

The *Arizona Republic's* Online Poll question for March 2, 2002 was, "Do you think the Arizona Mining and Mineral Museum, scheduled for July closure because of budget cuts, should be saved?"

**Yes: 90 percent**  
**No: 8 percent**  
**Undecided: 2 percent**

Such an overwhelmingly one-sided response in these polls is not often seen. For those who noticed the poll and responded - thank you!

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## Mineral Resource

### Department Threatened with Closure

The State Joint Subcommittee on Appropriations for Education, when considering the 2003-2004 budget, included a proposal that would have eliminated the Department and its Mining and Mineral Museum. While the House subcommittee voted to retain the Department and Museum, cut some expenses, and permit the charging of admission fees, one senator suggested a zero budget for the agency.

The net savings to the state, by closing the agency, would be about \$350,000; the other half of the Department budget of \$700,000 is rent paid to the State. The loss to the State would be many times more. This proposal comes at a time when the mining industry, mineral education, and cultural enrichment programs increasingly need an advocate and technical assistance agency in state government.

Department and Museum clients and patrons have rallied to save the Department. In the short time available, hobbyists, large and small mining companies, exploration offices, environmental organizations, school teachers, consultants, other government agencies, and general museum visitors instigated an e-mail campaign, volunteered to speak at meetings, wrote letters, circulated petitions, and called legislators. Several statewide publications have featured the department's situation, with the media coverage being favorable.

At this time the efforts seem to have been effective. The Senate subcommittee's function ended without a recommendation for the Department. Continued funding for the Department and Museum is included in the Governor's budget request and is recommended by the House Appropriations Subcommittee. The absence of a recommendation from the Senate subcommittee will be resolved by the full Senate Appropriations Committee and in House-Senate negotiations as the State budget process continues.

The Department staff is grateful for the outpouring of support. We wish to thank all of those who came to our aid.

### New Publication on Mining Scams

"A gold miner is a liar standing next to a hole in the ground," a quote commonly misattributed to Mark Twain, is how W. Scott Donaldson begins his latest open file report for the Department, *Arizona Mining Scams and Unassayable Ore Projects of the Late 20th Century*.

Using the time frame of the last few decades, Donaldson, a Phoenix mining attorney, profiles the characteristics of modern Arizona mining scams or non-traditional mining projects and describes a number of examples. Donaldson ties the escalation of mining scams in Arizona to the jump in gold prices of 1980 (from \$227.20 to \$672.00 per ounce) and the 'Black Monday' stock crash of 1987.

Donaldson reports that recent scams often fall into one of two categories. During the middle and late 1980s the schemes were mostly structured as "desert dirt" ventures with little evidence offered to explain why the precious metals were present. In the 1990s, a more sophisticated approach, the unassayable gold and platinum group metals, came into vogue. In this scam it is argued that a particular ore is not amenable to conventional fire assaying. Donaldson adds that not a single mine in the world produces gold from unassayable ore.

*Arizona Mining Scams and Unassayable Ore Projects of the Late 20th Century* by W. Scott Donaldson, Open File Report 02-20, can be purchased from the Department for \$3.00 plus \$1.50 postage and handling, or downloaded in a PDF format from the Department website at [www.admmr.state.az.us](http://www.admmr.state.az.us).

### Record Production at Ray

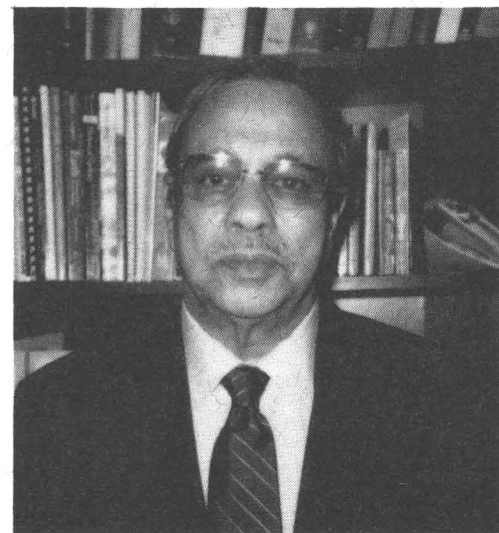
A record 382 million pounds of copper were mined at Ray in 2002, 30 million pounds more than in 2001. Although leach SX-EW production was down slightly from 2001's record level, copper recovered in concentrate from the two concentrators increased 16 percent to a record 290 million pounds.



