

# 99ER'S NUGGET NEWS

**Northwest Montana Gold Prospectors Club**

**September 2009**

**Editor: Milah Gano**

**Quote of the Month: "Men trip not on mountains, they stumble on stones."**

**Old saying**

## *IN THIS ISSUE:*

### **Next Meeting:**

**Sept. 12 & Sept. 19  
Libby Outings**

- ◆ Code of Ethics
- ◆ Greetings from the Editor
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- ◆ Dredge Bucket Stolen from museum
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### **GOLD PRICES:**

As of August 23, 2009

GOLD—\$953.30/OZ.

SILVER—\$14.22/OZ.

### *Our Website:*

NWMTGoldprospectors.com

## *Greetings,*

My life has taken a happy change during my retirement and I am excited to tell you that I have been very busy doing all the things that I have wanted to do for a long time. Due to this busy schedule I am unable to continue as your editor for the "99er's Nugget News". I have enjoyed doing this newsletter and have learned a great many things from all of you. Thank you for this opportunity and I look forward to seeing all of you through the years at the club meetings and our claim.

Mary Lance has agreed to do this newsletter, however, she had stipulated that she needs a lot of your help. Sometimes it is difficult to find things to write about. I hope you will all join the bandwagon and give her a lot of input so that this newsletter can be bigger and better. I intend to get with Mary and help her set up the newsletter.

With the economy the way it is and the current spending habits of our government, I can see how much our paper money (and plastic money) is going to be worth. When I went on line to see if there was any new information on gold mining, I found the article "Recession Sparks a New Gold Rush." I enjoyed reading it so much, I thought you might enjoy it also. Our hobby is becoming very popular these days.

Milah Gano

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## Thief swipes gold miner's dredge bucket from Alaska museum

Written by Associated Press  
Tuesday, 18 August 2009 08:24

FAIRBANKS, Alaska (AP) - University of Alaska Fairbanks police are looking for a thief with a strong back.

Someone made off with a dredge bucket, a 200-pound outdoor exhibit at the University of Alaska Museum of the North.

Fairbanks is known as Alaska's Golden Heart city in part because of its gold mining history. One at some mines was excavated with dredges, which scooped out gold-bearing sediment with buckets attached to a chain.

The stolen bucket measures about 19-by-20-by 23 inches. It's considered a small dredge bucket.

Police say it was taken from museum grounds between Aug. 7 the Tuesday morning.

The border patrol and antiques dealers have been notified of the theft.

### Raffle Donators and Winners for August:

<u>ITEM</u>	<u>DONATOR</u>	<u>WINNER</u>
Magnet	Allen C.	John Umphrey
Magnet	Allen C.	Anne
Amuthes 7	Bill	Terry
Pouch & Vile	Wayne	Herb
Deer Whistles	Herb	Sylva
Top O' Deep	Club	Terry
Silver Round	Club	Herb
Magi. Glass	Bill	Mark
Shovel	Bill	Jason
Gloves	Herb	Braxton
Afghan	Ida	Roper
Huckleberries	Brock	Roper
Scoop	Two Bitts	Jason

# GM to Cancel Mining Contracts

By Matthew Brown

(taken from ICMJ's Prospecting and Mining Journal—August 2009)

Billings, Montana (AP) - Governor Brian Schweitzer is calling on the Obama administration to force General Motors to honor its contract with a Montana mining company instead of going overseas to buy the precious metals used to control vehicle pollution.

By failing to shield the platinum and palladium mines, the governor said that the administration had shown a bias against his state—at a time when other US jobs were protected with a “buy American” clause in the \$787 billion stimulus act. GM is shedding its contracts with Stillwater Mining Company's platinum and palladium mines as part of the automaker's emergence from bankruptcy protection.

Details of the case paint a complex picture: GM was effectively subsidizing production by Stillwater, often paying above market price for the metals. And since 2003, the mines have been majority-owned by a Russian company, Norilsk Nickel.

GM's reorganization is fueled by \$50 billion in government loans. The loans are separate from the stimulus bill.

Columbus-based Stillwater employs more than 1,300 people and runs the only mines in the United States producing the metals, about 90 miles southwest of Billings.

With platinum and palladium mined in just two other countries, Russian and South Africa, Schweitzer said GM's cancellation would put the US at a strategic risk and hurt the mining industry.

All the palladium and 70 percent of the platinum produced by Stillwater's mines had gone to GM and Ford Motor Company. Stillwater representatives won't give specifics on how much GM's contract was worth. It had been set to expire in 2012.

