maryland Mines Corporation, a Nevada Corporation.

PARCEL FOUR: (APN 6-441-29 and 30)

Lot 8 as shown upon the Subdivision Map of Bat Acres, No. 85-7, filed in the Office of the recorder, County of Nevada, State of California, on February 24, 1987, in Book 7 of Subdivisions, Page 75.

EXCEPTING THEREFROM the following described portion:

BEGINNING at a point on the Southeastly right-of-way line of Brunswick Road as described in that certain deed recorded November 4, 1955 in Book 214 Official Records, at Page 431, Nevada County Records, and being the most Northerly corner of said Lot 8 from which the Northwest corner of Section 31, Township 16. North, Range 9 East, M.D.M., bears North 64°01'34" West 235.16 feet; thence from SAID POINT OF BEGINNING, along the Southwestly right-of-way line of said Brunswick Road, in a Southeastly direction along a curve concave to the Southwest with a radius of 1,350 feet, to which a radial line bears North 44°43'16" East; thence Southeastly 53.62 feet along said curve through a central angle of 2°16'34", to a radial line of said curve which bears North 44°43'16" East; thence leaving said West right-of-way line, South 88°55'01" West, 60.76 feet; thence South 51°52'43" West, 120.52 feet to the Northwestly line of said Lot 8 of Bat Acres; thence North 46°01'53" East, 164.25 feet, along said Northwestly line of said Lot 8 of Bat Acres to the POINT OF BEGINNING; as conveyed to the County of Nevada by Deed recorded June 8, 1990, Document No. 90-17706.

ALSO EXCEPTING THEREFROM all the mineral, metal matter and rock lying below 200 feet of the surface, with the right to extract and remove said mineral, metal matter and rock from any depth up to 200 feet of the surface of said premises, without disturbing the surface thereof; as excepted and reserved by Mary Bouna, Erica Erickson and William Toms in Grant Deed recorded April 1, 1988 Document No. 88-07737.

Exhibit A - Page 3 of 5
Nevada County, California

END OF DOCUMENT

EXHIBIT 286

Emperor looks to revive former California gold producer

POSTED BY: NORTHERN MINER STAFF DECEMBER 11, 1995

oShare

Except for a concrete silo and some old foundations, little is left of the huge Idaho-Maryland mining complex, 2.5 miles east of this small town in California's Nevada Cty.

But if Emperor Gold (VSE) has its way, the site will soon be brought back to life. The company hopes to revive the site, by first dewatering one of the old shafts and then going underground to assess the feasibility of re-opening the operation.

In 1956, after producing some 2.4 million oz. gold from 5.5 million tons of ore grading 0.43 oz. per ton, the Idaho-Maryland was shut down. The closure was attributed to soaring wage and material costs amid a fixed gold-price environment (US\$35 per oz. at the time).

Among historical producers in the Grass Valley area, Idaho-Maryland ranks second only to the adjacent Empire mine, which produced more than 6 million oz. gold before closing in 1957.

The Grass Valley-Nevada Cty. mining district is 7 miles long by 6 miles wide. From 1851 to 1957, lode production from the area totalled more than 13 million oz. gold from roughly 25 million tons of ore grading 0.52 oz. gold.

At the Idaho-Maryland property, a review of mine records has outlined the presence of a significant resource, and, based on historic mining depths in the adjacent Empire mine, Emperor believes the resource can be expanded.

Emperor holds a 7-year mining lease, as well as an option to buy a 100% interest in the Idaho-Maryland property. The lease requires minimum payments of US\$100,000 per year and a net smelter royalty ranging from 4% to 8%, depending on the average head grade of future milling operations.

Alternatively, Emperor can buy the 100% interest for US\$8 million.

To facilitate exploration at the mine site, Emperor acquired a 3-year lease and option-to-purchase on the nearby Brunswick mill site. The Brunswick asset includes 79.8 acres of surface rights (zoned industrial) and the top 200 ft. of

mineral rights, as well as the Brunswick shaft, which will be used to dewater the mine.

Lease payments on the Brunswick can be applied to the US\$2-million purchase price.

Consulting engineering firm James Askew Associates estimates that, at best, all of the vein volumes will be minable and that, at worst, 66% will be.

The more optimistic estimate assumes a total resource of 7.2 million tons grading 0.23 oz. gold, including: 256,000 tons of “measured” material grading 0.27 oz. gold; 473,900 tons of “indicated” material grading 0.27 oz.; and 6.5 million tons of “inferred” material grading 0.22 oz.

The less optimistic projection assumes a resource of 2.4 million tons grading 0.23 oz. gold, including: 85,400 tons of measured grading 0.27 oz.; 158,000 tons of indicated grading 0.27 oz.; and 2.2 million tons of inferred grading 0.22 oz.

Previous operators found that drilling and sampling typically underestimated grade, owing to a high nugget effect in the ore.

Emperor reports that gold values within the veins can be extremely erratic, varying from 0.05 to 89.4 oz. gold over horizontal distances of up to 10 ft. on strike.

James Askew reviewed old mine records, comparing drilling and sampling results with actual mine head grades experienced in 1952. The firm determined that actual head grades were about 1.4 times higher than sampling values. Taking this into account, James Askew suggests the grade of the resource could be as high as 0.32 oz. gold.

Gold mineralization in the Idaho-Maryland mine is hosted primarily in quartz-dominated veins and stringers within well-developed, schistose, carbonate-sericite-pyrite, alteration envelopes.

The vein system includes both single vein shears and composite vein lodes, with widths ranging from 1 ft. up to a maximum of 122 ft. in the unmined Brunswick No. 4 vein lode. The average stoping width in the former producer was 5-6 ft., although widths did exceed 50 ft. in at least four areas.

Emperor estimates that 60% of the Idaho-Maryland resource will be contained in vein structures dipping between 50 and 80, with the balance found in veins dipping at considerably less than 45.

All the known gold-producing veins are contained in a triangular block of ground bounded by in-dipping faults on the north and southwest. These form a keel-like zone plunging gently to the southeast. This Keel zone contains 64 known veins, 62 of which have been exploited by mining.

Without a doubt, the most significant stope in the former producer was the Idaho shoot, which was worked continuously from a depth of 100 ft. to a vertical depth of 2,000 ft. over a down-rake distance of 5,500 ft. and a height of about 600 ft.

Between 1862 and 1894, the shoot produced more than 1 million oz. gold from fewer than 1 million tons of ore.

Project Manager Ross Guenther does not expect acid generation to be a concern, pointing out that sulphide concentrations in the system are below 2%. "There are also a lot of carbonates that will act as a buffer," he adds.

For the time being, Emperor is concentrating on obtaining permits to proceed with dewatering of the 3,280-ft.-deep Brunswick shaft.

In late October, the company received approval of its Final Environmental Impact Report on the proposed dewatering, and expected to receive its permits two weeks later, following a County Use Permit hearing. However, a last-minute appeal by a local residents' group delayed the hearing. The County Use Permit hearing has been postponed until Jan. 11, 1996.

The residents' group is concerned that the proposed dewatering will cause the water table to be drawn down as the old workings are pumped out, rendering water wells dry. However, the company does not believe this will happen.

The dewatering involves pumping the water into an existing pond adjacent to the Brunswick shaft, and then discharging it into the south fork of Wolf Creek.

With an unemployment rate approaching 20%, the community is overwhelmingly in favor of the project. Many of the residents worked in the mine when it was in operation, or had family who did so.

The dewatering, combined with exploration work, is budgeted at US\$12-15 million. Underground drilling will follow

EXHIBIT 287

Emperor lands Grass Valley permit

POSTED BY: NORTHERN MINER STAFF FEBRUARY 5, 1996

oShare

Junior Emperor Gold (VSE) has secured a permit enabling it to dewater and explore the Idaho-Maryland mine in Grass Valley, Calif.

The Nevada Cty. Planning Commission approved the permit following several delays and appeals by a group of local residents.

Emperor holds an option to buy the former producer, and plans to dewater the mine and rehabilitate an existing shaft to allow access for exploration. The dewatering and rehabilitation are expected to last one year.

EXHIBIT 288

Mine is topic

Plans to re-open the Idaho-Maryland Gold Mine in Grass Valley will be the topic of the Jan. 5

Sierra College Patrons Club meeting.

Engineer Thomas J. Knoch will discuss the history and future of the

gold mine, the second largest in the state. The Idaho-Maryland mine operated from 1862 to 1956. It is the 14th largest mine in the world and produced 2.3 million ounces of gold, which would have a current value of about \$713 million.

Evaluations and engineering studies are nearing completion, and the goal is to bring the mine into a 30-year production life with a 1,500-ton-per-day operation.

Knoch, the project consultant, is a native of Auburn. He earned a bachelor's degree in mining and geological engineering from the University of Nevada, Reno, and Mackay School of Mines. He will show slides of the project and pictures of the former operation, both underground and above ground.

The lunch meeting will be held at noon at The Gathering Place, adjacent to Emma's Bed and Breakfast, 3137 Taylor Road, Loomis. For reservations, call 624-2933.

Storewide Year-end Sale December 26-31

- ⇒ Awesome selection of antiques & collectibles
- ⇒ 100 Dealers/24,000 sq. ft.
- ⇒ Books to Go Buy — over 2,000 titles, resource books and price guides
- ⇒ Furniture refinishing & care products
- ⇒ Refreshments
- ⇒ Leaveover available



EXHIBIT 289

Form 27
Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

REPORTING ISSUER

EMPEROR GOLD CORPORATION
1610 - 777 Dunsmuir Street, PO Box 10435, Vancouver, BC V7Y 1K5

DATE OF MATERIAL CHANGE

June 19, 1997

PRESS RELEASE

July 2, 1997

SUMMARY OF MATERIAL CHANGE

The Company has proposed a change of name to Emgold Mining Corporation.

FULL DESCRIPTION OF MATERIAL CHANGE

The Company's shareholders and Board of Directors have approved resolutions to change the Company's name to Emgold Mining Corporation. The number of shares held by each shareholder will remain the same, and the Company anticipates that the ticker symbol will remain 'EMR' on the Vancouver Stock Exchange. The proposed name change is subject to Vancouver Stock Exchange approval.

RELIANCE OF SECTION 67(2) OF THE ACT

Not applicable.

OMITTED INFORMATION

None

DIRECTORS/SENIOR OFFICER

Contact: Ellen Skobin Conville, Corporate Secretary
Telephone: 687-4622

STATEMENT OF SENIOR OFFICER/DIRECTOR

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, BC this 7th day of July, 1997.

“ELLEN SKOBIN CONVILLE”
ELLEN SKOBIN CONVILLE, Corporate Secretary

EXHIBIT 290

1998_05_18 – The Sacramento Bee

Jack Clark, a former miner who is writing a book on the history of the Idaho-Maryland Mine in Grass Valley, will be grand marshal of the Fourth of July parade in downtown Nevada City.

Clark, 77, is a native of Nevada City who has lived in Grass Valley for almost 50 years.

He and his wife, **Emily**, will ride in a horse-drawn carriage near the front of the parade. The event, which has a "Gold Fever" theme, begins at 11 a.m. July 4.

"It's a great honor," Clark said of the Fourth of July Celebration Committee naming him grand marshal. "I'm very surprised. It's not often that you are chosen for something like this."

Clark worked for two years at the Miners Foundry in Nevada City after graduating from high school in 1938. He went on to work at the Idaho-Maryland Mine.

He served in the U.S. Navy during World War II, participating in combat in the South Pacific. Clark returned to the Idaho-Maryland Mine after the war, becoming a safety engineer and underground superintendent until the mine's closing in 1956. During the mine's last six months, the mineral tungsten was mined at the site.



Jack Clark, 77, was named grand marshal of the Fourth of July parade in downtown Nevada City, where he was born. Clark, a history buff who lives in Grass Valley, has had numerous careers, from mining to Aerojet safety engineer.

The mine was one of three that closed that same year in the area. Northstar and the Empire Mine also closed. The price of gold was set at \$35 an ounce, and the fixed amount left mining unable to pass on costs as labor and other expenses rose. Over the next two decades, he

*'It's a great honor.
I'm very surprised.
It's not often that
you are chosen for
something like
this.'*

JACK CLARK

Fourth of July Parade grand marshal

worked as a safety engineer and supervisor at Aerojet. In 1974, he was appointed Nevada County Cooperative Safety Officer. He retired in 1985.

Many Nevada County residents worked at the Sacramento-area aerospace firm. Clark recalls 44 people from Gold Country towns commuting to work at the firm. The move from mining to Aerojet worked well for him. "I found it very satisfying," he said of the new post.

Clark is a mining instructor in a Sierra College-sponsored Elderhostel program. He has worked with **Ron Strugell** to organize the Video History

Museum at Memorial Park in Grass Valley.

He is a nine-year member and former four-term chairman of the Nevada County chapter of the American Red Cross and a former chief of the Grass Valley Volunteer Fire Department.

Mining is no longer the centerpiece of the Nevada County economy, but the gold is still there.

"There's a lot of gold underground," said Clark. "Probably as much underground as they mined."

He still tracks the price of gold, now at \$290 an ounce, down from a high some years ago of nearly \$400. The world economy, supplies and other factors influence the gold price, Clark said. "I never did know how all of it works on the price end," he noted.

His knowledge of mining up-close is rich, however. With both the Empire and Northstar mines, he recounted, the mining got better as it progressed deeper into the earth.

Vickie Smith, housing coordinator for the city of Grass Valley, has been named employee of the month for the city of Grass Valley.

If you know of someone who deserves recognition in the People column, please tell us. Call Grace Karpa at 273-5301.

Fight inflation...

With Neighbors ads

EXHIBIT 291



COUNTY OF NEVADA
COMMUNITY DEVELOPMENT AGENCY
950 MAIDU AVENUE NEVADA CITY, CA 95959-8617
(530) 265-1222 FAX (530) 265-1272 www.co.nevada.ca.us/cda

PLANNING DEPARTMENT
PHONE (530) 265-1440
FAX (530) 265-1798

ENVIRONMENTAL HEALTH
PHONE (530) 265-1452
FAX (530) 265-7056

BUILDING DEPARTMENT
PHONE (530) 265-1444
FAX (530) 265-1272

CODE COMPLIANCE
PHONE (530) 265-1362
FAX (530) 265-1625

March 28, 2001

Scott A. Galati
Grattan & Galati
801 "K" Street, Penthouse Suite
Sacramento, CA 95814

RE: Extension of Time for Emperor Gold (U.S.) Corporation – Conditional Use Permit File
Number: U94-017

Dear Mr. Galati:

At their regular meeting of March 22, 2001, the Nevada County Planning Commission considered your extension request dated December 13, 2000, for an extension of time for the Conditional Use Permit application of Emperor Gold, File Number U94-017.

The Commission, by a 5-0 vote, granted the extension of time for two (2) years. The dewatering activities for the Conditional Use Permit on this project must be commenced no later than January 25, 2003 .

If you have any questions, please contact the project planner, Tod Herman, Associate Planner, at (530) 265-1257.

Very truly yours,

NEVADA COUNTY PLANNING COMMISSION
Mark Tomich, Ex-Officio Secretary

By: 

JEAN JACOBS
Clerk to the Planning Commission

MT:jj

COUNTY OF NEVADA

PLANNING DEPARTMENT

Eric Rood Adm. Bldg.
950 Maidu Avenue
Nevada City, CA 95959-8617
(916) 265-1440
Fax (916) 265-1798

January 26, 1996

NOTICE OF CONDITIONAL APPROVAL USE PERMIT APPLICATION

Emperor Gold (U.S.) Corporation
P. O. Box 1836
Grass Valley, CA 95945

U94-017; EIR94-003
AP#: 06-441-03, -04, -05, & -29;
09-630-24, -27, -30 & -31

ENVIRONMENTAL ACTION: Certified EIR

You are hereby notified that the Nevada County Planning Commission, at a regular meeting held on January 25, 1996, after public hearing, did duly consider your application for the dewatering of the existing underground workings of the Idaho Maryland Gold Mine, and the subsequent underground exploration and sampling of those workings, on property located on 117 acres of contiguous property located southwest of the intersection of Brunswick Road and E. Bennett Road, including the Bohemia Mill site. A legal description of the property is on file in the Planning Department, 950 Maidu Avenue, Nevada City, California.

The Planning Commission hereby notifies you that your application for a use permit was granted, on a 4-0 vote, subject to the following mitigation measures and conditions:

The agency references are: Planning Department (PD), Department of Transportation (DOT), Environmental Health (EH), Building Department (BD), and the Northern Sierra Air Quality Management District (NSAQ).

I. GENERAL CONDITIONS

PD 1 All operations shall be conducted in accordance with the project description in Section 3.0 (Draft EIR), and as amended in the EIR Errata (Section 3.0 of the Final EIR). All other conditions required by this permit shall be considered as modifications to the project description. All mitigation measures attached to this project shall also be considered as conditions of this permit.

PD 2 Under applicable law, this use permit will "run with the land" and the entitlements and obligations will be fully assumed by any subsequent owner of the property covered by this use permit. Any party or entity acquiring the property and electing to continue with the use of the property as authorized by this use permit will be required to fully comply with all of the conditions and obligations created by the use permit, including, but not limited to, being required to post and maintain adequate security as required under MM 4.3.6 of this permit.

PD 3 Once the dewatering portion of the Exploration Phase has commenced, the operator shall have four and a half years to complete the Exploration Phase and an additional six months to complete the site clean up activities outlined in the Post Project phase (Section VIII) of this use permit. All mine dewatering shall cease at the end of the Exploration Phase (Section VII).

PD 4 Every two years, beginning from the commencement of the Site Preparation Phase, this Use Permit shall be reviewed before the Nevada County Planning Commission. The purpose of the review will be to evaluate the success of the established performance standards and of the operator in complying with these Conditions of Approval. Additionally, the review will monitor the status of the project and any deviations from the anticipated impacts described in the Final EIR. Adjustments to the monitoring program may be made in order to accommodate any such deviations.

