

# EXTRA

WHAT'S BEING SAID: "IF IT WASN'T FOR THE MINES, JUNEAU WOULDN'T BE HERE. — WALT PARFINOVICS, PAGE 2

## JUNEAU EMPIRE

*'The Voice of Alaska's Capital City'*

Alaska  
North Slope  
crude oil:  
West Coast delivery  
24.09 per  
barrel

TUESDAY  
JAN. 14, 1997



TOMORROW'S  
FORECAST:

PARTLY CLOUDY  
HIGH - Lower 40s  
LOW - Upper 20s

10 CENTS

VOL. 86 NO. 11

# ECHO BAY DROPS A-J

BY LORI THOMSON

THE JUNEAU EMPIRE

After a decade of struggles to open the historic Alaska-Juneau old mine, Echo Bay Mines Ltd. announced today it is writing off its investment in the project.

The board of directors decided to write off the mine as an asset after a feasibility study showed the body was much smaller than believed and significantly higher costs made the project uneconomical.

"Because they wrote it off, we're prepared to move toward closure," said Bill Goodhard, project manager for Echo Bay Alaska Inc., a subsidiary of Echo Bay Mines Ltd.

However, the company will also consider whether to redesign the project or sell the lease to the mine near downtown, company officials said.

"We just don't know what's going to happen at this point because the decision was just made two hours ago," Echo Bay spokesman David Stone said this afternoon.

What will happen to the 19 employees Echo Bay employs in Juneau also remains uncertain, Goodhard said.

"We're not commenting right now because we don't know anything," said Jim Akins, an environmental technician who has been with Echo Bay since 1989.

Echo Bay has other projects around the country and overseas.

Because they wrote it off, we're prepared to move toward closure.

Bill Goodhard

source department that will help them out," Stone said. "But at this point nobody has been let go."

Echo Bay has invested \$110 million into reopening the A-J mine and another \$300 million would be needed over the next four years, according to company officials.

The board of the mining company, based in Engelwood, Colo., decided instead to put its resources into two new gold mines, the Aquarius in Ontario, Canada, the Paredones Amarillos near La Paz, Mexico and "other more promising projects," a company press release said.

About \$20 million has been reserved for the cost of reclamation, which would take at least two or three years, Stone said. Reclamation would include securing tunnel entrances, reseeding the road to Sheep Creek Valley and shutting down surface facilities in the valley.

The company has not withdrawn its permit application and maintains the project is still

permissible, Stone said.

Echo Bay also has a lease to the Treadwell gold mine near Douglas.

"That's going to be looked at as part of the options," said Goodhard, who would not comment on whether Echo Bay would refocus its attention at Treadwell.

Despite the write-off, Stone said the company viewed its experience in Juneau as a good one, because it changed its approach in developing projects and learned about consensus-building and working with the community.

The company has faced strong opposition from some segments of the community opposed to the mine.

Stone and Goodhard said opposition had nothing to do with decision to write off the project.

However Jill Paukert, a spokeswoman for Echo Bay headquarters in Colorado, said a factor in increased expenses has been changes the company has made to receive permits and "meet the community's needs."

"That combined with smaller amounts of gold just would make it impossible to make money," Paukert said.