Stillwater Vice President John Stark said the contract cancellation will be challenged at a hearing in US Bankruptcy Court in New York.

Detroit-based GM defended its decision to cancel the Stillwater contract, saying the deal had been “uncompetitive” and could have hobbled its efforts to repay the government loan.

The contract set a floor price requiring GM at times to buy metals at prices above those on the open market. It also set production volumes, meaning GM had to keep buying a set amount from Stillwater even as its vehicle production fell from 9.2 million cars in 2006 to 8.4 million last year.

The Ford contract has similar terms.

The recent palladium market prices, the contracts had been shielding Stillwater from the equivalent of \$57 million in lost annual sales, according to the company's filings with the Securities and Exchange Commission.

Norilsk controls 53 percent of Stillwater's stock.

If the Obama administration does not intervene and Stillwater fails to get relief through bankruptcy court, the company would have to file a claim for its losses and line up alongside the automaker's many other creditors.

It's not uncommon in such cases for creditors to walk away with pennies on every dollar owed.

Beyond its GM contract woes, Stillwater Mining has been hit by falling commodity prices that last year led to shed 16 percent of its work force.

The company in May reported a first-quarter loss of \$11.6 million on revenue of \$85.8 million. That is down from a 2008 first-quarter profit of \$2.8 million, on revenue of \$186.4 million.

## BLM Increases Location & Maintenance Fees

The Bureau of Land Management (BLM) has increased mining claim location fees and maintenance fees in a final rule published in the Federal Register on June 29, 2009. The location fee increases from \$30 to \$34 per claim. The annual maintenance fee increases from \$125 to \$140 per claim.

The new maintenance fee is effective for the 2010 year. These fees are due on or before September 1, 2009

The Federal Register notice states that BLM will provide an opportunity for those who have already paid 2010 maintenance fees to pay the additional amount without penalty.

And remember, the deadline to pay annual maintenance fees or proof of assessment work in lieu of fees is September 1, 2009.

*Understanding grains, grams and dwt (penny weight) and Troy Oz.*

### WEIGHT CONVERSIONS

#### USING TROY OZ

GRAMS	OZT	GRAINS	DWT
31.1	1.00	480	20

#### USING IMPERIAL OZ

GRAMS	OZ	GRAINS	DWT
28.3	1.00	437.04	18.21

#### CALCULATIONS

TO CONVERT	TO	MULTIPLY BY
GRAMS	GRAINS	15.4324
GRAINS	GRAMS	.0648
GRAMS	OZ (AVDP)	.0353
GRAMS	OZT	.03215

#### **IN OTHER WORDS**

There are 31.1 grams in an ounce, or 480 grains, or 20 dwt  
Which means that there are 15.4324 grains in 1 gram

#### **HOW THIS HELPS YOU**

When you see a nugget on Ebay, that weighs 6.4 grains, and the bid is at \$13.25, you WANT to be able to figure out how much per oz., you would be paying, its simple.

Take the price of the gold \$13.25 and divide it by the weight (in grains) = \$2.07 per grain

Now multiply \$2.07 x 480 (grains in an ounce) = \$993.75 (per OZT)

# Recession Sparks a New Gold Rush

By Karl Vick

Washington Post Staff Writer  
Sunday, August 23, 2009; 5:35 PM

COLUMBIA, Calif. -- Maybe it was the nail in Ray's head. Maybe it was the economy. His wife said one as much as the other drove the decision to auction off everything that wouldn't fit in the trailer and leave Vermont for the mother lode.

"Thought we'd try to make a living at it," Kim Lague said, standing in a mining camp that was busier during the Great Depression than it was in the Gold Rush of 1849, and is busy once again.

And so, 18 months after a co-worker's pneumatic hammer drove a 2 1/2 -inch stainless-steel nail into Ray Lague's skull -- "the plunger of the gun brushed my hat and discharged" -- the once-thriving contractor took his place among the prospectors lining the steep banks of the South Fork of the Stanislaus River, 40 miles west of Yosemite National Park. The bearded man helping him drag the mining gear into the water was a jobless logger who lost his home to foreclosure.

Fifty feet downstream, an unemployed concrete-truck driver scoured the river bottom beside a laid-off furniture mover, back to prospecting after a day spent wrestling with the unemployment office.

"You have to consider the economy," said Gary Rhinevault, caretaker of the Lost Dutchman Mining Association campground, where 45 prospectors pay as little as 30 cents a day to pitch their tents. "In 1932 there were more prospectors out trying to make a living than in the 1850s."