PD 5 If the review hearings in Condition PD 4 above reveal serious violations and/or unexpected significant environmental or public health impacts that either have not or cannot be corrected, the Planning Commission shall recommend that the Board of Supervisors hold a hearing to consider revocation of the Use Permit.

NOTE: Notwithstanding any other provision, use permit revocation hearing(s) may be held any time by the Board of Supervisors pursuant to Section L-II 31.6 of the Land Use and Development Code whenever non-compliance on the part of the operator is demonstrated such that the established conditions of approval are not being followed.

PD 6 These conditions may not be changed without amending this permit except that minor adjustments to the project and conditions may be made if approved by the Planning Department staff, and if such changes do not result in a major departure from the approval either individually or cumulatively as defined in Section L-II 3.49 of the Land Use and Development Code. Staff will report all such adjustments to the Planning Commission and Community Liaison when applicable.

PD 7 The operator shall fund the County's monitoring and inspection for this project. All such fees shall be based on an at-cost basis pursuant to Section K.1 of the latest fee schedule adopted by the Board of Supervisors.

PD 8 The following is the definition of the Community Liaison with whom the Mine Operator shall be required to coordinate:

- a. At their election, and on an "as available" basis, the Bohemia Area Residents Committee (BARC) will provide the operation with the name, address, and phone number of a person designated as the "Community Liaison." This volunteer will serve both the community near the mine and the operator as the main line of communication between the two. For example, the liaison may:
 - i. Pass on BARC or community member's concerns in an orderly fashion.
 - ii. Stay informed about the project and notify BARC or community members of the current stage of the project including, as examples, temporary noisy events or the status of the monitoring results.

- iii. Review monitoring data on file at the County as necessary.
 - iv. Serve on the Review Team for various contracts administered by or requiring review by the County.
- b. The liaison will be notified concurrently with the County of any changes to the operation requiring County approval.
 - c. The operator shall allow the Community Liaison (when accompanied by County staff) to review on-site monitoring procedures and related activities. These on-site visits however, will be subject to conditions of the operator's liability or product loss insurance carriers and the necessary safety training of the liaison.
 - d. Periodic "Review Team" meetings with the County, the Community Liaison, and the operator shall be held to discuss the project's status. These meetings shall occur at a minimum on a quarterly basis, but may also be held on a more-frequent "as-needed basis." If deemed desirable by the "Review Team," the County will provide notice (at the operator's expense) to area residents of project events, status, etc. which may be of interest to such persons.

II. SUBSEQUENT PERMIT ACQUISITION

- EH 1** Valid Hazardous Waste Permits are required prior to remedial action or hazardous waste operations. If necessary, obtain a Hazardous Waste Permit from the Nevada County Department of Environmental Health prior to the start of operations.
- EH 2** A Hazardous Material Storage Permit is required prior to installing any hazardous material on site which equals or exceeds 55 gallons, 500 pounds, or 200 cubic feet of compressed gas. Obtain a valid permit(s) from the Nevada County Department of Environmental Health prior to the start of operations.
- EH 3** Bulk storage of hazardous materials, hazardous substances, hazardous wastes and/or fuels require the submittal of a Hazardous Materials Release Response Plan and Inventory (HMRRP&I) pursuant to California Health and Safety Code Chapter 6.95. Operator shall submit a HMRRP&I to the Nevada County Department of Environmental Health 30 days prior to the start of operations at this site.
- NSAQ 1** Obtain an Authority to Construct and Permit to Operate from the Northern Sierra Air Quality Management District prior to constructing anything that requires such a permit.
- MM 4.4.2** The water quality and quantity parameters associated with surface discharge resulting from the proposed project shall conform to Order No. 94-005 (for quality) and any other waste discharge requirements and standards as set forth by the California Regional Water Quality Control Board, Central Valley Region. The operator shall submit any required background documentation to CRWQCB to obtain these permits, and these permits shall be in place before dewatering commences. The operator shall also submit to the Nevada Irrigation District any discharge plans or proposals which may affect NID facilities. NID shall be treated as an affected or reviewing agency.

MM 4.4.5 As supporting documentation to assess receiving water quality, the operator shall conduct additional upstream and downstream testing within the South Fork channel, as required by the CRWQCB.

MM 4.4.6 The operator shall conduct a discharge Monitoring and Reporting Program during dewatering, as set forth by the CRWQCB. Such monitoring will include testing for metals as well as pH levels.

III. ON-SITE PREPARATION

PD 9 During the On-Site Preparation Phase, the operator may conduct the following site preparation activities:

- a. Do the necessary geotechnical work for the dewatering pond.
- b. Installation of the on-site power lines.
- c. Develop the internal road system.
- d. Begin preliminary site clearing and development of the on-site buildings and structures.

Prior to the establishment of any of these activities, the operator shall demonstrate by documentation that all appropriate mitigation monitoring has been performed. All such activities must comply with the other applicable requirements of this permit and those of the other permit issuing agencies.

PD 10 The activities in Condition PD 9 above shall be conducted in the following manner:

- a. All surface activities (PD 9 above) shall comply with those noise standards established in Policy 9.1 of the Noise Chapter of the Nevada County General Plan and shall be conducted in accordance with Mitigation Measures 4.9.2, and 4.9.3.
- b. All required permits from the CRWQCB, or waivers therefrom, shall be obtained prior to the dewatering.

PD 11 Site plan standards shall be as follows:

- a. Administration Office Parking: A minimum of 12 parking stalls (including Disabled parking) shall be provided in accordance with Article 28 of the Land Use and Development Code. Parking area shall be paved to control fugitive dust.
- b. Shop Area Parking: A minimum of 30 parking stalls shall be provided in accordance with Article 28 of the LUDC. Parking area shall be paved to control fugitive dust.
- c. Buildings: All permanent building shall be colored to blend with their respective background settings.

- d. Lighting: All exterior lighting shall be shielded and directed down to prevent direct off-site light spill. Permanent exterior lighting shall be limited to the Administration Office Area, Shop Area, Watchman's Quarters, and those areas reasonably necessary to provide safety measures during nighttime operations. Within an hour after the evening's activities, all unnecessary exterior lighting shall be turned off.
- e. Site Plan: After buildings are permanently located, a revised site plan shall be submitted to the Planning Department and kept on file.
- f. Watchman's Quarters: A watchman's quarters shall be permitted for the purposes of mine security.

BD 1 Obtain the proper permits from the Building Inspection Department for all building construction and grading activities. Such permits shall meet the minimum requirements of the Uniform Building Code and Chapter XV of the Nevada County Land Use and Development Code (Grading Ordinance).

DOT 1 Provide proof of access rights to Brunswick Road through the S.P.I. property. (Note that the "Concept Plan" as submitted with the rezoning application, Z93-004, depicts a redesigned interior road system for the S.P.I. property.)

DOT 2 The Road Improvement Fee in accordance with Nevada County Ordinance No. 1829 creating and establishing the authority for imposing and charging a road improvement fee within the unincorporated territory of Nevada County, will be levied for this development and will be based on the latest fee schedule adopted by the Board of Supervisors. (Note: Class of Use = 5; Zone = 5)

EH 4 Sewage disposal from any facility on the project site shall be in compliance with Nevada County Land Use and Development Code, Chapter X, and any subsequent revisions or amendments pertaining to the disposal of sewage in Nevada County.

MM 4.2.1 Prior to the construction of water treatment improvements to the treatment pond, the operator shall conduct a geotechnical evaluation of the pond and earthen dam structure. This evaluation should include (but not be limited to) the following:

Testing using the hollow stem-auger drilling method to bore test holes through the containment dam and into underlying materials.

A slope stability study of the containment structure based upon an evaluation of the drilled soil samples, their condition, and encountered ground water conditions within the earthen structure;

A determination of the dam's existing factor of safety under normal conditions and during a seismic event.

Recommendations for remedial measures, if necessary, to ensure the stability and integrity of the structure for the life of the project. Such measures, if found to be necessary, may include re-compaction, stabilization with additional engineered material, or excavation and caulking of the existing structure. Necessary remedial measures shall be completed concurrent with construction of treatment facilities.

MM 4.2.2 Commensurate with site grading and improvement activities, the following measures shall be taken to help prevent the loss of soil within the construction area around the shaft:

Regular spraying of water on exposed soils during the dry season from a hose or water truck to prevent the generation of dust.

Construct a brow ditch above (up-gradient) from the construction area to divert the overland flow of rainfall around construction activities.

Place straw bails below the construction site (down-gradient) to help prevent discharge of muddy runoff.

MM 4.5.1 Prior to approval of a building permit for on-site improvements, the operator shall obtain from NID any necessary permits, approvals, will-serve letters, or agreements required for the extension of treated water to areas of the site not currently served.

MM 4.5.2 Prior to the issuance of building permits for on-site structures, the operator shall submit detailed wastewater treatment plans to the County of Nevada Department of Environmental Health for review and approval. Prior to finalizing plans, operator shall work with the Department to determine site-specific soil/percolation conditions and optimum facility locations. All wastewater disposal permitting will be conducted through the Department of Environmental Health.

MM 4.5.3 The operator shall coordinate with PG&E staff to assess the technical requirements for utilizing existing primary lines. This process, although at the operator's discretion, should begin immediately considering that all electrical equipment must be in place prior to dewatering. Operator will incur the costs of connections and other equipment, such as on-site transformers.

MM 4.5.5 Concurrent with site preparation activities, all access and service roads shall be made available for use by all emergency response units, including fire suppression, medical aid, and law enforcement.

MM 4.5.6 Concurrent with site preparation activities, the operator shall provide signage that will make all project entries and on-site buildings easily identifiable by emergency service providers.

MM 4.5.9 Prior to approval of grading permits for site improvements, the operator shall designate an area of the project site to be used as a helispot (for use in medical emergencies only) for County review and approval. This area shall be cleared and void of all vegetation and loose gravel materials.

MM 4.6.1 Concurrent with final site plans for the project, the underground powder magazine shall be located in accordance with the American Table of Distance for Storage of Explosives. All use and transport of explosives will conform to applicable federal, State and local regulations, requirements, and specifications.

MM 4.6.2 Concurrent with project operations, all activities relative to site preparation, dewatering, shaft rehabilitation and mineral exploration shall be conducted in conformance with MSHA and CALOSHA regulations.

MM 4.6.4 Prior to commencement of dewatering, the operator shall establish a bond for the removal and disposal of the precipitate sludge.

NOTE: At the completion of the dewatering and exploration phase, the operator shall contract for this task if necessary. The material (if determined to be hazardous via MM 4.6.5) shall be removed and transported by a certified hazardous materials hauler and disposed of in a pre-approved facility licensed by the State.

MM 4.8.1 During site construction, the operator shall utilize the following dust control measures:

Water sprays to control dust during demolition, loading and unloading activities;

Suspend dust-producing activities during periods of high winds when dust control measures are unable to avoid visible dust plumes;

During the dry season (May-October) provide equipment and staffing for watering of unpaved haul roads, areas being graded and equipment/vehicle parking areas at least twice daily;

Daily removal of mud and dirt carried out from the site to adjacent paved roads;

Limit the speed of equipment and vehicles to 15 miles per hour while traveling on unpaved surfaces on the site; and

Earthen or other materials which may become entrained in ambient air will be sprayed or tarped as necessary to prevent fugitive emissions while in transport to or from the site.

MM 4.8.2 Concurrent with site construction operations, parking areas and access roads on-site shall be paved, graveled or treated with a dust palliative to control fugitive dust.

✓ **MM 4.9.1** Unless weather conditions (which may result in an impact upon the public health or safety) require early morning or late night construction activities, the operator shall limit site surface construction activities to daytime hours, Monday through Friday (7 a.m. to 6 p.m.).

✓ **MM 4.9.2** During initial site construction (and throughout the life of the project), the operator shall ensure that all equipment utilizing internal combustion engines shall be properly maintained and fitted with mufflers in accordance with the manufacturers recommendations.

MM 4.10.1 Prior to the construction of any outfall facilities within the stream banks of South Fork Wolf Creek, the operator shall obtain an Army Corps permit under Section 404 of the Clean Water Act as required. The operator will be required to submit all information required for such a permit, and shall be subject to all mitigation requirements set forth by the Corps.

- MM 4.10.2** Prior to the construction of any outfall facilities within the stream banks of South Fork Wolf Creek, the operator shall obtain a Streambed Alteration Agreement under Sections 1600-1603 of the California Fish and Game Code. The operator will be required to submit all information needed for such a permit, and shall be subject to all conditions (if any) set forth by the Department of Fish and Game (DFG).
- MM 4.11.1** Concurrent with final site planning and site improvement activities, disturbance to the Union Hill Mine, prospects landscape area and narrow gauge railroad bed shall be avoided by design and left intact. If, by change in design or plan, it is determined that the project will affect one or more of these sites, a qualified historical archaeologist shall be required to reevaluate the sites(s), determine the effect(s), and suggest appropriate measures to mitigate the impacts identified.
- MM 4.11.2** Should cultural or historic resources be uncovered in the course of grading operations, all work in the immediate vicinity of the uncovered material shall be halted until a qualified archaeologist can evaluate the finds and propose suitable recommendations for further action.
- MM 4.11.3** Should human remains be discovered, work must stop immediately and the county coroner must be contacted, as required by State law. If the remains are Native American, then the coroner will notify the Native American Heritage Commission.
- MM 4.11.4** Should historic mining artifacts be encountered and recovered concurrent with dewatering and exploration activities, such artifacts will undergo an evaluation to determine the material's significance. Such an evaluation will be conducted by a qualified archaeologist.
- MM 4.12.1** Concurrent with project implementation, the operator will use the minimum number of light sources and minimum wattage necessary to provide a safe working environment and security at the site. All building permits shall note the locations of the exterior light sources.
- MM 4.12.2** Concurrent with project implementation, the operator shall ensure that light sources will be mounted at the lowest feasible height in order to minimize the line of sight from surrounding properties.
- MM 4.12.3** Concurrent with project implementation, the operator shall locate and shield light sources so as to minimize the spill of light into unwanted areas. The operator shall utilize cut-off lenses, baffles or other methods to control the focus of the light sources, specifically protecting the adjacent residential areas.

IV. OFF-SITE PREPARATION

- MM 4.4.1** Prior to dewatering, the operator shall conduct an engineering study to quantify the ultimate volume capacities of downstream public and private drainage facilities. Once facility capacities are known and quantified, the operator shall:

Reduce or cease outflow into South Fork Wolf Creek during storm events to the point where the combined natural flow and discharge flow do not exceed 75% capacity of downstream drainage facilities (75% of capacity allows for a storm buffer, so that the creekshed can "bleed", or drain after discharge is throttled back). This option will require accurate monitoring of downstream volumes in order to make appropriate outflow adjustments. Monitoring of storm events will require measuring precipitation with a rain gauge to determine the amount of precipitation entering the drainage basin, monitoring water volume at several downstream locations, and visually monitoring for stream bank erosion along the length of the South Fork below the project site. Monitoring of volume will occur hourly once facility capacities reach 50%. The operator shall be responsible for parcel-specific erosion damage, if such damage is shown by the third-party consultant that mine discharge was responsible.

DOT 3 A copy of the comprehensive hydrological analysis (required in MM 4.4.1 above) shall be submitted to the Nevada County Department of Transportation upon completion of the study. A fee based on the latest adopted hourly rate will be charged for the actual time spent reviewing the analysis.

V. PRE-DEWATERING WATER SUPPLY

Monitoring Program, and Property Notices

MM 4.3.1 As mitigation for the potential well impacts, the project will require a monitoring program to establish baseline data on local wells. As the first step in this process, the operator (or consultant acceptable to the County) shall locate and collect survey data for any remaining wells within the identified study area which have not yet been logged and assigned a risk category. To identify such wells and their owners, the operator shall send a notification letter/questionnaire to the owner of each parcel within the study area to ensure 100% coverage. This notification letter/questionnaire will serve to accomplish the following:

- a) To identify any new or previously unknown wells within the study area;
- b) To inform property owners (with and without wells) as to the purpose of the data collection, and that the data may later be used to determine if a well is impacted;
- c) To provide an informational update to well owners currently participating in the operator-sponsored well monitoring program;
- d) To request permission from un-categorized well owners to allow the operator or County-approved professional to collect specific well data needed to determine the well's risk group;
- e) To solicit well owner participation in the 12-month baseline monitoring program;
- f) To inform well owners that specific well characteristics and monitoring data is very helpful for early identification of impacts .

MM 4.3.2 Based upon the authorizations received and additional well data collected, any new data shall be applied to the County's model of risk assessment and a risk category determined for that well. Once a risk category is determined and monitoring is allowed by a well owner, that well will be considered "in the monitoring program".

MM 4.3.3 At least 12 months prior to the commencement of dewatering, the operator shall be responsible for establishing and implementing a ground water monitoring program which shall be approved by the County targeted for all wells within the study area. This 12 month period will establish baseline well data for the four seasons of the year. The monitoring effort shall be conducted by a qualified professional acceptable to the County, and will consist of the following:

- a) Baseline monitoring of all identified wells will occur monthly, and will consist of measuring the static water level of each well. The 12 month monitoring time line will begin only after the notification letter/questionnaire has been sent and personal contact with the owners of all the high and moderate risk wells has been made or attempted by the operator, as described below. After or during this initial contact with well owners, an initial monitoring date and regular monitoring schedule will be established. This first monitoring date will establish the beginning of the 12 month time line for baseline data collection. Well data previously collected by the operator may be considered for inclusion into the baseline data.
- b) Prior to the first monitoring date described above, the operator shall conduct follow-up contact efforts, either in person or by telephone, to each well owner to further ensure that each owner has been given ample opportunity to participate in the monitoring program. Property owners shall be provided the results of all monitoring in a timely fashion with direction to review the results to insure that they coincide with the property owner's experience. In the event of any disagreement, the operator shall be required to retest the well.
- c) In order assess the rate of owner participation, the operator shall report back to the County prior to this first monitoring date, to evaluate the effectiveness of the letter/questionnaire and follow-up contact efforts. A qualified professional acceptable to the County shall be consulted (if necessary) to determine that the rate of well owner participation is sufficient to establish baseline data.
- d) A second follow-up contact effort shall be conducted for the remaining wells within the Western Study Group. This follow-up effort is intended to maximize participation in the monitoring program. Any new participants from the Western Study Group resulting from this follow-up effort shall be identified and shall begin participating in the program by the second monthly monitoring date. The rate of well owner participation will also be reported to a qualified professional acceptable to the County to determine that the rate of owner participation within the Western Study Group is sufficient for establishing baseline data.

