

# Sunshine Mine

## ON TRACK FOR PRODUCTION

By Dawn M. Barker

The Sterling Mining Company's flagship property Sunshine Mine has set a goal of December, 2007 to begin production, a goal that is becoming more of a reality each day.

"The program is moving ahead right on schedule," said Ray De Motte, CEO of Sterling Mining.

The program De Motte was referring to is a multi-phase development program to rehabilitate and restore the mine to long term sustainable production. Phase I involved geophysical and geochemical programs and drilling exploration to determine mineral potential in the existing (historical) areas, as well as new targeted locations. Since only 15 per cent of the area comprising the Sunshine Mine land package had been explored by modern techniques, it was felt this was an integral initial step.

Phase II saw the intensification of rehabilitation and maintenance activities, including installation of new transformers and re-establishment of the 13,200 volt power, as well as lighting, ventilation and fire suppression system upgrades. Current estimates indicate a 23.5 million ounce reserve, and 231.5 million ounce resource.

To rehabilitate a mine with a 110-year-plus history hasn't been an easy or quick task. Activities have included ensuring the hoists, ventilation and escapeway systems, substations, work areas and mine-related infrastructure operate efficiently and meet current safety standards.

"It's been a significant exercise to rehabilitate the mine and restore it to operating status. We began in 2003, and we're anticipating a start date of sometime in December," De Motte said.

Sterling acquired control of the mine in 2003 by undertaking a lease with option to purchase, including the mine, its extensive underground workings to depths of 6,000 feet, a 19,200 acre land package in Sunshine Valley, and an historic database. At the time of purchase, the mine had already withdrawn from production as a result of a large number of outstanding shares, a large debtload and low silver prices. With mineral prices on the rise, a fraction of the number of shares outstanding and no long term debt, Sunshine Mine is nearly ready to re-open.

Meanwhile, Sterling has completed the Sterling Tunnel Project, which provides a secondary escapeway and platforms for underground exploration drilling of new mineral zones within the mine.

In line with the progress, Sterling Mining is filling its management and labour force with veterans of the Sunshine Mine. The new Mill Manager and Chief Metallurgist previously spent 16 years with Sunshine Mining as Superintendent of the Silver Refinery and Antimony Plant. The combined experience of the mine's six top superintendents and foremen is more than 200 years.

At present, the mine has more than 75 workers, and De Motte estimated that another five to 10 will be added each month prior to production.

"We prefer people with previous experience at the Sunshine Mine," he said, adding that the company has also hired people with mining experience from different areas of the Pacific Northwest.

Having a solid base of "veteran" miners adds a layer of confidence in the safety performance of the Sunshine Mine, which De Motte said is very important to the company. Due to its efficient infrastructure and high safety standards, the US Department of Labor Mine Safety and Health Administration awarded Sunshine Mine the highly desirable Sentinels of Safety Award for 2005.

"The workers see it (safety) as a priority," De Motte said.

"We have an excellent safety department, and very experienced safety personnel that ensure that we meet or exceed

the standards set forth by the Federal Government, MSHA, and we have set our own high standards as well. The workers know its part of working at the Sunshine Mine."

How have the mine's personnel contributed to the project's successful advancement thus far?

"They have been entirely responsible for the progress to date. We have superb employees, and they work wonderfully as a team," De Motte said.

With a team that strong, and a future that seems as bright as its name, Sunshine Mine is set to help Sterling Mining Company into a major primary silver producer in the years to come. ■



# REVETT MINERALS

## *looking forward to the future*

*By Dawn M. Barker*

For Revett Minerals, the future is looking up... and up... and up. A relative newcomer to the Montana mining scene, Revett has experienced a 47 per cent increase in its 2007 second quarter production, and seen the grade of silver and copper produced in its mine increase significantly.

All of this is a definite bonus for the Montana economy. At the company's Troy Mine, located in Lincoln County, now that the mine is in full production, it provides \$8.8 million in income for labourers (2006 stats), and a further \$6.3 million was spent on supplies within the state. Montana also benefits by the company paying \$1.4 million in taxes.

"It's pretty substantial," said Doug Ward, VP of Corporate Development with Revett Minerals.

"The response from the surrounding communities has been highly supportive. The mines provide stable, high quality long term jobs, and that has a multiplier effect that's really been great for the economy."

Things hadn't always looked so rosy, though. The mine was developed by ASARCO in 1980-81, and operated until 1993, when low mineral prices spurred its shutdown. Revett acquired the property in 1999, with a goal to restart production when it became financially feasible.

By late 2003, metal prices had increased, and the required permitting process was put in place to reopen the mine. A mature and experienced slate of officers was brought in to govern the company. Rehabilitation of the mine started in June, 2004, with the first production in December of that year.

At that time, the mine had an estimated three years' life potential, but Revett saw great potential to extend that timeline, through exploration of the area below its currently defined mineral reserve. A combination of higher mineral prices and good drilling results aimed at extending it have been successful in

pushing the mine's life to its current 6 ½ years. The company is now exploring new areas below and adjacent to the mine with hope of extending the mine life even further. These efforts have resulted in the discovery of three new mineralized horizons. Revett plans to release its calculations on the new reserves by year end.