Even in the trough of today's great recession, most of the prospectors still double as hobbyists. The Lost Dutchman club allows members to camp for six months at a time, and its dozen or so claims are crowded first with the motor homes of freewheeling retirees.

But as the economy soured, their ranks were swelled by adults of working age, pulled by gold prices flirting with \$1,000 a troy ounce -- the highest in more than two decades -- and pushed by unfortunate circumstance. While there is no way to quantify the trend, anecdotally it is clear that the jobless are showing up not only in California but also elsewhere around the country where gold has been found in the past.

"I have been seeing a lot of it this year, with so many people getting laid off or hours cut way back," said Tim LeGrand, owner of TN Gold & Gems in Coker, Tenn. Permits for prospecting in the nearby Cherokee National Forest, named for the tribe pushed westward after gold was discovered in early 1800s, have more than doubled since 2007.

"People come out with high hopes and don't realize the work that is involved until they get into it," LeGrand said. "Most try a few days and give up. Many struggle on and learn to pan. Very few get enough gold to do them any financial good."

On the South Fork, everyone claims to know this.

"No one's making a living down here," said Tony Stroud, an unemployed machinist who, like the other prospectors repeating the phrase, surely believes the words.

And yet, here they all are, investing \$1,500 to \$5,000 for the suction dredges that vacuum up gravel, for the sluices that separate the gravel from the black sand, and, not least, for the big plastic pans that, after the machines have done the heavy work, reveal the glimmers of color that set hearts to racing and render reason irrelevant.

You didn't hear it from me," Stroud went on a moment later, "but a guy in Columbia said downstream he took 14 ounces out in 48 hours. And we're going to jump his hole."

Robert McFadden, seated to his right on a picnic table, set down his morning beer.

"What's the appeal of prospecting?" he said. "Hope I can get rich, number one."

The river is cluttered with the miners' gear and the boulders they constantly rearrange, in the search for a spot not already groomed of flakes. Yet the feeling is orderly, tents and motor homes lined around a rustic clubhouse that evokes familiar notions of prospecting as reliably as the bushy beards sported by many of the men.

In a shady bend a mile downstream, DeWayne and Nick Shepard labored in frustration beside the Michigan flag, planted upon arrival 30 days earlier on a trip planned for three years.

Their vision of prospecting was informed by repeated viewings -- "must be hundreds of times," Nick said -- of "Gold Fever" and other cable television programs produced by members of the family that owns the camps.

"He shows you, in his pan, what must be \$15,000 in gold he says he got in two days," said Nick Shepard, 28, who left his masonry job to come west with his retired father.

"We had hoped to come out and make enough money, take care of some things."

But even if their truck's transmission had held up, they would still be deep in the hole.

"We wonder if there aren't people who got sucked in worse than us," DeWayne said.

The Lagues watched the same shows.

"Realistically, when we first started out, they say you can make an ounce a day," said Kim Lague, in the 31-foot trailer the couple now calls home. "Now it's down to, we just want to make an ounce a month."

Their work is cut out for them. Large dredges can churn through so much river bottom that environmentalists fret for the salmon. California Gov. Arnold Schwarzenegger (R) signed a bill this month banning gold dredging while the question is studied, but it is not yet being enforced and it faces a likely court challenge.

In any event, the two-inch nozzle of the dredge the Lagues chose to start with disturbs very little.

"More of a toy than anything," said Stephen Buttram, the jobless logger spending the day helping Ray Lague. Buttram, 37, moved to the camp after losing his three-bedroom house in Pioneer, Calif.

"I pretty much sold everything I had, my furniture, everything, trying to keep up," he said, moving stones to expose gravel for Ray to hose up. "I paid for my dad's funeral with my credit cards."

The Lagues were falling behind on their own bills. Ray had laid off all workers in his contracting businesses and was spending more time looking for work than working.

"The furthest west I'd ever been was St. Louis," he said. Now, chest-deep in a mountain stream, he looked to Buttram. "Want to check it? Just for the heck of it?"

They waded over to the dredge, which looked a bit like a snowmobile floating between the rocks. Gazing into the boxes that shone with the glitter of the mica and pyrite that so excited Ray his first couple of times out, Buttram shook his head.

"Just a fleck," he said.

"Nothing for a snuffer bottle, eh?" Ray ventured, meaning a squeeze tube used to suck up the smallest bits.

"No," Buttram said. "Nothing to write Mom about."