- e) A third follow-up contact effort shall be conducted for the remaining wells within the entire Study Area. This follow-up effort is intended to maximize total participation in the monitoring program. Any new participants within the Study Area resulting from this follow-up shall be identified and shall be included in the program by the third monthly monitoring date. The rate of well owner participation will also be reported to a qualified professional acceptable to the County to determine that the rate of participation within the remaining areas is sufficient for establishing baseline data.

Third Party Consultant

- MM 4.3.8** Prior to the commencement of the dewatering process, a qualified third party consultant selected mutually by the County, the Community Liaison, and the operator, shall be retained (at operator's expense) to interpret the ground water monitoring results on behalf of all parties. If the three parties cannot agree on the selection of the third party consultant, the County, at its sole discretion, shall select the third party consultant. In any event, the operator shall fund a qualified third party consultant for the life of the project.

The duties of the third-party consultant are to independently interpret data, to conduct well impact analysis, to review the baseline stream conditions developed in the hydrological study required by MM 4.4.1 and DOT 3, to determine when an adverse impact has occurred, to determine size and locations of temporary systems, and to determine the difference between NID and electricity costs, as outlined in subsequent measures. Other related duties may be added as conditions and issues arise over the live of the project.

Design, Engineering, Annexation, and Contract

- MM 4.3.4** Prior to the commencement of mine dewatering, the operator shall prepare complete engineering and design plans, as well as an installation schedule, all of which shall be submitted to and accepted by Nevada Irrigation District (NID) for water main trunk line infrastructure (including individual laterals for all High and Moderate risk wells) to all properties within the Study Area, with a permanent water source to be supplied through NID facilities. Such plans will be provided for all parcels.
- PD 12** Prior to the commencement of mine dewatering, the operator shall conduct a "windshield" survey of all parcels within the Study Area to determine potential locations for temporary water storage tanks. For all parcels with High and Moderate risk wells and those parcels identified during this survey to pose siting difficulties, plans for the location and size of temporary water systems shall be completed and submitted to the County. Upon submittal, the third party consultant shall review those plans with those parcel owners to ensure the determined locations are agreeable. Any disagreement shall be settled by the third party consultant.

MM 4.3.5 Prior to commencement of dewatering, the operator shall complete the following:

- a) Successfully annex any parcel within the Study Area with a well to NID which is currently outside of NID's district boundaries; or enter into a private water supply agreement with the owner of such a parcel until annexation is complete. The operator shall be responsible for any and all costs associated with NID annexation.
- b) Enter into a conveyance agreement with NID to allow for infrastructure construction;
- c) Enter into an agreement with an engineering company, acceptable to NID, to supervise and direct a contractor to install the water trunk lines and individual residence connections. The County shall be notified of the contractor selected; and
- d) Confirm water capacity of NID systems and water availability per NID requirements as a component of any conveyance agreement.
- e) Obtain and document all necessary permits and approvals, and identify all right-of-way, variances, easements, and agreements necessary to guarantee installation and delivery of water service from NID to any and all residences in the study area.

MM 4.3.6 Prior to dewatering, the operator shall post financial assurances in a form acceptable to and to be approved of by the Nevada County Counsel and consisting of either a performance and security bond, a letter of credit, cash, certificate of deposit with a recognized financial institution, or a combination thereof, in an amount that will cover 100% of the costs, as determined by a registered civil engineer and as accepted by the County, of providing for permanent water sources to all of the properties within the study area defined in the Final EIR. At least \$100,000 of this amount shall be available for immediate use of the County to address emergency water supply needs should the operator not respond to such problems within the 24 hour period designated in MM 4.3.9. The financial security shall contain a provision (to be approved by County Counsel) that creates, in addition to the rights of the County, an independent right of action against the security deposit or bond in favor of any of the owners of the private property whose water supply may be deemed to be adversely impacted by the dewatering of the mine and obligates the operator, the surety/bonding company, or party or financial institution holding the cash deposit to honor any demand by such impacted private property owner, only in the event of non-action by the County for a period of 45 days in response to any such demand for County action by a private property owner. Non-action by the County as used herein is defined as: 1) The County failing to provide written notice to the operator demanding provision of a permanent water source to any affected property when required by conditions of approval; or 2) The County failing to continue for a successive period of 45 days to direct the operator to remedy the situation or to take initiate any claim against the financial assurances when no continuing progress is being made toward provision of a permanent water source until it is provided. The County shall maintain a log of all such contacts from which the 45 successive day period would run. Any independent right exercised hereunder would be in lieu of, rather than in addition to, any right of the County to make a claim against the financial assurance for the affected property concerned.

The amount of the financial security shall include all of the following:

- a) Installation of all necessary infrastructure and any necessary improvement to the existing system water supply system, based upon the accepted final design plans (MM 4.3.4).
- b) Estimated costs for the installation of the individual laterals to each residence within the study area.
- c) Construction costs for the moderate to high risk groups (based upon prevailing wage rates) to perform all the work associated with a) and b) above. All other risk groups shall use construction costs at a non-prevailing wage rate.
- d) Costs of providing individual meters to each residence within the study area.
- e) NID system capacity charges for each residence.
- f) Contingency for administrative costs.

Any lapse or failure to provide or maintain the security deposit or bonds shall result in the immediate suspension of the right to continue any of the use of the property as authorized under the use permit but shall not invalidate the operator's, security's or depository institution's obligation under the security provisions as required under this Mitigation Measure.

In the event that the operator is required to provide a permanent water supply to any of the private property owners under the terms of this use permit, in lieu of providing a permanent water supply the operator may, and subject to the separate and independent concurrence of the private property owner whose well or ground water is deemed adversely affected, purchase any of the affected private properties at a fair market value. Nothing in this permit shall be deemed to require the private property owners to sell their property.

PD 13

In the event the operator is required to provide a permanent water supply to any property or area pursuant to the conditions of this permit, and in the event the operator has successfully and satisfactorily provided the water source, the costs associated with that task may be subtracted from the total financial assurance amount required by MM 4.3.6 above.

Within 24 months, but not less than 6 months from completely dewatering the workings (below the 3,280 foot level), the financial assurance amount may be reviewed by the County (through a public hearing) for the purposes of reconsidering the required amount. If evidence can be provided supporting the fact that the risks have either been reduced or no longer exist, the percentage amount required by MM4.3.6 may be altered. The intent of this provision is to provide an opportunity to reconsider the necessary financial assurance amount. It may be possible to reduce the required amount at this hearing if it is demonstrated that the risks no longer warrant 100% of the total costs required by MM 4.3.6 above. In no case however, will the County consider releasing the entire requirement for the financial assurance.

PD 14 Prior to the commencement of the dewatering, this Use Permit shall be reviewed by the Nevada County Planning Department staff and the results of the review shall be reported to the Planning Commission and the Community Liaison. The purpose of this review will be to evaluate the operator's compliance with the permit conditions of approval and the success of the established performance standards.

VI. ON-GOING WATER SUPPLY

Monitoring Program

MM 4.3.7 Throughout the dewatering process, the operator shall continue the ground water monitoring program, and reports shall be provided to the County as follows:

Weekly intervals for wells within the high and moderate risk groups;

Twice-monthly intervals for wells in the low risk group; and

Monthly intervals for wells in the very low risk group.

Twelve months following the dewatering to the 3,280 level, monitoring will be required at quarterly intervals for the life of the project and until the mine refills (to the pre-project level) with water.

PD 15 Should an impact occur to any residence, the monitoring sequence for the adjacent homes (from the impacted well) shall increase to a weekly interval.

Third Party Consultant

MM 4.3.12 All well owners within the study area will be notified by the third-party consultant if other wells in the study area are showing an impact or change in yield. This condition will allow another chance for non-participating well owners to join the monitoring program, and will generally serve to inform the owner of the surrounding conditions of nearby properties.

MM 4.3.16 All parcels within the study area that are not yet developed shall be connected to the permanent water system at the operator's expense if the well owner can establish to the third party consultant and the County that mine dewatering has adversely affected the property's ability to support a well. The operator shall make notice to properties currently without wells that the burden remains with the well owner to determine the source of impact to any future well.

Temporary Water Source and Compensation

EH 5 In the event that any parcel within the study areas is adversely affected by the mine dewatering, potable water service shall be provided to the properties in accordance with MM 4.3.9 and MM 4.3.9A below. All water provided (on a temporary or permanent basis) for service to habitable structures shall be potable and from an approved source, in compliance with Nevada County Land Use and Development Code, Chapter VI.

MM 4.3.9 Should any well be impacted a temporary water source shall be immediately provided to the affected well owner prior to the installation of a permanent water source. The temporary water source shall be in place within and operational 24 hours after telephonic notification to the third party consultant. The operator shall be required to provide a phone number to all property owners were such notification can be accepted at all times.

Where feasible and subject to the permission of any affected property owners, any temporary water source may include the installation of a water tank on or near the affected property. In some instances, a single tank may serve more than one affected property

Any temporary water supply needed as a result of mine dewatering will be of sufficient capacity and pressure so that the daily lifestyles and average water usage of individual families will not be affected.

Any temporary water supply needed as a result of mine dewatering will be in place only as long as necessary to hook up the residence to the permanent water source.

Temporary water systems will be located, configured and sized by the third-party consultant with the concurrence of the property owner (identified within MM 4.3.8). Property owners must be immediately informed of the identified impact, and permission must be received prior to temporary system installation.

PD 16 In the event the temporary system cannot be installed within 24 hours (as outlined in the first paragraph of MM 4.3.9), a fine in the amount of \$500.00 per day (paid weekly) shall be paid to the County starting 24 hours after telephonic notification up until such time that the temporary water system is installed and operating. The County shall deposit the fine(s) into a trust account and will have the choice of utilizing the fines for either permit monitoring costs or property owner(s) compensation.

MM 4.3.9A Should an impact occur in the form of an unexpected and sudden failure of a well, the affected resident shall be provided an immediate source of water supply for the period of time prior to temporary system installation (maximum 24 hours). This immediate supply may include water delivered by truck, bottled water, alternative lodgings (or cash equivalent), at the property owner's discretion, until the temporary supply is established. The costs of all immediate and temporary water supplies and storage facilities will remain the burden of the operator. Furthermore, all water carriers contracted by the operator shall be properly insured and licensed, and certified to carry and deliver potable water as required by law.

MM 4.3.9B Upon removal of the temporary system or installation of the permanent system, the operator shall either restore the property to its original state, including the repair of any damage or scarring caused by tank installation (and/or hook-up) or water truck delivery, or, the property owner will be financially compensated, at the property owner's discretion, for such damages. If financially compensated, a mutual agreement must be reached regarding the existing condition of the property prior to tank installation.

- MM 4.3.13** Any well owner impacted by the project who requires NID service will be compensated by the project applicant for any additional costs for monthly water service. The operator shall compensate for the difference between current monthly rates (as determined by the third party consultant), and NID rates. This compensation shall continue for as long as the owner's well is impacted by the project.
- MM 4.3.14** In cases where an affected property currently utilizes NID service and well water, the operator shall compensate for the cost of additional NID water usage caused by the unavailability of supplemental well water. Water usage will be determined by the third-party consultant based upon historic water usage patterns.

Permanent Water Source

- MM 4.3.10** Installation of a permanent water source shall be initiated immediately after the well(s) have displayed a significant impact (partial or complete dewatering). Such a response will be determined as significant on a case by case basis by the third party consultant identified in MM 4.3.8. Temporary water systems shall be removed once permanent service is in place and operational. The costs associated with engineering and installing the permanent system will be the responsibility of the operator.

On the first day of impact identification to an individual residence, the operator shall coordinate with NID to finalize the service agreement application and pay the necessary hook-up fees for the affected residence. The process and payments will be completed in the quickest manner afforded by NID staff. The contractor hired to make the final connection shall be available, at the operator's expense, immediately upon NID's meter installation.

- PD 17** In the event the operator becomes responsible for providing a permanent water source to any residence (as outlined in the above mitigation measure, MM 4.3.10), the operator shall be held to an acceptable time frame for completing the project. Said time frame will be mutually agreed upon by the County, the operator, the third party consultant, and the community liaison. Should the operator fail to complete the project within this time frame, a penalty (\$1,000 per week) will be paid to the County up until such time as NID water service is hooked up and operational to all applicable residences. This payment is a penalty only and is not payment in lieu of a permanent water system or supply. The County shall deposit the fine(s) into a trust account and will have the choice of utilizing the fines for either permit monitoring costs or property owner(s) compensation.

VII. EXPLORATION PHASE

Miscellaneous Operations

- EH 6** All waste generated shall be classified by Waste Determination Methods pursuant to the California Health and Safety Code, Chapter 6.5 and the California Code of Regulations, Title 22, Sections 66261.2, 66261.3, 66261.20, and all other applicable regulations.

PD 18 The hours of operation for the miscellaneous surface activities associated with this phase of the project shall be limited to 8:00 a.m. to 5:00 p.m., Monday through Friday. This does not apply to the following activities as long as such activities do not result in a violation of any existing County Standards, including but not restricted to, noise impacts:

- a. activities associated with dewatering;
- b. activities associated with water treatment;
- c. indoor equipment maintenance (where the entire activities are enclosed);
- d. activities associated with project management;
- e. activities associated with the logging of rock core samples;
- f. response to life- or property-threatening emergencies; and
- g. underground activities.

However, it is recognized that the operator shall attempt to minimize incidental noise impacts during all operations.

MM 4.4.3 In the event that discharge quantities exceed those proposed within the Project Description (6 cfs), the operator shall notify the Regional Board, NCDEH, NID, and the Planning Department immediately to implement a remedial action program or other requirements as set forth by the Board.

MM 4.4.4 In the event that the quality of discharged water exceeds effluent limitations as set forth by Order 94-005 or the individual order for this project, the operator shall take action including but not limited to temporary cessation, reduction, or treatment of the discharge to acceptable levels. The operator shall also immediately notify the Regional Board, NCDEH, NID, and the Planning Department and develop/submit a remedial action program for Regional Board approval and implementation.

MM 4.5.4 Concurrent with project operation, the operator will adopt and adhere to the relevant fire prevention and hazardous material response methods as defined in the County's Fire Protection Ordinance, County Hazardous Material Ordinance and other established regulations regarding emergency response.

MM 4.6.3 Prior to any on-site disposal of timber wastes, the operator must demonstrate, through analytical testing of the timbers, that the wood is untreated and safe. This analysis (waste determination and classification) will be demonstrated to the satisfaction of the County of Nevada Department of Environmental Health. The operator shall be responsible for the hauling and disposal of the material at an appropriate disposal facility, if necessary, once a waste determination is made.

MM 4.7.1 For the duration of the project, haulage vehicles moving equipment and/or materials to and from the site will be restricted to Brunswick Road and that section of East Bennett Road between Brunswick and Millsite Road (E. Bennett entrance). The operator shall post signage on site exit points alerting drivers to designated haul routes.

- MM 4.9.2** Throughout the life of the project, the operator shall ensure that all equipment utilizing internal combustion engines shall be properly maintained and fitted with mufflers in accordance with the manufacturers recommendations.
- MM 4.11.2** Should cultural or historic resources be uncovered in the course of grading operations, all work in the immediate vicinity of the uncovered material shall be halted until a qualified archaeologist can evaluate the finds and propose suitable recommendations for further action.
- MM 4.11.3** Should human remains be discovered, work must stop immediately and the county coroner must be contacted, as required by State law. If the remains are Native American, then the coroner will notify the Native American Heritage Commission.
- MM 4.11.4** Should historic mining artifacts be encountered and recovered concurrent with dewatering and exploration activities, such artifacts will undergo an evaluation to determine the material's significance. Such an evaluation will be conducted by a qualified archaeologist.
- MM 4.12.1** Concurrent with project implementation, the operator will use the minimum number of light sources and minimum wattage necessary to provide a safe working environment and security at the site.

Underground Operations

- MM 4.3.7** Throughout the dewatering process, the operator shall continue the ground water monitoring program, and reports shall be provided to the County as follows:
- Weekly intervals for wells within the high and moderate risk groups;
- Twice-monthly intervals for wells in the low risk group; and
- Monthly intervals for wells in the very low risk group.
- Twelve months following the dewatering to the 3,280 level, monitoring will be required at quarterly intervals for the life of the project and until the mine refills with water.
- MM 4.3.15** Should water be encountered within any core drill hole during the exploration process, that drill hole shall be immediately sealed or plugged upon removal of the core material to prevent the continued flow of water. The operator shall then notify the County and the Community Liaison of said encounter.
- MM 4.4.7** During implementation of the shaft rehabilitation, timbers pressure-treated with substances which may leach toxins into future mine water shall not be used. The project applicant shall indicate the type and amount of replacement timber to the County prior to its use.

- MM 4.5.7** Prior to the commencement of project activities which require the work of personnel below ground, the project applicant shall coordinate with other local mining operations and local fire protection districts to establish and maintain a cooperative mine rescue station, per the requirements of Title 8, Article 30 of the California Code of Regulations.
- MM 4.5.8** Prior to the commencement project activities which require the work of personnel below ground, the operator shall contact the Mining and Tunneling Unit of the Division of Occupational Safety and Health or other certified entity to schedule and receive specialized safety and rescue training pursuant to the provisions of Title 8. The operator shall include and invite appropriate OHFPD and NCCFPD personnel in any scheduled training sessions. The Districts and the operator shall decide cooperatively upon the appropriate fire protection district personnel to be trained.
- MM 4.6.1** Concurrent with final site plans for the project, the underground powder magazine shall be located in accordance with the American Table of Distance for Storage of Explosives. All use and transport of explosives will conform to applicable federal, State and local regulations, requirements, and specifications.
- MM 4.6.2** Concurrent with project operations, all activities relative to site preparation, dewatering, shaft rehabilitation and mineral exploration shall be conducted in conformance with MSHA and CALOSHA regulations.
- MM 4.9.3** Concurrent with dewatering operations, the operator shall retain a consultant acceptable to the County to conduct a noise level measurement survey with the project in normal operation to ensure compliance with Nevada County noise standards. If it is determined that project noise emissions are excessive, noise control devices shall be incorporated into the project design to reduce noise impacts to a less-than-significant level.