The Troy Mine has been so successful that it serves as a model of sustainable development for Revett's other Montana property, the Rock Creek Project. Located in Saunders County, Rock Creek will be an underground room and pillar mine with an average operating depth of 1,000 feet. The mine, which has an estimated production life of well over 25 years, will use conventional flotation processes employing organic, biodegradable additives to recover copper and silver minerals.

The process thus far has been slow and complex, but the company has addressed environmental concerns and obtained the required permits. It currently is tied up in a judicial challenge, but CEO William Orchow said he is confident that it will proceed.

The first phase of development is slated to commence in 2007. A revised technical and economic feasibility study will be produced, and presuming a positive outcome, Revett intends to develop Rock Creek as an approximate 10,000 ton per day mine. When fully operational, Rock Creek will directly employ 300 people at an average annual wage level of \$45,000 plus benefits, provide \$2.5 million a year in local tax revenue, and add a further \$10 million a year through local purchases of supplies and equipment.

Initial concerns about the mine's impact on the grizzly bears in the area, the potential for a decrease in water quality, and the possibility of the mine's affecting the wilderness lakes in the area



were taken very seriously by the company. In response, it addressed each of the concerns in the Environmental Impact Statement, providing such measures as the purchase of an additional wildlife habitat reserve, funding a grizzly bear management specialist, augmentation of the grizzly bear population if necessary, and containment of any tailings created by the mining process. A two-stage water treatment process will exceed drinking water standards. In all, 79 modifications, mitigations and monitoring requirements were agreed to by the company, at a cost of \$20 million.

"We sit on the same side as the permitting agencies on this matter," Orchow stated. "We hope to be able to start physical work at Rock Creek and bring it into production very soon."

Orchow also noted that down the road, the company hopes to start a grassroots exploration program on its additional holdings in Montana, and look at moving beyond the state into other locations in North America, and eventually even to Central and South America.

In doing so, the company will continue to lead the industry with its environmentally friendly procedures, good neighbour policy, and worker recruitment and retention practices which underline safety and preventative maintenance, and recognize the employee as a key element of a successful mining operation.

"Finding and keeping skilled labour in mining is one of the challenges in the



industry right now. What we decided to do was to 'make' miners. We re-focused on new, young people who weren't familiar with the mining industry, and provided vocational training to them. As this green workforce matures in experience, we've seen the production increase, and by the time that Rock Creek goes into production, we will be able to move these young people into leadership roles there and start a new group training here."

"The Company is extremely pleased with the continued progress our employees have made in improving the operating performance of Troy," said Orchow in a recent statement.

"We are seeing the benefits of improving the skills of our workforce and the benefits of improved training and preventive maintenance programs. It is also gratifying to note that these production improvements have been accomplished without diminishing Troy's excellent safety record or its continued commitment to the highest standards of environmental protection. In fact, Troy has not experienced a lost time incident in a year."

The company describes its environmental philosophy as "responsible use", meaning that with care and planning, natural resources can be used to benefit today's generation, without negatively impacting the valuable natural legacy left for generations to follow.

Revett's policy of creating good neighbour agreements with local stakeholders moves beyond the mine's home counties to the downstream areas in Idaho. It has formed an advisory body and invited local groups, elected officials and individuals concerned with the mines' impact on their communities, economy or environment to join.

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### About Revett Minerals

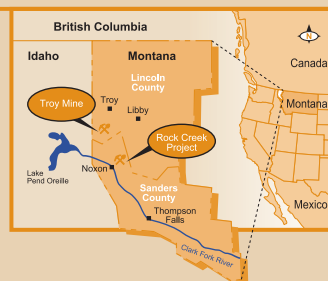
Revett Minerals, through its subsidiaries, owns and operates the Troy Mine, and the development stage Rock Creek Project, both of which are located in northwestern Montana, USA. These projects host significant copper and silver mineral reserves and resources and will form the basis of our plan to become a solid mid-tier base and precious metals producer in the future. The company plans on expanding its production through exploration in and around its current properties, as well as through targeted business combinations of advanced staged projects.

### Troy Mine

<b>Project Status:</b>	Operating
<b>Commodities:</b>	Silver / Copper (40% Ag / 60% Cu by value)
<b>Production Rate:</b>	4,500 tons per day ore (avg. at planned production for 2007) 2 million oz. Silver per annum 17 million pounds Copper per annum
<b>Reserves (P&amp;P):</b>	13.2 million tons @ 1.14 opt Ag & 0.54% Cu (as of 12.31.06)
<b>Silver:</b>	15.1 million ounces
<b>Copper:</b>	143 million pounds

### Rock Creek Project

<b>Project Status:</b>	Pre-Feasibility
<b>Commodities:</b>	Silver / Copper (40% Ag / 60% Cu by value)
<b>Production Rate:</b>	10,000 tons per day ore (avg. at planned production) 6 million oz. Silver per annum 52 million pounds Copper per annum
<b>Resources (Inf.):</b>	137 million tons @ 1.67opt Ag & 0.72% Cu (as of 12.31.06)
<b>Silver:</b>	229 million ounces
<b>Copper:</b>	2,022 million pounds



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