Lague gazed at the mica. "If that was gold, you'd be, 'Yeah!'" he said, and threw his arms wide under the blue summer sky. Then his hands met in a gesture that combined relish and determination.

"Day's not over yet," he said.

## N.W. M.G.P. minutes for August 8, 2009

- ◆ Braxton called the meeting to order at 1:00 p.m.
- ◆ Vicki read the minutes for the June meeting, they were approved as read.
- ◆ There was no treasures report because Gary Henry is in Alaska.
- ◆ There were 46 people present.

### OLD BUSINESS:

- ◆ Dams: We need one more sheet up on the one side and all will be better. Clarence has some black sheeting he will bring it up after the meeting. The big thing is if you see a problem shut the equipment down and fix the problem.
- ◆ Mary Lance said she would be willing to put the newsletter together. The only thing is she does not come to the meetings and doesn't know what is going on so we need to give her a lot of information. Braxton asked for volunteers for a committee that would help put info together for her. Herb said he would ask Deb if she could help, I also said I would help. There were no other volunteers!!!!!!! Remember it is our newsletter!!!
- ◆ The Taylor's remind us that there needs to be better communication with the dredge permit. They don't care if the permit is transferred up at the claim but you need to let them know just in case the permit has been promised to someone else.
- ◆ Braxton reminded us again the Nominations are coming up and you need to be thinking of who you want to be your officers. Bob Taylor asked if we had to wait till September if there was someone that they wanted to nominate. We let him know that it was ok if that person wanted to be nominated. Bob Taylor nominated Herb Robinson for President this was seconded by Clarence Taber. Herb said yes. Scott Kischenmann was nominated for Vice President, Bob Listen and Ric Lance said yes to the Sergeant of Arms. So that leaves the Secretary and Treasure open for anyone else that would like to run.
- ◆ Braxton asked Herb about the Rock Show. Herb let us know that it all went well. They got a few new members and made a little money at the same time. Sandy brought her gold from Alaska to show the people that stop by the booth. Next time you see them give a big thank you to Herb Robinson, Jon Van Dort, and Sandy Randle.

### New Business:

- ◆ Vicki brought up the way we keep track of the mailing list. Her and Braxton mail out the news letter and it is very hard to figure out who has had it emailed to them and that it would be nicer on the person who mails them out to just have to keep track of the people that need them mailed. The club agreed with this. It changed the ruling at the spring kick off. Thank you to all it will make this job of mailing news letters a lot easier.
- ◆ Braxton let us know that Clarence, Jill, Vicki and himself went to a Multiple Use meeting the weekend before. This was a very special meeting. It was for Gary Hall. Those of you who don't know Gary, he was at one time the Treasure of this club and also for several years he did our news letter. He is a very good family man and would do just about anything to help you if you need it. Gary has fought for our rights in the woods. He is in a big fight with cancer right now and his family could use all the prayers we could give them. Please keep them in your prayers.
- ◆ October we usually have 2 outings, is this still what we want to do? It was brought up that maybe we should have 2 outings in September also. The club talked about this and it was voted on that the club will have 2 outings in September and 2 in October.  
The dates are September 12th and September 19th, then October 3rd and October 10th. So everyone mark your calendars. We hope to see you at the outings.
- ◆ Bill wants to thank Wayne for the use of his Bobcat at the outings. Thank you Wayne.
- ◆ Braxton closed the meeting



## "CODE OF ETHICS"

*Any violation reflects on all of us!*

1. Know and obey the laws, rules and regulations pertaining to mining.
2. Respect private property and mining claims of others. *Get Permission First!*
3. Conduct your mining activity in a manner that will cause minimal disturbance to others.
4. Plan your operation prior to proceeding to ensure minimal environmental impact and erosion.
5. Restore the area to its original or better condition when finished with your operation.
6. NEVER disrupt or damage wildlife breeding sites, even if it's legal to do so.
7. Remove all trash and debris found in and around all streams, rivers, and campsites.
8. Keep your equipment maintained and in peak operating condition.
9. Use extreme caution when using petroleum products around waterways.
10. MINE SAFELY! No amount of gold is worth your life or the life of others.

## CLUB MEETINGS

***Sept. 12th  
and  
Sept. 19th***

**Libby Creek  
Public Gold Panning  
Area**

**NWMTGoldprospectors.com**

If you know of a club member who is ill or needs help,  
Prayer or encouragement, call our "Sunshine Lady",  
Evelyn Grant at 406-892-3298

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