VIII. POST PROJECT

- MM 4.6.5** At the completion of dewatering and exploration, the removal of waste sludge will be accomplished under proper permitting through the Department of Toxic Substances Control (DTSC), the Nevada County Department of Environmental Health (NCDEH) or other responsible agency. Prior to removal, the material will be analyzed (to the satisfaction of the RWQCB and NCDEH) to determine if it exhibits characteristics of hazardous waste. Based upon the analytical results and prior to off-site removal, the operator will explore the possibility of on-site (stope) disposal.
- MM 4.6.6** Prior to pond sediment removal, the operator shall apply for and appropriate any necessary hazardous material, hazardous waste, or other permits or plans as required through the authority of the NCDEH.
- PD 19** Upon completion of the project, the New Brunswick Shaft shall be safely secured to prevent further mine entry. If prior to project completion, a new application is sought to reopen the mine, this condition may be sustained until a determination is made on that application.

The applicant/operator is also responsible for compliance with applicable State Laws and County Ordinances including Article 32 of the Land Use and Development Code. In order to maintain a valid permit, Article 32 requires that you commence your project no later than January 25, 1998, and complete the dewatering and exploration and all post project activities (Section VIII of this Permit) no later than January 25, 2000. If you will not have commenced on-site construction activities (Section III of this Permit) prior to that starting date, you may apply for an extension of time prior to January 25, 1998. If you do not commence your project pursuant to Section L-II 32.1.A of the Nevada County Land Use Code by the above-referenced dates or do not request in writing an extension of time for those dates, the permit shall become null and void.

Pursuant to the requirements of the Land Use and Development Code, you are hereby notified that this permit is not valid until the expiration of ten (10) days from the date of the Planning Commission action. If the granting of the permit is appealed or submitted to the Board of Supervisors for final action, the effective date is stayed until final action by said Board. Any appeal must be submitted on the proper form which is available from the Clerk to the Board of Supervisors, Eric Rood Administrative Center, Nevada City, California 95959 (Deadline for appeal: February 5, 1996, at 5:00 p.m.).

You are advised not to commence any work on this permit until the ten-day period expires and to check with the Planning Department to determine if any appeal has been submitted.

Should you have any questions, please contact the project planner, Tod Herman, at (916) 265-1257.

NEVADA COUNTY PLANNING COMMISSION
Thomas Miller, Acting Ex-Officio Secretary

By: 
DEBORAH A. KEYSER
Clerk to the Planning Commission

TM:dk

cc: Building Department
Department of Transportation
Environmental Health Department
Northern Sierra Air Quality Management District
Regional Water Quality Control Board (Central Valley)
Scott Galati, Esq.
BARC

NEVADA COUNTY PLANNING COMMISSION
STAFF REPORT

APPLICANT: Emperor Gold (U.S.) Corporation
SUPERVISORIAL DISTRICT: III

HEARING DATE: January 25, 1996
FILE #: U94-017

PROJECT: U94-017. Use permit application of *Emperor Gold (U.S.) Corporation* for the dewatering of the existing underground workings of the Idaho Maryland Gold Mine, and the subsequent underground exploration and sampling of those workings. Specifically, the dewatering activities will necessitate the clearing of the entire underground mine workings to a depth 3,280 feet below the shaft collar. Approximately 6 cfs (12 acre-feet/day) of water will be pumped into the existing 40 acre-foot pond on site. The estimated volume of water within the workings is 2,500 acre-feet, which will take approximately 7 months to dewater. Once the mine is dewatered, the pumping will be maintained (at an estimated average of 1.1 cfs to 2.7 cfs) in order to allow the exploration activities to continue. The retention pond water will be aerated to allow excess iron, manganese, and arsenic to precipitate. From that point, the water will either be discharged in the South Fork of Wolf Creek, or a portion may be diverted for domestic uses. The exploration activities will be conducted within the existing underground workings (the sampling will occur off-site). Diamond drilling and blasting will be conducted at or below 2,000 feet beneath the surface, and channel samples will be collected from selected areas. Bulk samples of gold-quartz mineralized rock will be shipped off-site in containers for further testing. Bulk sample size could range from 0.25 to 10 tons, with the maximum estimated tonnage of bulk samples at 70 tons. All waste rock from the exploration activities will be stored underground in the abandoned stopes. Most of the on-site exploration activities will be completed over a 20 month period. However, the New Brunswick shaft could be kept open for up to 5 years in order to continue economic evaluation. If the exploration and sampling results are encouraging to the operator, an additional permit may be sought to formally re-open the mine for production. No mining is proposed with this application.

LOCATION: The Idaho Maryland Mine project location is described in two formats: 1) where the surface activities (office, underground mine access, and the dewatering process) will be located; and 2) the extent of the underground mineral rights. Emperor Gold controls the surface rights to 117 acres of contiguous property located southwest of the intersection of Brunswick Road and East Bennett Road. This includes the 80 acre Bohemia Mill site. The Idaho Maryland subsurface mineral rights includes 2,750 contiguous acres which irregularly extends into portions of Sections 23, 24, 25, 26, and 36 of Township 16 North, Range 8 East, and Sections 19, 29, 30, and 31 of Township 16 North, Range 9 East.

FACTUAL DATA:

General Plan: Industrial
Zoning: "M1"
ZDM: #53
Lot Size: 117 ac.
APN: 06-441-03, -04, -05, -29;
09-630-24, -27, -30, -31
Sup. Dist.: III
Prev. File #: SP77-20; MSP86-16; MSP87-5; Z93-04, EIS93-042, MI91-016; MSP90-02

SERVICES:

Water: N.I.D.
Sewage: Septic
Fire: Ophir Hill Fire District
Schools: Grass Valley/NUHS
Recreation: Grass Valley

RECOMMENDED ACTIONS:

Use Permit: Approve subject to staff's recommended Mitigation Measures and Conditions of Approval.

ATTACHMENTS:

1. Project Findings of Fact
2. Use Permit Mitigation Measures and Conditions of Approval
3. Mitigation Monitoring Program

BACKGROUND

The last association the Planning Commission had with this project was the certification of the Final EIR in October. That action was appealed to the Board of Supervisors who considered the appeal last December. After the close of the public hearing, the Board determined the Final EIR was adequate - with the addition of a proposed Water Supply Plan the applicant has prepared - and upheld your Commission's determination.

Outside of the public hearing process, there have been a number of meetings involving Planning Department staff, County Counsel, members of the Bohemia Area Residents Committee (BARC), and the applicant. The purpose of these meetings has been to negotiate the conditions of approval (and the mitigation measures) through agreement with various parties. In a few cases our recommendation does not represent a consensus since there wasn't agreement on some issues. Staff will highlight those in our presentation.

PROJECT PROPOSAL

The Planning Commission will be familiar with the proposed project through its review of the specific project description section within the environmental impact report (Section 2.0 of the Draft EIR, and as revised in Section 5 - 2.0 of the Final EIR).

Essentially, the project will remove the water from the underground workings of the Idaho Maryland Mine. During this process of dewatering, the main shaft (New Brunswick Shaft) will be rehabilitated as necessary. The applicants propose to perform some exploration drilling and sampling to determine the extent of the resources. The sampling activities will occur off site at some other location. When the mine is empty, the condition of the workings will also be evaluated. The results of these activities will determine whether it will be feasible to reopen the mine at some future date, under a new use permit.

STAFF COMMENT / USE PERMIT

The last step in this process is to consider the use permit for the project. Throughout the various hearings on the EIR, a few issues have been deferred to this point. Also, ingrained within the use permit is the Remedial Water Supply Plan, something identified in the EIR as critical to an approval of this project. This is the program for insuring that no home will be left without water as a result of this project. And, coupled with the water supply plan is the need for a financial assurance to guarantee the plan will be carried out if ever needed. Last, but not least, the permit process also involves the adoption of a Mitigation Monitoring Program. Each of these items will be discussed below.

The Planning Commission should take note that the conditions of approval for this use permit are divided into eight separate categories - each representing an identifiable step in the project. These categories (or steps) are as follows: General (applicable throughout the project), Subsequent Permit(s) Acquisition, On-Site Preparation, Off-Site Preparation, Pre-Dewatering Water Supply, On-Going Water Supply, Exploration Phase (on-going project), and Post Project. To make the conditions fit neatly into these categories, the numbering format has been modified somewhat. This will make clear which conditions (and mitigation measures) are applicable to each step in the project.

Pre-project Infrastructure

Much of the focus on this project has been aimed at the potential impacts associated with the dewatering. That "potential" has resulted in a series of debates as to whether the risk warrants the installation of some of the infrastructure before the dewatering activities begin. On one side of the debate, having the main infrastructure in place (only for the high and moderate risk wells) before the dewatering would reduce the overall time to bring permanent water to those impacted residences. On the other side, everyone will be covered by the financial assurance (adequate to cover all the costs to hook homes up to permanent water) anyway and if the impact never occurs, the money spent on the infrastructure would be unnecessarily spent.

This critical debate has not yet been decided by the County, although it has been raised many times throughout the EIR process (including the appeal). The County's position has been that this will be an issue for the use permit to decide. In anticipation of this opportunity, staff has attempted to negotiate a resolution to this issue.

The applicant had shown a willingness to consider the partial installation of the infrastructure (defined as the main trunk line down E. Bennett Road serving those parcels in the high and

moderate risk groups) on the condition that a substantial "portion" of the financial assurance be released after the risk has been "substantially diminished" (defined as approximately six to twelve months after the entire workings have been dewatered). Although there are merits to this argument, staff has chosen to err on the conservative side and - at this time - recommend not to relinquish the financial assurances based, solely on the theory that all of the impacts will be known soon after the mine working have been emptied.

Because of this conservative approach, staff also cannot support the requirement for the pre-dewatering infrastructure installation. Staff believes that having an appropriate financial assurance in place (covering those costs associated with the entire study area infrastructure installation) will ensure that if any problems do occur, a solution will be available. Granted, it may not be as quick - but it would happen. This also avoids having to second-guess the definition of the terms such like "portion" and "substantially diminished."

Remedial Water Supply Plan

Assuming the use permit is approved as recommended, the Remedial Water Supply Plan will be as follows:

Prior to the commencement of mine dewatering, the complete design of the water system infrastructure, easements, and individual hook-ups needed for all homes within the established study area will be completed by the operator. Those plans will then be checked and accepted by the County and NID. Additionally, the operator will secure a list of contractors who will be ready and able to carry out the installation project.

A complete monitoring program will [again] be established [or added to]. All parcels within the study area will be notified of the approved project and given additional opportunities to sign up for the program.

The County will hire a qualified independent Consultant to review/coordinate the monitoring program and evaluate the results of the monitoring. Additionally, a variety of other assignments related to water issues will be assigned to this person.

The community will establish a contact person (or liaison) who will serve both the surrounding community and the mine operator. This liaison will help to transfer information between the operation and the community.

A financial assurance will be provided to the County to cover those cost associated with the installation of the permanent water system.

The operator will secure temporary systems and keep them on site and available for an instant response to any ground water loss. Additionally, the particulars associated with the location of these systems will be established.

All of these items will be in place before any dewatering begins. When the dewatering begins, the ground water monitoring will be closely watched by the County's consultant. Then, should a well ever become impacted, the temporary system(s) can be installed and the plans for bringing in permanent water will be in place ready to give to a construction company. Additional incentives (read: fines) have also been incorporated into the recommended conditions to ensure that the operator quickly responds.

Limits to the Plan

In addition to how this Plan works, a question has been raised as to who is actually covered by this Plan. The question has come from a few people who live beyond the defined study area. In response to this question, staff's interpretation of General Plan Policy 17.12 is that the Remedial Water Supply Plan should cover only those who in the "expert's opinion" may be impacted. In this case, the County has hired a qualified consultant (Willdan/PMC and Sierra Pacific Groundwater Consultants) to evaluate the ground water issue.

The first step of the EIR's ground water study actually addresses this question by defining the study area. The area was defined (in Section 4.3) using both the surface and subsurface features. These include the boundaries of the local drainage basin (surface features) and the location of those fault structures containing dense, impermeable barriers (subsurface features). Using that study, the County can make a qualified decision based on factual evidence. Your Commission may recall that within this study area, all the known wells (101) were placed into one of four risk groups ranging from High to Very Low. And even though "Very Low" has been determined to be highly unlikely to be impacted, those wells are still covered under this proposal. Staff would not recommend going beyond those established boundaries at this time.

Financial Guarantee of Permanent Water Supply

As stated above, staff is recommending that a financial assurance be in place to cover 100% of the costs for providing permanent water to all parcels within the study area. Mitigation Measure 4.3.6 has been modified from the version in the Final EIR to provide the structure for this financial assurance.

Staff has, however, recommended (through Condition PD 13) two opportunities for this financial assurance to be reduced. The first would be if the operator ever has to provide permanent water to any area, and only after the water has been provided, those costs associated with that water project may be returned to the operator from the original financial assurance amount. Obviously, the theory being that if the area now has water, there is no longer a need for the County to hold those costs. The second opportunity is not an absolute either. Staff is recommending reevaluation of the financial assurance amount 24 months after the entire workings have been dewatered. Going back to the EIR's ground water hydrology study, the impacts (if any) should (in theory) be realized sometime after the workings have been dewatered below the fractured rock zone (approximately 330 feet). Again, as a safety measure, two years is being recommended as a conservative time to allow for those impacts to occur. If at that time those

impacts have not yet been realized, then it may be a safe bet to assume the impacts might not ever occur. Assuming that can later be proved, staff is recommending a public hearing be held in order to discuss a partial release of the financial assurance.

Mitigation Monitoring Program

Associated with the use permit is the Mitigation Monitoring Program, established through the EIR. The purpose of this monitoring program is to identify the timing and responsibility of each mitigation measure. Attachment #2 is a draft Mitigation Monitoring Program prepared by Willdan Associates/PMC. You will note that the measures listed in the monitoring program resemble those found in the Final EIR. The many cases, the text of the mitigation measures have been clarified - resulting in changes to the wording from those found in the Final EIR. But, in those cases, the measures remain consistent with the purpose of the original mitigation, and with who and when will be responsible for the measure. Thus, the basic program still works and can be used as a matrix for the purposes of the monitoring program.

Other Issues

There is general agreement on the mitigation needed to deal with issues other than water, including light and noise. Again, staff will highlight those in our presentation.

ACTIONS FOR CONSIDERATION

Staff recommends the Planning Commission take the following actions:

- I. Prior to taking action on the project, review and consider the previously certified Final EIR and determine that the project is consistent with the project description.
- II. Pursuant to Section 15092 of the CEQA Guidelines, review and consider making the **Environmental Findings** for this project found in Attachment #1 of this staff report.
- III. Approve the Use Permit (U94-017) subject to the Mitigation Measures and Conditions of Approval found in Attachment #2 of this staff report.
- IV. Also based upon the certification of the Final EIR, and the approval of the Use Permit, adopt the Mitigation Monitoring Program found in Attachment #3 for this project complete with any changes to the Mitigation Measures resulting from the public hearing.
- V. Pursuant to Section L-II 31.5 of the Land Use and Development Code, upon approval of U94-017, make the **Use Permit Findings** found in Attachment #1 of this staff report.

EXHIBIT 292

EMGOLD MINING CORPORATION

Suite 1400 – 570 Granville Street

Vancouver, B.C. V6C 3P1

www.emgold.com / www.langminng.com

June 5, 2002

Ticker Symbol: **EMR**-TSX Venture

SEC 12g3-2(b): 82-3003

Emgold Renegotiates Option Agreement To Acquire The Idaho-Maryland Mine

Emgold Mining Corporation (EMR-TSXVX) and its US subsidiary, Emperor Gold (US) Corp. (collectively referred to as “the Company” or “Emgold”) are pleased to report that they have entered into a revised mining lease and option to purchase agreement (“the Agreement”) with Mary Bouma, Erica Erickson and William Toms (collectively referred to as the “BET Group”) to acquire the Idaho-Maryland Mining Property (“The Property”) located in Grass Valley, California. The Agreement includes a mining lease and option to purchase the Property, consisting of approximately 2,750 acres of minerals and mineral rights (with no surface rights), approximately 37 acres of land (referred to as the “Brunswick Property”) with mineral rights located around the New Brunswick Shaft and an additional parcel of 56 acres (referred to as the “BET Property”) of land located west of the Brunswick Property. The term of the lease agreement is five years commencing on June 1, 2002.

The Agreement includes a settlement of past delinquencies owing to the BET Group involving rent, royalty, option payments and property taxes of US\$139,000 payable in three installments as follows: US\$16,000 on May 31, 2002; US\$28,000 on August 1, 2002; and US\$95,000 on December 1, 2002. During the term of the lease agreement and prior to Emgold’s exercise of the option to purchase the Property, any production from the property will be subject to a 3 % Net Smelter Royalty (“NSR”).

Emgold has the option to purchase the Property for US\$4,350,000 during the 5-year term of the lease. Under the terms of the Agreement, Emgold has agreed to pay to the BET Group the following non-refundable amounts: US\$9,000 on each of the following dates, May 31, 2002, August 1, 2002 and December 1, 2002; US\$19,500 quarterly on the first business day of each of the following months, February, May, August and November 2003; and US\$25,500 quarterly on the first business day of each of the same months for the balance of the lease agreement through 2007. The cost of the option to purchase increases by 3% each year to the time of purchase. Emgold has the right to purchase the Property outright at any time by pre-paying the principal and in any amount without premium or penalty to the BET Group. Emgold is also responsible for paying all appropriate taxes on the Property. The Agreement is subject to regulatory approval.

