

MAJESTY MINING, INC.**3465 ST ANN****BUTTE, MT 59701**

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Senate Natural Resources Committee
Capitol Building
Helena, MT 59620

RE: SB 306 CLARIFYING the Prohibition of Cyanide

Chairwoman Barrett and Committee Members:

My name is Tad Dale and I reside at 3465 St Ann Street in Butte, MT. I am the President and Owner of Majesty Mining, Inc., a Montana Corporation since 1991. I have operated and intend to operate in the future an open pit gold and silver mine in the Revenue Mining District, 7 miles West of Norris, Montana. Mines in this district produced gold and silver from the 1860's up to WWII. Majesty Mining produced gold and silver for 4 years starting in 1995 and was later shut down due to low gold prices. The mine is located in the Tobacco Root Batholith and many mineralized zones exist within several miles of the property.

The ore from this mine was heap leached with cyanide and the precious metals were recovered using activated carbon. The DEQ just completed a 5 year bond review. The mine was in operation in 1998 and was grandfathered to use cyanide when the cyanide ban initiative was passed.

The language in the Metal Mine Reclamation Act (MMRA) is not clear in describing the ability of an approved facility to accept outside ores that are mined by open pit methods. This bill is very succinct in clarifying that language. The reason that a mine operator would use cyanide heap leaching as the method to recover precious metals is because the content of precious metals in the rock is considered too low grade to call it ore or in other words "make a profit". No operator would use heap leach methods to

recover high grade ores. By definition, it would be only ores in close proximity to the permitted property that would be economically feasible to be shipped to the existing heap leach area for processing. Due to the low grade metal content of deposits that could be heap leached, the freight expense regulates the economy of this process.

This makes perfect sense. Why not bring the ore of nearby deposits to one central permitted process area to recover the resource. The nearby properties would still have to go through the permitting process with DEQ to get an operating permit to mine. This keeps the disturbed footprint to a minimum and allows the ability for the already permitted mine to increase its ore reserves and mine life. This would add more jobs and more tax base to the county and state.

Often times, there is a surface exposure of ore that indicates much deeper and higher grade deposits. This lower grade surface mined ore, if available to process at a nearby permitted cyanide property, gets the property opened up and pays for future development. Why not be good stewards of the entire resource and not be prevented from using a nearby processing facility that is already permitted. Old mine dumps and tailings could also be consolidated to one area.

Most of the large operating mines today started out as a small mine. Recovery of metals from low grade deposits should be encouraged. This bill DOES NOT expand the use of cyanide. The properties that would benefit from this language clarification in MMRA already have the ability to use cyanide as regulated by their operating permit.

Please vote yes on SB 306!

Sincerely,



Tad Dale
President
Majesty Mining, Inc.

Enclosure: Photo of gold and silver dore' bars that were produced by Majesty Mining, Inc.



