



STATE OF NEVADA

Department of Conservation & Natural Resources

DIVISION OF ENVIRONMENTAL PROTECTION

Jim Gibbons, Governor

Allen Biaggi, Director

Leo M. Drozdoff, P.E., Administrator

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NEWS RELEASE

Contact: Jill Lufrano
775.687.9395

Nevada Division of Environmental Protection approves Jerritt Canyon Mine's plan to restart milling operations

CARSON CITY - The Nevada Division of Environmental Protection (NDEP) has announced the completion of initial environmental compliance requirements at Queenstake Resources' Jerritt Canyon Mine, a major producer of gold in northern Elko County. This determination will allow Jerritt Canyon Mine's milling and ore processing operations to restart.

"Queenstake Resources has met all requirements to restart. There are requirements to continue operation and we'll be working with Queenstake to ensure those are met in the near future," said NDEP Administrator Leo Drozdoff.

The NDEP has worked with mine personnel continuously during the past six months. Air and water issues have been resolved to a level that will allow Jerritt Canyon Mine to begin processing ore. The restart will allow Queenstake Resources to rehire workers, generate revenue and continue required environmental work at the site.

"Having the facility achieve compliance with the environmental requirements and its subsequent reopening demonstrates how well Queenstake, the NDEP and the Attorney General's office can work together to ensure that the public health and the environment are protected, a viable mill is permitted to operate, and motivated millers and miners are able to get back to work," said Deputy Attorney General Robert Kilroy.

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HISTORY: Following a year-long investigation into mercury emissions, in March 2008 the NDEP ordered Queenstake Resources to install new state-of-the-art emission control equipment at Jerritt Canyon Mine by the end of that year.

Before the NDEP's order was satisfied, Queenstake Resources, by its own action, stopped mining and processing ore at Jerritt Canyon Mine in August 2008. The facility has remained shut down while the new emission control systems were designed and installed.

Staff from Queenstake Resources and the NDEP worked together to resolve air emission issues related to the roasting operation. They also worked diligently to ensure all water management systems were maintained and operated properly during the shutdown. The USDA Forest Service, as landholders of the mine area, assisted the NDEP during the shutdown period to ensure the protection of human health and the environment. Queenstake Resources holds environmental permits for air, water, waste and surface reclamation activities issued by the NDEP for the Jerritt Canyon Mine.

PROGRESS: Queenstake Resources has improved existing air emission control systems in order to achieve an immediate, substantial reduction in mercury emissions. As part of this effort, along with other interim operational changes, Queenstake Resources has committed to install a state-of-the-art mercury control by May 30, 2009.

NDEP staff will remain on-site through start-up to monitor progress and ensure compliance with all environmental requirements.

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