Emgold is planning the next stages of exploration and development of the Idaho-Maryland, which may allow the mine to go into production using a smaller and more cost effective exploration and development program. The Company is currently reviewing the

steps required for modification to the existing exploration permit (Nevada County - USE Permit U94-017) to allow for the installation of an exploration ramp from the surface to the 600-foot level. As a part of the review and developmental planning for the exploration program, Engold will be working closely with the Nevada County Planning Department and will also engage the services of a well-recognized third party mining consulting company to prepare a scoping study. The study will include a review of all technical and historical data, as well as a review of the necessary steps to modify the existing exploration permit and proceed with the installation of an exploration ramp to test specific drill targets located near the upper levels of the historic mine workings. The exploration ramp would be strategically located adjacent to known targets near the historic Idaho Number 1 vein, which produced 1 million ounces of gold from 1 million tons of ore. Diamond drilling would be completed on targets at the 300, 400, 500 and 600-foot levels, culminating in the removal of a 10,000-ton bulk sample to test the ID1-3 vein. The scoping study will specifically address the definition of the various exploration targets and the steps required to complete a feasibility study and put the mine back into production.

The three compartment, 3460 foot deep, New Brunswick vertical shaft provided access to the Idaho-Maryland's 15 working levels. Over 71 miles of underground workings provide access to much of the property. The Idaho-Maryland mine was partially developed and mined from 160 veins with an additional 55 partially defined veins, which were not mined but delineated by drilling prior to closure in 1956. The historical database includes the results of over 42 miles (230,000 feet) of exploration and development drilling. The Idaho-Maryland vein system lies within a wedge-shaped block, which is confined by three bounding faults. The historic system has been documented as being about 9,000 feet long up to 3,000 feet wide, and has been partially mined from surface to a vertical depth of 3,280 feet, which is the lowest level in the mine.

The Idaho-Maryland Mine was discovered in 1851 and produced from 1862 through 1956. Total recorded production was 2,383,000 ounces of gold from 5,546,000 short tons or a recovered grade of 0.43 ounces of gold per short ton. At the time of closure in 1956, there were 25 different working faces on 6 different levels.

William J. Witte, P. Eng.
Executive Vice President

For further information please contact:

Investor Relations

Tel: (604) 687-4622 Fax: (604) 687-4212

Toll Free: 1-888-267-1400 Email: Investor@langmining.com

No regulatory authority has approved or disapproved the information contained in this news release

EXHIBIT 293



Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-5393

INSTRUCTIONS

This report must be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of their year end. "Exchange Issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the *first, second and third financial quarters*:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet, income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook section 1751, are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year;
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year.

For the *financial year end*:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year of less than or greater than 12 months should refer to National Policy No. 51 *Changes in the Ending Date of a Financial Year and in Reporting Status* for guidance.

Issuers in the development stage are directed to the guidance provided in CICA Accounting Guideline AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage."

Issuers that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement or disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. *Analysis of expenses and deferred costs*
Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading

"miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification.

Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods.

Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-11, staff considers an issuer to be in the development stage when it is devoting substantially all of its efforts to establishing a new business and planned principal operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. *Related party transactions*
Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.
3. *Summary of securities issued and options granted during the period*
Provide the following information for the year-to-date period:
 - (a) summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid, and
 - (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. "employees",) exercise price and expiry date.
4. *Summary of securities as at the end of the reporting period*
Provide the following information as at the end of the reporting period:
 - (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
 - (b) number and recorded value for shares issued and outstanding,
 - (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
 - (d) number of shares in each class of shares subject to escrow or pooling agreements.
5. *List the names of the directors and officers as at the date this report is signed and filed.*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. *General Instructions*
 - (a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.
 - (b) Focus the discussion on material information, including liquidity, capital resources, known trends,

- commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects," the disclosure must comply with NI 43-101.
2. **Description of Business**
Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactivate and the business the issuer intends to pursue.
3. **Discussion of Operations and Financial Condition**
Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.
- The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.
- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previously released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third party investor relations arrangements or contracts including:
- i. the name of the person;
 - ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;
- (i) legal proceedings;
 - (j) contingent liabilities;
 - (k) default under debt or other contractual obligations;
 - (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture Exchange including the nature of the breach, potential ramifications and what is being done to remedy it;
 - (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
 - (n) management changes; or
 - (o) special resolutions passed by shareholders.
4. **Subsequent Events**
Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.
5. **Financings, Principal Purposes and Milestones**
- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
 - (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.
6. **Liquidity and Solvency**
Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR)
BC Form 51-901F Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (management Discussion) are filed under Document Type: BC Form 51-901F (previously Document Type Form 61(BC)).

Meeting the Form Requirements
BC Form 510-901 consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National instrument 132-101 it is not necessary to reproduce the instructions that are set out in BC Form 51-901F. A cover page to the schedules titled BC Form 51-901F that includes the issuer details and certificate is all that is required to meet the BC Form 51-901F requirements. The form of the certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS		DATE OF REPORT	
NAME OF ISSUER		FOR QUARTER ENDED	YY MM DD
Emgold Mining Corporation.		December 31, 2002	2003 May 20
ISSUER ADDRESS			
Suite 1400 – 570 Granville Street			
CITY	PROVINCE	POSTAL CODE	ISSUER TELEPHONE NO.
Vancouver	BC	V6C 3P1	604-687-4622
CONTACT NAME		CONTACT POSITION	CONTACT TELEPHONE NO.
Shannon Ross		Secretary	604-687-4622
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS	
sross@langmining.com		www.emgoldmining.com	

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
		YY MM DD
"SARGENT H. BERNER"	Sargent H. Berner	2003 MAY 16
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
		YY MM DD
"WILLIAM J. WITTE"	William J. Witte	2003 MAY 16

EMGOLD MINING CORPORATION
(an exploration stage company)
CONSOLIDATED FINANCIAL STATEMENTS
Years Ended December 31, 2002 and 2001

Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The financial statements contain estimates based on management's judgement. Management maintains an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets safeguarded, and proper records maintained.

The Audit Committee of the Board of Directors has met with the company's independent auditors to review the scope and results of the annual audit and to review the consolidated financial statements and related financial reporting matters prior to submitting the consolidated financial statements to the Board for approval.

The Company's independent auditors, PricewaterhouseCoopers LLP, are appointed by the shareholders to conduct an audit in accordance with generally accepted auditing standards in Canada and their report follows.

A handwritten signature in black ink, appearing to read 'W. J. Witte', with a stylized flourish at the end.

William J. (Bill) Witte
President & Director

April 25, 2003

Auditors' Report

To the Shareholders of Emgold Mining Corporation

We have audited the consolidated balance sheets of **Emgold Mining Corporation** as at December 31, 2002 and 2001 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act (British Columbia), we report that, in our opinion, these principles have been applied, after giving retroactive effect to the change in the method of accounting for exploration expenditures as explained in note 2, on a consistent basis.

PricewaterhouseCoopers LLP

Chartered Accountants

Vancouver, British Columbia
April 25, 2003

EMGOLD MINING CORPORATION

(an exploration stage company)
Consolidated Balance Sheets
As at December 31, 2002 and 2001

	2002	2001 (restated)
Assets		
Current assets		
Cash and cash equivalents	\$ 116,584	\$ 7,128
Due from related parties (Note 10(c))	75,557	--
Prepaid expenses and deposits	33,348	--
Accounts receivable	6,583	959
	232,072	8,087
Reclamation bond	3,000	3,000
Equipment (Note 4)	6,229	--
Mineral property interests (Note 4)	87,533	36,952
	\$ 328,834	\$ 48,039
Liabilities and Shareholders' Equity (Deficiency)		
Current liabilities		
Accounts payable and accrued liabilities	\$ 99,376	\$ 56,495
Due to related parties (Note 10)	26,932	871,666
Promissory notes payable (Note 5)	--	459,894
	126,308	1,388,055
Notes payable (Note 6)	791,447	--
	917,755	1,388,055
Shareholders' equity (deficiency)		
Share capital (Note 7)	18,292,876	17,151,797
Deficit	(18,881,797)	(18,491,813)
	(588,921)	(1,340,016)
	\$ 328,834	\$ 48,039

Nature of operations (Note 1)
Subsequent events (Notes 4(ii), 6 and 14)
Commitments (Notes 4(ii) and 12)

See accompanying notes to consolidated financial statements.

Approved by the Directors



Frank A. Lang
Director



William J. Witte
Director

EMGOLD MINING CORPORATION

(an exploration stage company)

Consolidated Statements of Operations and Deficit
Years ended December 31, 2002 and 2001

	2002	2001 (restated)
Expenses		
Amortization	\$ 505	\$ 2,123
Exploration expenses (see schedule)	400,698	55,629
Foreign exchange loss (gain)	3,748	3,468
Finance expense (Notes 6 and 10)	15,584	33,108
Legal, accounting and audit	51,590	31,235
Management fees (Note 10)	--	30,000
Office and administration	115,622	60,404
Shareholder communications	44,750	25,990
Travel	3,304	16
	(635,801)	(241,973)
Other expenses and income		
Loss on disposal of equipment	--	(74,555)
Reversal of Idaho-Maryland property accruals (Note 5)	245,417	293,639
Refund of Idaho-Maryland deposit previously written off	--	48,619
Write-down of mineral property interests (Note 4)	(1)	(67,717)
Interest income	401	990
Loss for the year	(389,984)	(40,997)
Deficit, beginning of year	(18,491,813)	(18,450,816)
Deficit, end of year	\$(18,881,797)	\$(18,491,813)
Loss per share – basic and diluted	\$ (0.02)	\$ (0.00)
Weighted average number of common shares outstanding	20,597,538	18,546,990
Total common shares outstanding at end of year	25,119,319	18,589,319

See accompanying notes to consolidated financial statements.

EMGOLD MINING CORPORATION

(an exploration stage company)

Consolidated Statements of Cash Flows

Years ended December 31, 2002 and 2001

	2002	2001 (restated)
Cash provided by (used for):		
Operations:		
Loss for the year	\$ (389,984)	\$ (40,997)
Items not involving cash		
Amortization	505	2,123
Loss on disposal of equipment	--	74,555
Write-down of mineral property interests	1	67,717
Reversal of Idaho-Maryland property accruals	(245,417)	--
	(634,895)	103,398
Changes in non-cash operating working capital		
Accounts receivable	(5,624)	4,594
Due to/from related parties	96,156	225,106
Prepaid expenses and deposits	(33,348)	--
Accounts payable and accrued liabilities	42,881	(318,704)
	(534,830)	14,394
Investing activities:		
Mineral property acquisition costs	(31,581)	(21,350)
Equipment additions	(6,734)	--
	(38,315)	(21,350)
Financing activities:		
Promissory notes payable	(214,478)	--
Common shares issued for cash	897,079	--
	682,601	--
Increase in cash during the year	109,456	(6,956)
Cash, beginning of year	7,128	14,084
Cash, end of year	\$ 116,584	\$ 7,128
Supplementary information:		
Financing and investing activities		
Shares issued for Rozan property payment	5,000	2,000
Shares issued for Stewart property payment	14,000	3,000
Shares issued for debt settlements	225,000	--

See accompanying notes to consolidated financial statements.

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

1. Nature of operations and going concern:

These financial statements are prepared on a going-concern basis, which implies that the Company will continue realizing its assets and discharging its liabilities in the normal course of business.

The Company is in the process of exploring its mineral property interests and has not yet determined whether its mineral property interests contain mineral reserves that are economically recoverable. The Company's continuing operations and the underlying value and recoverability of the amounts shown for mineral property interests are entirely dependent upon the existence of economically recoverable mineral reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of the mineral property interests, and on future profitable production or proceeds from the disposition of the mineral property interests.

As at December 31, 2002, the Company had working capital of \$105,764 (2001 – working capital deficiency of \$1,379,968), and a deficit of \$18,881,797 (2001 – \$18,491,813). On January 14, 2003, the Company completed a private placement for gross proceeds of \$1,112,500. See Note 14.

The Company's ability to continue in operation is dependent on its ability to secure additional financing. While it has been successful in securing additional financing in the past, there can be no assurance that it will be able to do so in the future. Accordingly, these financial statements do not reflect adjustments to the carrying value of assets and liabilities and balance sheet classifications used that would be necessary if going concern assumptions were not appropriate. Some adjustments could be material.

2. Change in accounting policies:

The Company previously issued statutory financial statements to its shareholders on the financial position as at December 31, 2001 and 2000, and the results of operations and cash flows for each of the years in the two-year period ended December 31, 2001. These financial statements have been distributed to shareholders and filed with the regulatory authorities.

Through to December 31, 2001, the Company capitalized its exploration costs on its mineral property interests. In fiscal 2002, the Company has determined that the following changes to the Company's financial reporting is appropriate:

- (i) Change in accounting for exploration and development expenditures as disclosed in Note 3(g).
- (ii) Change in its accounting policy for stock compensation as disclosed in Note 3(k).

Under generally accepted accounting principles in Canada changes in accounting policies are given effect to on a retroactive basis, other than stock-based compensation. Therefore, these financial statements have been changed to reflect the change in accounting for exploration and development expenditures.

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

3. Significant accounting policies:

(a) Basis of consolidation

These consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles. They include the accounts of the Company and its wholly owned subsidiaries. All material intercompany balances and transactions have been eliminated.

(b) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Significant areas where management's judgement is required include the determination of impairment of mineral property interests and capital assets, reclamation obligations, rates for depreciation, and classification of accounts receivable between current and non-current assets. In assessing the underlying values of mineral property interests, management considers both internally prepared life-of-mine studies and the estimated cash flows under actual or proposed arrangements with other parties for development and operation of the interest. These arrangements may, and likely, will, change in the future in response to changing business conditions, and these changes may impact the Company's estimates of cash flows. Actual results could differ from those estimated.

(c) Cash and cash equivalents

Cash and cash equivalents include cash, and those short-term money market instruments that are readily convertible to cash with an original term of less than 90 days.

(d) Temporary investments

Temporary investments are carried at the lesser of cost and net realizable value and have maturity dates between 90 days and 1 year. Premiums and discounts at the time of acquisition of those investments are amortized to income over the term to maturity of the investment.

(e) Equipment

Equipment is recorded at cost and is depreciated using a straight-line basis at the rate of 20% per annum for office and exploration equipment and 30% per annum for computer equipment.

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

3. Significant accounting policies (continued):

(f) Mineral property interests

Mineral property acquisition costs are capitalized and deferred until the property to which they relate is placed into production, sold, allowed to lapse or abandoned. These costs will be amortized over the estimated life of the property following commencement of commercial production or written off if the property is sold, allowed to lapse or abandoned.

Mineral property acquisition costs include cash expenses at cost and the fair market value of common shares, based on the trading price of the shares, issued for mineral property interests pursuant to the terms of the related property agreement. Payments relating to a property acquired under an option or joint venture agreement, where payments are made at the sole discretion of the Company, are recorded as mineral property costs upon payment.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance regulatory requirements.

The amount shown for mineral property interests represents acquisition costs incurred to date and the fair market value of common shares issued to acquire mineral property interests and does not necessarily reflect present or future value.

Administrative and exploration expenditures are expensed in the year incurred. Property investigation costs, where a property interest is not acquired, are expensed as incurred.

(g) Exploration and development expenditures

In 2002 the Company changed its accounting policy with respect to exploration and development expenditures. Acquisition costs are capitalized, as in prior years. Exploration and development expenditures are expensed until a pre-feasibility or feasibility study has been completed that indicates the property is economically feasible. Capitalized costs are written down to their estimated recoverable amount if the mineral properties are determined to be uneconomic or are placed for sale. Previously, the Company's policy was to capitalize acquisition, exploration and development costs for non-producing properties until the property is in commercial production or is abandoned. Accumulated costs relating to abandoned properties would have been expensed in the year they are abandoned. This change in accounting policy has been applied retroactively and had the effect of increasing (decreasing) the following:

	Years ended December 31,	
	2002	2001
Loss for the year	\$ --	\$ 22,990
Opening deficit	110,507	87,517
Closing deficit	--	110,507
Mineral property interests	\$(110,507)	\$(110,507)

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

3. Significant accounting policies (continued):

(h) Translation of foreign currencies

The Company's operations in the United States are considered to be integrated for the purposes of foreign currency translation. Monetary assets and liabilities are translated at the rate of exchange prevailing at the balance sheet date, non-monetary assets and related depreciation at applicable historical rates and revenue and expense items at the average rate of exchange prevailing on transaction dates. Foreign currency translation gains or losses are included in the consolidated statements of operations and deficit.

(i) Income taxes

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

(j) Loss per common share

Loss per common share is computed using the weighted average number of common shares outstanding during the year. All outstanding options and warrants are anti-dilutive and therefore have no effect on determination of loss per share.

(k) Share option plan

The Company has adopted the new Canadian standard for accounting for stock-based compensation. As permitted by the standard, the Company has elected not to follow the fair value method of accounting for stock options granted. Under this method, no compensation expense is recognized when the options are granted pursuant to the plan.

In accordance with the standard, the fair value of any options granted after January 1, 2002 are disclosed within the notes to the accounts. There were no such options granted in 2002 therefore no such disclosure has been made. Any consideration paid by directors and employees on exercise of stock options or purchase of shares is credited to share capital.

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

4. Property, plant and equipment:

(i) Equipment:

	2002			2001		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Equipment	\$ 6,734	\$ 505	\$ 6,229	\$ --	\$ --	\$ --

(ii) Mineral property interests:

The cumulative acquisition costs of the Company's interest in mineral property interests owned, leased or under option, consist of the following:

Mineral property acquisition costs	2002	2001 (restated)
Idaho-Maryland Property, California	\$ 1	\$ 1
Holly Property, Nevada	--	1
Rozan Property, British Columbia	38,990	23,990
Porph Claim, British Columbia	4,812	3,324
Stewart Property, British Columbia	43,730	9,636
	\$ 87,533	\$ 36,952

Idaho-Maryland Property, California

Until fiscal 2000, the Company had three distinct interests in the Idaho-Maryland Property and surrounding areas in Grass Valley Mining District, California. During fiscal 2000 the option to purchase and the lease of this property lapsed. In fiscal 2002, the Company was able to renegotiate with the owners of the property to extend and revise the terms of the mining lease and option. All acquisition and exploration costs relating to the Idaho-Maryland property were written off in fiscal 1999 and expenditure since then has been written off in subsequent years.

As a compromise of its monetary delinquencies involving rent, royalty and other payments in the years up to fiscal 2000, which original payments were modified as promissory notes, the Company agreed to pay to the owners the sum of US\$139,000, which was paid prior to December 31, 2002. The term of the amended lease is for a period of five years, commencing on June 1, 2002, and ending on May 31, 2007. The owners have granted to the Company the exclusive right and option to purchase all of the leased property. As consideration for the said option, the Company shall pay to the owners the following non-refundable amounts: US\$9,000 on each of the following dates: May 31, 2002, August 1, 2002, and December 1, 2002, all of which were paid. Payments of US\$19,500 are due quarterly on the first day of February, May, August and November in 2003, and payments of US\$25,500 quarterly on the first business day of each of the same months during the years from 2004 to 2007. In the event that all payments have been made, the purchase price for 2002 was to be US\$4,350,000. For succeeding lease years in which the option may be exercised, that price shall be increased by 3% each year. All royalty payments shall be applied as a credit on the purchase price, but option payments shall not be so applied.

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

4. Property, plant and equipment (continued):

(ii) Mineral property interests (continued):

Holly Gold Property, Nevada

The Company wrote the property down by \$34,386 in fiscal 2001 to a nominal carrying value of \$1 and has written the remaining nominal carrying value of \$1 off in fiscal 2002.

Rozan Gold Property, British Columbia

In 2000 the Company entered into an option agreement to acquire the rights to the Rozan Gold Property, a prospect located south of the community of Nelson in the Red Mountain area of southeastern British Columbia. The Company can earn a 100% interest in the property by making stepped payments totalling \$100,000 (\$20,000 paid) and issuing 200,000 (150,000 issued) common shares by April 1, 2006. The property is subject to a 3% net smelter returns royalty. The Company has the right to purchase 66 2/3% of the royalty for the sum of \$1,000,000 and has the first right of refusal to purchase the remaining 33 1/3%. Subsequent to December 31, 2002, 50,000 common shares were issued and \$10,000 paid for the property payment due on April 1, 2003.

Porph Claims, British Columbia

The Company has staked six claims contiguous to the Stewart Property located near Nelson in southeastern British Columbia.

Stewart Property, British Columbia

In 2001 the Company entered into an option agreement to acquire the rights to the Stewart mineral claims, a prospect located close to Nelson in southeastern British Columbia. The Company can earn a 100% interest in the property by making payments totalling \$150,000 (\$20,000 paid) and issuing 200,000 common shares (100,000 issued) by 2007. The Company has also agreed to incur exploration expenditures of \$49,200 over two years (\$28,732 incurred to December 31, 2002). The property is subject to a 3% net smelter returns royalty. The Company has the right to purchase 66 2/3% of the royalty for the sum of \$1,000,000 and has the first right of refusal to purchase the remaining 33 1/3%.

5. Promissory notes payable:

	2002	2001
Promissory notes and accrued interest	\$ --	\$ 459,894

In connection with the Idaho-Maryland property (refer to Note 4), the company issued to the owners of the property a number of promissory notes instead of cash payments in relation to the option agreement. These promissory notes had an 8% annual interest rate. During fiscal 2002, the owners of the property agreed to a payment of \$214,477 (US\$139,000) from the Company as settlement for payment of these notes. The balance of \$245,417 has been recorded as other income in fiscal 2002.

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

6. Notes payable:

	2002	2001
Notes payable	\$ 791,447	\$ --

During fiscal 2002, the Company entered into private placements, completed a debt settlement, and has been able to pay off the majority of the creditors of the Company. Mr. Frank A. Lang and Lang Mining Corporation (collectively "Lang") remained as the major creditors of the Company, the debt arising from financial support provided to the Company over a prolonged period. The Company entered into an agreement with Lang to issue 3,948,428 Series A First Preference shares in full satisfaction of an aggregate \$789,686 of indebtedness owing to Lang. Regulatory approval of the preferred share issuance was received subsequent to the year ended December 31, 2002. Terms of the preferred share issuance are described below. Interest of \$1,761 has been accrued in fiscal 2002 and is included in the notes payable balance.

The Series A First Preference Shares will rank in priority to the Company's common shares and will be entitled to fixed cumulative preferential dividends at a rate of 7% per annum. The shares will be redeemable by the company at any time on 30 days of written notice at a redemption price of \$0.20 per share, but are redeemable by the holder only out of funds available that are not in the Company's opinion otherwise required for the development of the Company's mineral property interest or to maintain a minimum of \$2 million in working capital.

The Series A First Preference Shares will be convertible into common shares at any time at a ratio of one common share for every four Series A First Preference Shares, which represents an effective conversion price of \$0.80 per common share. The Preference Shares also have attached a gold redemption feature by which holders may elect at the time of any proposed redemption to receive gold in specie valued at US\$300 per ounce in lieu of cash, provided the Company has on hand at the time gold in specie having an aggregate value of not less than the redemption amount.

7. Share capital:

Authorized:

500,000,000 (2001 – 50,000,000) common shares without par value

50,000,000 first preference shares without par value

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

7. Share capital (continued):

Issued and fully paid:

	Number of Shares	Amount
Balance, December 31, 2000	18,489,319	\$17,146,797
Shares issued for other:		
Rozan property payment at \$0.04	50,000	2,000
Stewart property payment at \$0.06	50,000	3,000
Balance, December 31, 2001	18,589,319	17,151,797
Shares issued for cash:		
Private placement, less share issue costs	1,600,000	342,579
Private placement, less share issue costs	2,350,000	524,000
Warrants exercised	50,000	12,500
Stock options exercised	180,000	18,000
Shares issued for other:		
Debt settlement at \$0.10	2,250,000	225,000
Rozan property payment at \$0.10	50,000	5,000
Stewart property payment at \$0.28	50,000	14,000
Balance, December 31, 2002	25,119,319	\$18,292,876

At December 31, 2002, there were 4,558 (2001 – 4,558) common shares held in escrow. These shares were cancelled and returned to treasury subsequent to year-end.

Stock options:

The Company has a fixed stock option plan for its directors and employees to acquire common shares of the Company at a price determined by the fair market value of the shares at the date of grant. The maximum aggregate number of common shares reserved for issuance pursuant to the plan is 2,267,580 common shares, of which 118,500 stock options are still available to be issued. The stock options currently outstanding are exercisable for periods up to ten years.

A summary of the changes in stock options for the years ended December 31, 2002 and 2001, is presented below:

	Shares	Weighted Average Exercise Price
Balance, December 31, 2000	1,203,000	\$0.282
Cancelled	(55,000)	\$0.255
Expired	(221,000)	\$0.300
Granted	1,257,000	\$0.100
Balance, December 31, 2001	2,184,000	\$0.180
Exercised	(180,000)	\$0.100
Cancelled, forfeited and expired	(35,000)	\$0.240
Balance, all exercisable, December 31, 2002	1,969,000	\$0.180

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

7. Share capital (continued):

The following table summarizes information about the stock options outstanding at December 31, 2002:

Range of Exercise Price	Number Outstanding and Exercisable at December 31, 2002	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
\$0.25	352,000	6.26 years	\$0.25
\$0.30	540,000	2.07 years	\$0.30
\$0.10	1,077,000	8.83 years	\$0.10
	1,969,000	8.33 years	\$0.18

Warrants:

As at December 31, 2002, the following share purchase warrants issued in connection with financings made by private placements were outstanding:

Number of Warrants	Exercise Price	Expiry Date
960,000	\$0.30	September 20, 2003
960,000	\$0.30	September 27, 2003
2,820,000	\$0.30	December 20, 2003
4,740,000		

8. Income and resource taxes:

(a) A reconciliation between the Company's statutory and effective tax rate is as follows:

	2002	2001
Statutory tax rate	39.62%	44.62%
Loss for the year	\$ (389,984)	\$ (40,997)
Provision for income taxes based on statutory Canadian combined federal and provincial tax rates	(154,512)	(18,293)
Non-deductible differences	6,132	13,411
Recognized tax losses	--	(152,716)
Benefits from losses not recognized	139,882	2,156,139
Differences in foreign tax rates	8,498	(8,799)
	--	--

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

8. Income and resource taxes (continued):

(b) The significant components of the Company's future tax assets are as follows:

	2002	2001
Future income tax assets:		
Operating losses carried forward	\$ 1,134,672	\$ 1,311,625
Mineral property interests representing excess of tax basis over carrying value	5,473,658	5,291,210
Other	147,457	356
	6,755,787	6,603,191
Valuation allowance for future tax assets	(6,755,787)	(6,603,191)
	--	--
Future income tax liabilities:		
Future income tax liability for finance costs	--	--
Future income tax liability for mineral property interests representing excess of carrying value over tax basis	--	--
	--	--
Net future income tax liability	\$ --	\$ --

The realization of income benefits related to these future potential tax deductions is uncertain and cannot be viewed as more likely than not. Accordingly, no future income tax asset has been recognized for accounting purposes.

(c) The Company has Canadian non-capital losses carried forward of \$3,185,491 that may be available for tax purposes. The losses expire as follows:

Expiry date	\$
2003	686,418
2004	888,846
2005	535,698
2006	428,149
2007	238,584
2008	122,737
2009	285,059
	3,185,491

9. Segmented financial information:

The Company has one operating segment, which is the exploration and development of mineral properties. The Company's mineral property interests and capital assets are located in the United States and Canada. Details of expenditures on these properties are shown on the consolidated schedules of exploration expenses to the financial statements.

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

10. Related party transactions and balances:

Services rendered by:	2002	2001
Legal fees (a)	\$ 32,887	\$ 89,020
Director (b)	\$ 72,154	\$ 23,551
LMC Management Services Ltd. (c)	\$ 169,424	\$ 28,194
Lang Mining Corporation (d)	\$ --	\$ 89,020

Balances receivable from (payable to) (e):		
LMC Management Services Ltd.	\$ 75,557	\$ --
Receivable from:	\$ 75,557	\$ --
Lang Mining Corporation (d) and (e)	\$ --	\$ (372,133)
ValGold Resources Ltd.	\$ (137)	\$ (2,661)
Sultan Minerals Inc.	\$ --	\$ (3,313)
LMC Management Services Ltd.	\$ --	\$ (30,168)
Directors (e)	\$ (15,566)	\$ (446,995)
Legal fees (a)	\$ (11,229)	\$ (16,390)
Payable to:	\$ (26,932)	\$ (871,666)

Related party transactions not disclosed elsewhere in these consolidated financial statement are as follows:

- (a) Legal fees were paid to a law firm of which a director is a partner.
- (b) A director of the Company, who is also project manager at the Idaho-Maryland property, receives project management consulting services.
- (c) Commencing August 1, 2001, management, administrative, geological and other services are provided by LMC Management Services Ltd. ("LMC"), a private company held jointly by the Company and other public companies, to provide services at cost to the various public entities currently sharing office space with the Company. Currently the Company has a 25% interest in LMC. Three months of estimated working capital is required to be on deposit with LMC under the terms of the services agreement. There is no difference between the cost of \$1 and equity value.
- (d) Lang Mining Corporation ("Lang Mining") is a private company controlled by an officer and director of the Company. Lang Mining provided management services at a rate of \$5,000 per month, and provided, accounting, geological, and other services at cost plus 15%, until June 30, 2001.

Effective July 2001 the Company, in agreement with Lang Mining, discontinued payment of the \$5,000 per month management fee and cost plus 15% administration fee. (See Note 10 (c)).

EMGOLD MINING CORPORATION

(an exploration stage company)

Notes to the Consolidated Financial Statements

Years ended December 31, 2002 and 2001

10. Related party transactions and balances (continued):

- (e) The amounts are non-interest bearing and due on demand, with no fixed terms of repayment, except for a balance owing to a director and officer of the Company, which bears interest at 10% per annum. This balance was settled by the issuance of preferred shares (Refer to Note 6 - Notes payable) subsequent to the year ended December 31, 2002. Interest of \$15,584 has been accrued and is included in the notes payable. Interest on related party transactions were recorded at the exchange amounts, which are measured at fair value.
- (f) During the year ended December 31, 2002, a debt settlement of 2,250,000 common shares at a price of \$0.10 was completed to settle \$225,000 of debt with three directors of the Company and a private company controlled by a director and officer of the Company.

11. Financial instruments:

Financial instruments are recorded at cost. Fair value estimates are made at the balance sheet date, based upon relevant market information relating to the financial instrument. These estimates are subjective in nature and involve uncertainties and significant matters of judgement. Changes in assumptions could significantly affect these estimates.

12. Rental commitment:

The Company has a rental commitment for its subsidiary office premises of US\$30,397 in fiscal 2003 and US\$23,048 in fiscal 2004. See note 4 (ii) for further commitments.

13. Comparative figures:

Certain of the prior year's figures have been reclassified to conform to the current year's presentation.

14. Subsequent event:

Subsequent to December 31, 2002, the Company completed a private placement of 2,472,222 units at a price of \$0.45 per unit, for gross proceeds of \$1,112,500. Each unit is comprised of one common share and one non-transferable common share purchase warrant. Each whole share purchase warrant will entitle the holder to purchase one additional common share until February 3, 2004, at an exercise price of \$0.55. Canaccord Capital Corporation received a cash commission of 8% and a non-transferable broker warrant exercisable to purchase up to 494,444 common shares until February 3, 2004, at an exercise price of \$0.55 per share.

EMGOLD MINING CORPORATION

(an exploration stage company)

Consolidated Schedules of Exploration Expenses

Years ended December 31, 2002 and 2001

	December 31, 2002	December 31, 2001 (restated)
Idaho-Maryland Mine, California		
Exploration costs		
Assays and analysis	\$ 350	\$ --
Consulting and engineering studies	138,176	24,326
Geological and geochemical	127,213	--
Land lease and taxes	78,812	--
Site activities	25,765	6,215
Transportation	16,569	2,098
Incurred during the year	386,885	32,639
Rozan Property, British Columbia		
Exploration costs		
Assays and analysis	117	346
Geological and geochemical	525	(4,568)
Site activities	173	11,453
Incurred during the year	815	7,231
Porph Claim, British Columbia		
Exploration costs		
Site activities	25	--
Incurred during the year	25	--
Stewart Property, British Columbia		
Exploration costs		
Assays and analysis	7,615	11,814
Geological and geochemical	4,468	3,004
Site activities	843	941
Transportation	47	--
Incurred during the year	12,973	15,759
Total Exploration Expenses	\$ 400,698	\$ 55,629

EXHIBIT 294

EMGOLD MINING CORPORATION

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www.emgold.com**

June 17, 2003

Ticker Symbol: **EMR**-TSX Venture Exchange
SEC 12g3-2(b): 82-3003

EMGOLD COMMENCES SURFACE DRILL PROGRAM AT IDAHO-MARYLAND

Emgold Mining Corporation (EMR:TSX Venture Exchange) (“the Company”) is pleased to announce that it is starting its surface drilling program on the Idaho-Maryland Mine located in Grass Valley, California. The Company has designed a 15,000 to 20,000 foot surface-drilling program to test the structural geologic model developed from over 100 years of historical information available from the Idaho-Maryland Mine. The initial phase of the program will include 4,000 to 5,000 feet of diamond drilling to commence within a week. Boart Longyear has been awarded the diamond-drilling contract for the program.

The initial phase of surface core drilling will test new high-grade gold-quartz vein targets in the westernmost portion of the Idaho Deformation Corridor. These targets are in addition to the known resources at the Idaho-Maryland Mine. Drilling will explore the entire width of the Idaho Deformation Corridor along a 1,500-foot strike length and will be testing multiple lode targets. High-grade lode targets include (1) the Idaho 120 Vein target, hosted within the “L Fault”, at the north boundary of the deformation corridor, (2) the Idaho “1 Vein” along the south boundary, and (3) a complex set of high-grade link veins within the corridor. Data mining from the large Idaho-Maryland Mine historic database has demonstrated the coincidence of localized, pipe-like, carbonate-sericite alteration blooms lying directly updip from all areas of significant underground gold production. The large alteration bloom in the vicinity of the first drill site is entirely unexplored. The alteration bloom measures a minimum 500 feet in strike length and 150 feet in width. This target is structurally favorable, occupying a wedge-shaped area at the western terminus of the Deformation Corridor, where the L Fault intersects the Idaho 1 Vein. There is a high level of confidence for new high-grade lode gold discoveries in this area. This will be the first systematic attempt to explore the entire width of the Idaho Deformation Corridor at its western end.

Emgold, through its wholly owned subsidiary, Idaho-Maryland Mining Corporation (formerly Emperor Gold (U.S.) Corp.) is also preparing the necessary documentation to submit applications to acquire a Use Permit to construct a decline and surface facilities to continue with the underground exploration and development of the Idaho-Maryland and ultimately put the mine back into production. It is anticipated that permitting will cost approximately US\$500,000 and is expected to take fifteen to twenty-four months to complete. Emgold is confident that it will be able to obtain a Use Permit for the Idaho-Maryland. Since the early 1960’s, 37 gold mines have applied for permits in California

and all have been approved and allowed to go into operation. Since 2002 three gold mines have received Use Permits to operate in California.

Emgold is developing plans to become a 265,000 to 400,000 ounce per year gold producer, focused primarily on production from the Idaho-Maryland Mine with a potential mine life greater than 20 years. For more information about Emgold and the Idaho-Maryland Mine please visit the Company's website www.emgold.com or www.sedar.com.

William J. Witte, P.Eng
President and Chief Executive Officer

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No regulatory authority has approved or disapproved the information contained in this news release.

This release includes certain statements that may be deemed "forward-looking statements". All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, Investors should review the Company's filings that are available at www.sedar.com or the Company's website at www.emgold.com.

EXHIBIT 295



https://www.theunion.com/news/local-news/mill-torn-down-to-make-way-for-development/article_187b46a5-078b-5ea1-9819-1963908f8f3b.html

Mill torn down to make way for development

By NCS Import
Apr 4, 2003



Kristofer B. Wakefield Tim Feller, Sierra Pacific Industries regional manager, checks out the property at Brunswick Road and East Bennett Street.

The remains of the old Bohemia Mill are being cut, cubed and cleared to make way for a possible business park and light industrial site.

A Sacramento demolition firm razed five buildings in mid-March, including the old sawmill at Brunswick Drive and East Bennett Street between Grass Valley and Cedar Ridge.

After the wood and metal are hauled off to recyclers and the asphalt and concrete ground up for aggregate, property owner Sierra Pacific Industries plans to develop a map for the site.

“This is the biggest reclamation project of my life,” Feller said, walking around piles of saw blades, steel beams and corrugated metal roof.

Tom Channell, general manager of Dynamic Demolition of Sacramento, the firm that is cleaning up the site, said this particular project had a few surprises as workers uncovered layer after layer of concrete and asphalt and “years of remodeling.”

Workers will separate wood from metal from concrete, and it all must be cleaned of red clay, Channell said. Dynamic Demolition handled the demolition of Mather Air Force Base.

He estimated that 98 percent of the material from the old mill’s structures will be reused, with the metal, at \$50 a ton, being shipped overseas. Feller would not say what his logging firm will pay for the cleanup work.

Channell’s firm will also tear down the mill’s concrete foundations to leave something resembling a level site so Grass Valley planning firm SCO Engineering can develop a map.

“We’re still in the formative stages,” Ed Sylvester, president of SCO Engineering, said about plans that could include a business park and a light-manufacturing site. Sylvester said his company would firm up possible uses for the site in another month.

^
reiner said.

SCO Engineering is working on a small residential subdivision across East Bennett Street of about a dozen one-acre lots called Empire Hills, thinking the housing could be for workers at the new site, Sylvester said.

The 80 acres, zoned light industrial, are assessed at \$200,498 on the 2002-03 Nevada County tax rolls. The improvements, now torn down, were valued at \$848,899. Often the assessed value lags behind the market value of land.

In 1992, Nevada County environmental officials and district attorney launched an investigation to determine if Bohemia Inc., an Oregon-based forest-products company, allowed as much as 800 gallons of waste oil and used hydraulic oil to be buried in a wooded area on the Bohemia property in the summer of 1989. The company admitted negligence and paid \$30,000 in penalties. The site has since been cleaned.

EXHIBIT 296

EMGOLD MINING CORPORATION
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July 21, 2004

Ticker Symbol: **EMR**-TSX Venture Exchange
SEC 12g3-2(b): 82-3003
Standard and Poor's

EMGOLD DISCOVERS NEW ZONES AT THE IDAHO-MARYLAND

Emgold Mining Corporation (EMR: TSX Venture Exchange) (the “Company”) is pleased to announce results from the recently completed Phase II surface core drilling program at the Idaho-Maryland Gold Project located in Grass Valley, California. The primary focus of the surface drilling program was to further define the structural nature of the Idaho Deformation Corridor in near surface targets within historically mined areas west of the Idaho No 1 shaft, as well as several new locations that have never been mined. Visible gold was observed in some of the core and several unexpected high-grade intercepts were identified. This phase of drilling successfully confirmed the Company’s geologic interpretation and exploration methodology for specific areas of the Idaho-Maryland gold deposit. Several new, high-quality exploration targets were identified, confirming the target-rich structural environment present on the Idaho-Maryland. The Company is reviewing the results of the Phase II surface drill program in conjunction with historical data to evaluate the possibility of increased mineral resources and the need to initiate a new NI 43-101 Technical Report.

The twenty-six hole program from two drill sites totaled 18,060 feet and was designed to follow-up the high-grade gold intercept in the Idaho 120 Vein (refer to press release – September 16, 2003), and test the entire unexplored width of the Idaho Deformation Corridor for new mineralized zones westward from the historic Idaho No. 1 Shaft. Coarse visible gold was noted in several drill intercepts and is typical of the historic high-grade gold deposits at the Idaho-Maryland Mine.

TARGETS ALONG WESTERN STRIKE EXTENSION - DRILL SITE A

Sixteen core holes tested the strike continuity of the Idaho Deformation Corridor westward from historically developed areas. Visible gold was intersected in the new Idaho 250 Vein and step-out drilling was conducted to test down-dip and westward from the high-grade intercept in hole IDH001, along the Idaho 120 Vein. Important structural geologic information obtained during this program will help direct future exploration. The drilling continued to provide valuable information regarding ore controls exerted by bench dislocations in the ultramafic – metavolcanic contact, along the south boundary of the Idaho Deformation Corridor. Drilling identified multiple large carbonate alteration blooms at depth, which are strong indicators for blind, high-grade shoots, and provide excellent targets for future surface and underground drill programs. A similar carbonate alteration bloom mapped at the surface resulted in the discovery of high grade gold in the Idaho 120 Vein reporting 10.1 feet grading 0.93 ounces of gold per ton (31.9 G/T).

PARTIAL ASSAY RESULTS FROM DRILL SITE A

Hole #	Interval From (ft)	Interval To (ft)	Interval (ft)	Interval (m)	Gold Grade (oz/ton)	Gold Grade (GPT)	Notes
IDH017	637.5	641.1	3.6	1.10	0.01	0.34	
IDH018	317.0	320.0	3.0	0.91	0.01	0.34	
	368.0	371.0	3.0	0.91	0.01	0.34	
	383.0	386.0	3.0	0.91	0.01	0.34	
IDH019	556.3	562.3	6.0	1.82	0.03	1.03	Visible Au
IDH020	513.5	517.0	3.5	1.07	0.01	0.34	
IDH021	486.0	489.0	3.0	0.91	0.01	0.34	
IDH022	372.0	375.0	3.0	1.83	0.09	3.08	Visible Au
	384.0	387.0	3.0	0.91	0.03	1.03	
	420.0	423.0	3.0	0.91	0.01	0.34	
IDH024	395.0	398.0	3.0	0.91	0.31	10.63	Visible Au
	404.0	407.0	3.0	0.91	0.02	0.69	
IDH029	355.0	358.0	3.0	0.91	0.03	1.03	
	367.0	373.0	6.0	1.83	0.03	1.03	

IDAHO 120 VEIN TARGET (SITE A)

The Idaho 120 Vein target remains open down-rake to the east and continues to show great promise for hosting a significant high-grade gold resource. Step-out drilling was conducted down-dip and westward from discovery hole IDH001 to test the westward extension of the Idaho 120 Vein, and continuity of the deformation corridor. Holes IDH016 through IDH029 targeted this area and successfully traced the Idaho 120 Vein westward, but found it to weaken rapidly to the west from the high-grade gold intercept in hole IDH001. Holes IDH017 through 20 intersected a very old stope (pre-1908 report) westward and up-dip along the 120 Vein from the IDH001 intercept, indicating that an oreshoot 200 feet in height and 200 feet in strike length had been present up-dip and westward. A shallowly-SE raking bench dislocation in the ultramafic – metavolcanic contact along the south side of the corridor appears to exert a strong control for this shoot, which is located on the north side of the corridor. The bench dislocation abruptly terminates westward, which marks the west end of the famous one million ounce stope in the Idaho 1 Vein and the pinching down of the 120 Vein shoot westward. The 1 Vein bonanza stope lies directly on top of the shallowly-raking bench dislocation. Similarly, the 120 Vein shoot appears to rake parallel to and above the elevation of the bench. The known 6,000-foot rake length of this bench dislocation indicates great promise for continuity in the 120 Vein shoot.

Step-out drilling along the Idaho 120 Vein and the deformation corridor could only be conducted westward from the IDH001 intercept, as angles of incidence to test the zone eastward were very unfavorable. A new drill site has been identified, which would be favorable for drill testing eastward down-rake along the Idaho 120 Vein high-grade shoot. Negotiations to lease this new site and obtain a work permit from the City of Grass Valley will be in progress shortly. It may take approximately 2 to 3 months to obtain the surface-drilling permit from the City to initiate a Phase III surface drill program.

IDAHO 250 VEIN TARGET (SITE A)

Coarse visible gold was observed in core that cut into the Idaho 250 Vein, a new zone of replacement-type gold mineralization hosted in a diabase unit. The coarse gold mineralization is hosted in an array of thin quartz stringers developed along the periphery of a shear zone that diagonally cuts westward through the diabase from hanging wall to footwall. This zone extends westward from the abrupt western termination of the bench dislocation in the ultramafic contact and close to the elevation of the bench. Step-out drilling confirmed the termination of this zone upward and along strike in both directions, but the target remains open to depth and will be a target for underground exploration.

TARGETS WEST OF THE IDAHO N° 1 SHAFT - DRILL SITE B

Ten core holes were drilled from Site B to test the entire width of the Idaho Deformation Corridor westward from the Idaho No. 1 Shaft. Visible gold mineralization was intersected at fairly shallow levels in the Idaho 192 Vein, up-rake of and west of the historic high-grade stope mined in that structure from 1908-1912. The 192 Vein was intersected in all holes that successfully penetrated through the historic Idaho 1 Vein stope. Two significant carbonate alteration blooms were identified coincident with strong faults on the northern side of the corridor. Both carbonate alteration blooms appeared in the farthest western drilling at Site B, and present good possibilities for future high grade gold discoveries along both faults at depth and to the west. Hole IDH006 targeted a theorized shallowly-dipping bench dislocation along the bottom keel of the Brunswick Slab. The hole was drilled to intersect the bench and a possible target at 900 feet vertical depth, but entered a strong carbonate alteration at 1100 feet vertical depth. This indicates that the bench in the contact lies 200 feet deeper and may cover a larger area than previously thought. The target was not reached as the drill rig was at the limits of its capability. High-grade stopes were historically mined within similar structural traps in the Idaho 16 Vein below the 1500 Level. The structural traps along bench dislocations under the keel of the Brunswick Slab continue to remain as promising exploration targets for underground exploration.

PARTIAL ASSAY RESULTS FROM DRILL SITE B

Hole #	Interval From (ft)	Interval To (ft)	Interval (ft)	Interval (m)	Gold Grade (oz/ton)	Gold Grade (GPT)	Notes
IDH006	292.0	295.0	3.0	0.91	0.01	0.34	
	592.0	595.0	3.0	0.91	0.02	0.69	
IDH008	126.4	130.0	3.6	1.10	0.06	2.06	
	154.0	157.0	3.0	0.91	0.01	0.34	
	160.0	163.0	3.0	0.91	0.01	0.34	
	163.0	166.0	3.0	0.91	0.03	1.03	
IDH009	130.8	133.8	3.0	0.91	0.17	5.83	
	184.0	187.0	3.0	0.91	0.03	1.03	
	187.0	193.0	6.0	1.83	0.17	5.83	Visible Au
including	187.0	190.0	3.0	0.91	0.25	8.57	
IDH010	154.8	158.8	4.0	1.22	0.04	1.37	
	222.0	228.5	6.5	1.98	0.02	0.69	
	247.5	250.4	2.9	0.88	0.03	1.03	
IDH011	170.0	173.0	3.0	0.91	0.01	0.34	
	213.0	219.0	6.0	1.83	0.17	5.83	
IDH012	114.7	118.0	3.3	1.01	0.04	1.37	
IDH013	145.0	149.0	4.0	1.22	0.02	0.69	
	165.7	172.3	6.6	2.01	0.01	0.34	
IDH014	258.0	267.0	9.0	2.74	0.02	0.69	

Hole #	Interval From (ft)	Interval To (ft)	Interval (ft)	Interval (m)	Gold Grade (oz/ton)	Gold Grade (GPT)	Notes
IDH015	251.2	255.0	3.8	1.16	0.04	0.34	
	286.0	291.5	5.5	1.68	0.02	0.69	
	318.0	321.0	3.0	0.91	0.01	0.34	

PROPOSED PHASE III SURFACE DRILLING PROGRAM

Plans are being developed to conduct a third phase of surface core drilling to: (1) expand the 120 Vein zone eastward down-rake, (2) investigate a bench dislocation in the ultramafic contact from Drill Site D, south of the Idaho no. 2 Shaft, and (3) test the entire width of the Idaho Deformation Corridor in the undeveloped area west of the Idaho no. 2 Shaft. The bench dislocation near Site D was mapped at the surface and may be a continuation of the Brunswick 11 Vein, an important umbrella-like structure potentially with high-grade gold mineralization in the eastern part of the Idaho-Maryland deposit.

The Idaho-Maryland exploration programs are planned and supervised by Mr. Mark Payne, California Registered Geologist Number 7067, Chief Geologist for the Idaho-Maryland Project and “Qualified Person” for the purpose of National Instrument 43-101, “Standards of Disclosure for Mineral Projects”. The Company’s geological staff, with review and verification by Mr. Payne, performed the data compilation for the surface core-drilling program. The Company has implemented a quality assurance/quality control program to ensure sampling and analyses of all drill cores is conducted in accordance with the best possible exploration industry practices, and conforms to National Instrument 43-101. The drill cores are logged, sampled, and stored in a secure facility near the project site. All cores were of HQ-size to maximize core recovery a sample size. Surface core drilling over the past year on this project has been done primarily to better delineate existing gold resources in preparation for extensive drilling from a future underground drilling program.

A tabulated list of drill hole data and assay results in conjunction with maps and other geologic information will be posted on Emgold’s website after all of the assays and check assays have been received and evaluated. For more information about Emgold, the Idaho-Maryland Project and the Ceramext™ process please visit <http://www.emgold.com/> or <http://www.sedar.com/>.

William J. Witte, P.Eng
President and Chief Executive Officer

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No regulatory authority has approved or disapproved the information contained in this news release.

EXHIBIT 297

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December 14, 2004

TSX Venture Exchange Symbol: **EMR**
SEC 12g3-2(b): 82-3003

EMGOLD PREPARES TO GO UNDERGROUND AT THE IDAHO-MARYLAND GOLD MINE

Following an extensive review of the NI 43-101 Preliminary Assessment Technical Report prepared by AMEC Americas Limited (see News Release dated November 23, 2004) management and the board of directors of Emgold Mining Corporation (EMR-TSX-V) (“Emgold”) have developed a business plan aimed specifically at accelerating underground exploration and development of the Company’s Idaho-Maryland Gold Mine, California’s second largest historical underground gold producer. In order to initiate underground exploration and development, the Company is applying for a Conditional Mine Use Permit that will include the dewatering of the existing Idaho-Maryland Gold Mine workings and the construction of an access ramp for underground exploration and possible future staged mine production. Should sufficient gold be discovered during the initial exploration stage, Emgold would consider toll milling to recover gold at an earlier stage of development. The additional cost of toll milling would be offset by the significantly lower capital requirements of an integrated processing facility than building a stand alone gold plant.

The Idaho-Maryland Gold Mine, discovered in 1851, produced gold from 1862 through 1956 with recorded production of 2,383,000 ounces of gold from 5,546,000 short tons for a recovered grade of 0.43 ounces of gold per short ton (opt). The maximum annual production rate at the mine was 138,000 ounces of gold per year with a five-year output (1937-1941) that averaged 119,000 ounces of gold per year. Based on the extensive data available about the mine and using modern computer modeling, Emgold believes that the Idaho-Maryland still has the potential to exceed the production of its famous neighbor, Newmont’s Empire Mine which produced 6 million ounces of gold.

The Idaho-Maryland is located in the Grass Valley Mining District which bears structural and historic gold production similarities to the prolific Red Lake District of Ontario, Canada. Both districts host large, high-grade gold deposits dominating district production and important high-grade targets which are blind and do not outcrop, requiring exploration and development from underground locations. Grass Valley District gold production (1851-1956) was over 13 million ounces from 25 million tons with a recovered grade of 0.52 opt, compared with Red Lake District production (1930s – present) of 18 million ounces from 27.7 million tons at 0.65 opt. The gold deposits of Grass Valley and Red Lake are strikingly similar on a district-scale and the importance of the geologic features in identifying major gold deposits is only now being recognized by the gold mining industry.

The three largest, bonanza-grade greenstone-hosted oreshoots known are the historic Idaho-Maryland’s No. 1 Vein oreshoot in the Grass Valley District, the Main Shoot in the High Grade Zone of the Red Lake District, and the Oroya Oreshoot at the Golden Mile, Kalgoorlie. These contained 1 million, 1.5 million, and 3 million ounces gold respectively, from continuous bodies exceeding 1 opt in grade. Emgold has identified 26 conceptual exploration targets at the Idaho-Maryland that have similar potential to these oreshoots and is therefore planning systematic underground exploration of these targets.

Emgold is also planning to explore the extension of the Idaho-Maryland to greater depths once there is access underground. Most of the conceptual exploration targets are between the 600 and 3,280 levels and the historic information indicates that the Idaho-Maryland can be extended from the existing 3,280 level to below the 5,000 level. In addition, the Company has significant information about 55 production targets identified at the time the mine closed in 1956 that make up part of 200 "step out" resource blocks available for additional underground exploration that are separate from the 26 targets.

Currently the Idaho-Maryland has Measured and Indicated Gold Resources of 1,666,000 tons grading 0.28 opt containing 472,000 ounces of gold and an Inferred Gold Resource of 2,526,000 tons grading 0.38 opt containing 952,000 ounces of gold. These gold resources were presented in the recent NI 43-101 Preliminary Assessment Technical Report and are based on the historic Mine Call Factor of 1.44 as defined in the report.

Development of the Ceramext™ Process by Emgold's wholly owned subsidiary, Golden Bear Ceramics Company will continue, as it is viewed as having the potential to significantly reduce the effective cost of gold production at the Idaho-Maryland and to mitigate the environmental impact of the operation. The current NI 43-101 Preliminary Assessment Technical Report defines the Measured and Indicated Ceramic Feedstock Resources at 171.5 million tons for the Idaho-Maryland which could provide adequate ceramic feedstock for the anticipated life of the gold mine. While there can be no assurance that commercial exploitation of the Ceramext™ technology will be feasible (see Emgold news release of November 23, 2004), if the Company's efforts are successful this technology could contribute to make the Idaho-Maryland Gold Mine one of the lowest cost gold producers in the world.

For more information about Emgold, the Idaho-Maryland Project, the Ceramext™ Process, the Stewart, Rozan and Jazz Properties in British Columbia, please visit <http://www.emgold.com> or <http://www.sedar.com>.

On behalf of the Board of Directors

William J. Witte, P.Eng.
President and Chief Executive Officer

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No regulatory authority has approved or disapproved the information contained in this news release.

EXHIBIT 298

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February 13, 2006

TSX Venture Exchange: **EMR**
OTC Bulletin Board: **EGMCF.PK**
U.S. 20-F Registration: **000-51411**
Frankfurt Stock Exchange: **EML**

Emgold Identifies High-Grade Exploration Targets at the Idaho-Maryland Mine

Emgold Mining Corporation (EMR-TSX-V) (the “Company”) is pleased to report that new high-grade gold exploration targets have been identified from historic mine maps and other geologic data at the Company’s Idaho-Maryland Mine underground gold project located in Grass Valley, California.

Company geologists are constructing a three-dimensional computer model from the historic data collected during the time the Idaho-Maryland Mine was an active mining operation from 1851 to 1956. When completed, this comprehensive model will include geologic units, faults, veins, underground workings, assays and gold resources developed from historic data, and geologic information from Emgold’s two surface drilling programs. The data, which includes 220,000 feet of historic core drilling, 24,800 feet of Emgold core drilling, 36,000 assays, and 4,000 mine maps, is being digitized and entered into the MineSight® three-dimensional modeling software program.

As part of this modeling Company’s geologists have input historical assay data into the MineSight® modeling package. The geologists are now able to evaluate the historical information using an assay model built from the historic mine data. The information for this model comes from fire assays from sampling of underground workings and core drilling, which was a routine part of mine development during the historic operations. It is anticipated that additional near surface and deeper underground exploration targets may be identified as this work process continues. All work is under the supervision of Mr. Robert Pease, Professional Geologist (California), Chief Geologist for the Idaho-Maryland Project and a Qualified Person in accordance with National Instrument 43-101.

The assay modeling using the historic data from the northeast portion of the Idaho-Maryland Mine property has revealed new high grade gold intercepts in the vicinity of existing gold resource blocks in workings just 600 to 850 feet below the ground surface. The resource blocks and high-grade intercepts are in a geologically favourable area in the Idaho Deformation Zone comprised of faults and veins surrounding diabase rock slabs. The intercepts are situated within the historically productive Idaho 3 and 13 veins, and ranges of some of the high grades are shown in the table below. The sample lengths presented in the table are the product of the historical data collection methods and do not indicate total vein width. The historical information indicates that the actual vein widths in the Idaho Maryland are generally wider than this table would indicate. **It is important to note that this assay data is historical in nature, does not comply with NI 43-101 and that further exploration is required to verify the accuracy of this data and the data should not be relied upon for investment purposes.** The Company believes this information is useful as an indication of the exploration potential of the Idaho-Maryland project and is planning additional surface and underground exploration to further define its understanding of the historic ore body as well as other new targets identified from the modeling activities.

<i>Mine Level</i>	<i>Sample Length (feet)</i>	<i>Gold Assay (ounce per ton)</i>	<i>Comments</i>
Id600L	1.50	2.25	Historic drift assay
Id750L	1.80	16.00	Historic drift assay
Id750L	1.25	10.45	Historic drift assay
Id750L	1.33	2.45	Historic drift assay
Id800L	0.66	1.58	Historic drift assay
Id800R	0.83	2.40	Historic raise assay
Id850L-DDH2	8.99	0.71	Historic drill hole

Historic sampling on the Idaho 750-foot level had a weighted average gold grade of 4.5 ounces per ton over a sampled distance of 25 feet, which is well above the historical average production grade from the Idaho-Maryland mine of 0.43 ounce per short ton. These high-grade assays are in areas where stoping did not occur, and therefore remain available as exploration targets. The sample results in the above table are raw assays not using the historic mine call factor of 1.44, and are not cut. It is also important to note that based on the Company's most recent NI 43-101 Preliminary Assessment Technical Report on the Idaho-Maryland Mine (dated November 22, 2004), the average true thickness of veins within the Idaho-Maryland range from 8.1 ft to 70.7 ft and are in general not narrow veins.

A proposed surface-drilling program is being planned to explore for gold on several of these identified targets. Nine diamond core drill holes are being considered, which would total 7,200 feet. These holes would be drilled from one or two sites, with individual hole depths being less than 1000 feet. Three holes would test the Idaho 87 resource-block area and six holes would explore the high-grade intercepts in the Round Hole area. Property leases and a conditional use permit issued by the City of Grass Valley will be required in order to start this program. The historic information and views of the proposed surface drilling program are illustrated on the Company's website at www.emgold.com.

Since the mine workings are not accessible, Idaho-Maryland geologists have not verified the sample intercepts, but the historic assay map data is felt to be reliable. These intercepts would be tested in the future once the planned underground exploration and development program is begun. The objective of the underground exploration program will be to confirm and expand the gold resources primarily through diamond core drilling and sampling. The proposed decline access ramp will be aligned in an easterly direction that brings it near to existing gold resource blocks. As the decline is advanced, muck bays positioned approximately every 500 feet in the decline will be available to use as underground drilling stations. Resource blocks as defined in the Company's current Technical Report and other exploration targets will be drilled, sampled and assayed, and the results entered into the MineSight® model.

For more information about Emgold, its Rozan, Stewart and Jazz Properties in British Columbia; the Idaho-Maryland Mine project in California and the Ceramext™ technology, please visit www.emgold.com or www.sedar.com.

William J. (Bill) Witte, P.Eng.
President and Chief Executive Officer

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The TSX Venture Exchange has reviewed the information contained in this news release.

This news release includes certain statements that may be deemed "forward-looking statements." All statements in this release, other than statements of historical facts, that address future production, reserve potential, exploration drilling, exploitation activities and events or developments that the Company expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, and continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and those actual results or developments may differ materially from those projected in the forward-looking statements. For more information on the Company, investors should review the Company's filings that are available at www.sedar.com or the Company's website at www.emgold.com.

EXHIBIT 299

EMGOLD MINING CORPORATION

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Vancouver, B.C. V6C 3P1

www.emgold.com

February 1, 2007

TSX Venture Exchange: **EMR**
OTC Bulletin Board: **EGMCF**
U.S. 20-F Registration: **000-51411**
Frankfurt Stock Exchange: **EML**

EMGOLD MINING ANNOUNCES REVISED TERMS TO THE LEASE AND OPTION TO PURCHASE AGREEMENT FOR THE IDAHO-MARYLAND MINE

Emgold Mining Corporation (EMR-TSX Venture) (the “Company” or “Emgold”) is pleased to announce that the Company has negotiated an extension to the Mining Lease and Option to Purchase Agreement for the Idaho-Maryland Mine located in Grass Valley, California. The revised agreement extends the purchase option exercise date from May 31, 2007, to December 31, 2008. As part of the revised agreement all other conditions of the original Option and Lease Agreement, including the option purchase price and net smelter royalty remain unchanged. Emgold has agreed to a quarterly option payment of US\$75,000 beginning on May 1, 2007, and continuing for the term of the revised lease. A one-time extension payment of US\$75,000 was paid upon execution of the revised agreement, in addition to the last remaining option payment of US\$25,500 payable as of today’s date.

“We are very pleased that the owners of the Idaho-Maryland Mine agreed to the extension of the purchase option date to December 31, 2008,” said Bill Witte, President and CEO of Emgold Mining Corporation. “The revised option agreement will provide Emgold with greater financing discretion and flexibility as the Company completes the permitting process and commences the development of the Idaho-Maryland Mine.”

It is anticipated that the Conditional Mine Use Permit may be granted by the end of 2007. Subsequent activities in 2008 at the Idaho-Maryland, the second largest historical underground gold mine in California, will include de-watering the mine and driving a new decline to allow for extensive underground exploration drilling intended to significantly increase the current gold resource.

William J. (Bill) Witte, P.Eng.

President and Chief Executive Officer

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No regulatory authority has approved or disapproved the information contained in this news release.

EXHIBIT 300

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March 1, 2007

TSX Venture Exchange: **EMR**
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U.S. 20-F Registration: **000-51411**
Frankfurt Stock Exchange: **EML**

Emgold Mining Announces Inferred Resources At The Idaho-Maryland Mine Surpasses One Million Ounces

Emgold Mining Corporation (EMR - TSX-V) ("Emgold" or the "Company") is pleased to report that the total inferred mineral resources at the Idaho-Maryland Mine in Grass Valley, California, have now surpassed one million ounces of contained gold. The inferred total resource using the historic Mine Call Factor ("MCF") of 1.44 includes 43,000 tons ("t") with an average grade of 0.93 ounces of gold per ton ("opt") to contain 40,000 ounces of contained gold. An additional 5,000t grading 2.05 opt increases the total inferred contained gold to 1,002,000 ounces of contained gold. The mine also has a measured and indicated resource consisting of 1,666,000t grading 0.28 opt using the MCF to contain 472,000 contained ounces as presented in the Company's November 2004 Technical Report prepared by Amec Americas Ltd. All resources are summarized in the table below.

Sixteen new gold resource blocks have been identified using the Company's computerized models increasing the total number of resource blocks to 216. Each of the 216 resource blocks is a target for further surface and underground exploration. Approximately 70 percent of the new resources are from primary veins including the Idaho #1 Vein, which produced one million ounces of gold from one million tons over 30 years, and the Idaho #3 Vein. These veins show remarkable continuity down-dip; continuous structures that were mined to depths of over 2000 feet. In addition, the majority of the new inferred resources were identified at the deeper levels of the mine where historic mine operations excavated drifts in veins and detailed sampling was conducted to plan future mining activities. Mining of the veins between the drifts (termed stoping) never occurred because stoping of primary and secondary veins essentially ended at the Idaho 2000 mine level. However, the mine levels below the 2000 level were developed and sampled in preparation for future mining.

Computer modeling of historic assay data was completed last year and is being used to determine the sites of potential new resource blocks and exploration targets. In addition to the new resources, more than two hundred new exploration targets have been found. Most targets are along extensions of existing veins. The exploration targets do not meet the vein thickness criteria required to be classified as resource blocks, but these areas do indicate the presence of gold mineralization and will be very important guides to identify additional gold resources in the future. All work is under the supervision of Mr. Robert Pease, Professional Geologist (California), Chief Geologist for the Idaho-Maryland Project and a Qualified Person in accordance with National Instrument 43-101.

In a Preliminary Assessment Technical Report published in 2004, AMEC reviewed and updated the requirements for establishing mineral resources at Idaho-Maryland Mine. Some of the original criteria are:

- a) the blocks must have a minimum true thickness of 3 feet,
- b) the cutoff grade is 0.1 ounce per ton of gold, and
- c) the resource blocks are limited to certain length and height dimensions.

The updated requirements that have been applied to these new resources are:

- a) the mine call factor can be used on all resources derived from sampling of development drifts,
- b) the mine call factor cannot be used on any resource blocks developed from drillhole data, and
- c) resources are to be reported using uncapped gold grades.

The following table is a summary of all mineral resources, including the new ones, for the Idaho-Maryland project.

Idaho-Maryland Project Gold Mineral Resource Summary Update, 23 February 2007

	True Thickness (ft)	Tonnage (tons)	Gold Grade (oz/ton)	Gold (oz)	Gold Grade	
					(oz/ton)	Gold (oz)
<i>Eureka Group</i> ²						
Measured Mineral Resource	6.5	17,000	0.18	3,000	0.29	5,000
Indicated Mineral Resource	5.7	41,000	0.27	11,000	0.37	15,000
Measured + Indicated Mineral Resources	5.9	58,000	0.24	14,000	0.34	20,000
Inferred Mineral Resources A	9.0	393,000	0.21	81,000	0.30	117,000
Inferred Mineral Resources B	4.8	49,000	0.37	18,000	-	-
New Inferred Mineral Resources (A)	4.4	5,000	0.15	1,000	0.22	1,000
<i>Idaho Group</i>						
Measured Mineral Resource	17.5	129,000	0.24	31,000	0.34	44,000
Indicated Mineral Resource	10.6	209,000	0.42	88,000	0.60	125,000
Measured + Indicated Mineral Resources	13.3	338,000	0.35	119,000	0.50	169,000
Inferred Mineral Resources	10.0	838,000	0.25	212,000	0.37	307,000
New Inferred Mineral Resources (A)	4.1	38,000	0.71	27,000	1.02	39,000
<i>Dorsey Group</i>						
Measured Mineral Resource	11.6	61,000	0.23	14,000	0.33	20,000
Indicated Mineral Resource	6.4	131,000	0.33	43,000	0.46	60,000
Measured + Indicated Mineral Resources	8.0	192,000	0.30	57,000	0.42	80,000
Inferred Mineral Resources	9.5	955,000	0.30	288,000	0.43	413,000
New Inferred Mineral Resources (B)	3.0	5,000	2.05	10,000	-	-
<i>Brunswick Group</i>						
Measured Mineral Resource	8.0	64,000	0.17	11,000	0.25	16,000
Indicated Mineral Resource	6.2	108,000	0.28	30,000	0.40	43,000
Measured + Indicated Mineral Resources	6.9	172,000	0.24	41,000	0.34	59,000
Inferred Mineral Resources	7.3	291,000	0.23	67,000	0.33	97,000
<i>Waterman Group</i>						
Measured Mineral Resource	70.7	831,000	0.15	127,000	-	-
Indicated Mineral Resource	30.5	75,000	0.21	16,000	-	-
Measured + Indicated Mineral Resources	67.3	906,000	0.16	144,000	-	-
<i>Idaho-Maryland Project</i> ³						
Measured Mineral Resource 1	13.3	271,000	0.22	59,000	0.31	85,000
Measured Mineral Resource 2	70.7	831,000	0.15	127,000	0.15	127,000
Indicated Mineral Resource	8.1	489,000	0.35	172,000	0.50	243,000
Measured + Indicated Mineral Resources	41.1	1,666,000	0.22	375,000	0.28	472,000
Inferred Mineral Resources	9.3	2,526,000	0.26	666,000	0.38	952,000
New Inferred Mineral Resources A	4.2	42,000	0.65	27,000	0.94	40,000
New Inferred Mineral Resources B	3.0	5,000	2.05	10,000	2.05	10,000
Inferred Mineral Resources Total	4.0	2,573,000	0.27	703,000	0.39	1,002,000

1. MCF = Mine Call Factor (not applicable to Waterman Group resources). 2. Inferred resources are divided into A (historic data and mine call factor applied) and B (from 2003-2004 data and no mine call factor applied). 3. Idaho-Maryland measured resources are split into two categories: 1. the Eureka, Idaho, Dorsey, and Brunswick Groups, and 2. the Waterman Group (stockwork/slate type ore). 4. New inferred resources include 40,000 ounces with MCF (A), and 10,000 without MCF (B).

The November 2004 Technical Report defines the Mine Call Factor ("MCF") used in determining the gold grade based on historical assay data for the Idaho-Maryland Mine. Historically, the planned mill feed tonnage and gold grade rarely matched the actual results. This was a result of a variety of factors that could be resolved by adjusting the planned production by a constant number. This number or factor is called the multiplier factor or mine call factor. Commonly, deposit types like the Idaho-Maryland typically under-predict the gold produced. The report also states, "Two factors were calculated: a "model" (underground sampling) to "mine" (muck car sampling) factor, equal to 1.21, and a "mine" to "mill" factor, calculated to be 1.19. The total Mine Call Factor is equal to 1.44. AMEC reviewed the

work done by James Askew and Associates and agrees with their results. The use of the Mine Call Factor can be used to establish a relationship between the historic underground channel samples and expected production. This factor should only be used on the nuggety vein system data. The more homogeneous slate-hosted mineralization should not be factored at any resource category."

It is important to note that this assay data is historical in nature, and further exploration is required to verify the accuracy of this data. The Company believes this information is useful as an indication of the exploration potential of the Idaho-Maryland project and is planning additional surface and underground exploration to further define its understanding of the historic mineralization as well as other new targets identified from the modeling activities.

Since the mine workings are currently not accessible, as the mine is flooded, Idaho-Maryland geologists have not verified the sample results used to delineate these resource blocks, but the historic assay map data is felt to be a reliable indicator that the veins are open along strike and dip. These gold resource blocks will be tested in the future once the planned underground exploration and development program has commenced at the Idaho-Maryland.

Underground exploration of the 216 resource blocks and 200 exploration targets should commence after the Company receives its Conditional Mine Use Permit from the City of Grass Valley. In June 2006, Idaho-Maryland Mining Corporation ("IMMC") successfully completed Phase 1 of the three-phase process to permit the reopening of the Idaho-Maryland Mine. Phase 1 included the completion of the Master Environmental Assessment ("MEA") as part of the California Environmental Quality Act. Based on public input during the MEA process, advances in the Ceramext™ technology used to make stone and ceramic tile products from the mine waste, plus advances in computer modeling of the historic Idaho-Maryland Mine geology and assay data, IMMC has been revising its permit application prior to entering Phase 2 of the permitting process referred to as the Initial Study. This will be followed by Phase 3, the EIR process, expected to commence in the summer of 2007 and may be completed in early 2008.

For more information about Emgold, the Stewart, Rozan and Jazz Properties in British Columbia, the Idaho-Maryland Project and the Ceramext™ process, please visit www.emgold.com or www.sedar.com.

On behalf of the Board of Directors,

William J. (Bill) Witte, P.Eng.
President and Chief Executive Officer

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