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*Address Correction Requested*





### Board Member Appointed

Governor Janet Napolitano has appointed Purnendu K. 'Rana' Medhi to the Department's Board of Directors. Medhi is an independent mining consultant and a principal of Mineral Evaluation Network – a worldwide cooperative of economic geologists and mineral economists which provides mineral resource expertise and investment assistance.

Prior to starting his own private practice in 1994, Medhi spent twenty-eight years with Cyprus Minerals and its predecessor companies.

Born in the State of Assam in India, Medhi received a masters degree in mining geology from the University of Arizona. He is a registered engineering geologist in the States of Arizona and Oregon.

Medhi has authored numerous geology and mining publications and is also an adjunct professor of geology at the Central Arizona College. He is a member of Soci-

ety for Mining, Metallurgy and Exploration (SME), American Institute of Professional Geologists and Arizona Geological Society. Medhi is an active community volunteer and serves as a director of several public and private boards.

"Rana, with his solid Arizona mining background and his academic perspective, will be an invaluable asset to the Department Board," Department Director Doug Sawyer said of Medhi's appointment.

### BLM Assay Survey Released

The US Bureau of Land Management released a Mineral Report in January of this year entitled *Results of Analyses of Standard and Blank Samples Tested at Selected Assay Laboratories in North America*.

The BLM's Washington Office assigned the National Training Center in Phoenix to develop and implement the survey because of Public Land administration problems caused by inaccurate or nonreproducible precious metal assays. Geologists Matthew W. Shumaker and Burnett W. Clay administered the survey.

In the survey standards and blanks for gold, silver, platinum and palladium were sent to North American laboratories that perform assays for the general public for money. In all, 65 laboratories were tested. The survey lists the name and location of each laboratory tested, with results of the tests.

Scott Harn, Editor of *ICMJ's Prospecting and Mining Journal*, reports: "Many of the results were well within acceptable limits .... But some results were so far out in 'left field' that it would be impossible to utilize the assay results to make an informed decision regarding a deposit."

The Mineral Report is available at both the Department website and the *International California Mining Journal* website, [www.icmj.com](http://www.icmj.com). Eventually it will be available at the BLM FOIA website.

### Direct Economic Impacts of the Arizona Rock Products Industry by Source: 2001\*

Source	Economic Activity	Payroll	Jobs
Sand & Gravel/Crushed Stone	\$355,390,000	\$83,197,000	2,777
Ready-mix Concrete	\$905,373,000	\$174,110,000	4,017
Asphaltic/Concrete Products	\$415,333,000	\$81,758,000	2,395
Cement	\$181,146,000	\$20,354,000	566
<b>Direct Impacts</b>	<b>\$1,857,239,000</b>	<b>\$359,419,000</b>	<b>9,755</b>

Note: Economic Activity is the value of production, shipments, and deliveries.

\*Arizona Rock Products Association, January 2002

## Museum News

### Prospector's Day Strikes Gold

By Susan Celestian, Curator

The 12th Annual Prospector's Day at the Museum was a golden success. A record 377 people came out for what was a gorgeous day, on Saturday, February, 22. This is an event that is co-sponsored by the Arizona Mining and Mineral Museum and the Arizona Prospector's Association (APA), a group that meets at the Museum on the third Tuesday of each month and that actively supports Museum activities.

Outside, visitors panned for guaranteed gold under the tutelage of members of APA; and they used metal detectors to hunt for coins (special ones of which could be traded in for gold nuggets). Club members also demonstrated various gold recovery equipment. Prospectors could crush ore samples and blacksmithing was demonstrated "out by the hoist house."

The stamp mill was a new and exciting demonstration. The "Monday Crew" of volunteers had rigged up a small motor, belt and wooden replica of a stamp, for a preview look at how it will work when it is completed (Which, by the way, will be soon!). By the October Family Day, it should be operational.

Inside, children and parents alike crowded around the tables where they created bracelets, pet rocks, and their very own collection of four minerals or rocks glued onto an informative card. Skilled craftspeople demonstrated faceting, inlay, wire wrap, and carving. Many visitors took advantage of the half-price sale on selected items in the gift shop.

As an aside, I want to thank everyone who e-mailed, called, or wrote legislators, and who signed the petition in the effort to preserve funding for the Department and Museum. It was an impressive outpouring of community support and surely made an impression on the Governor and legislators. It certainly made an impression on me, and I am indebted to you. THANK YOU!



### Richard R. Beard 1930 - 2003

Former Department Mining Engineer, Dick Beard died on January 5, 2003. Dick worked for the Department from 1979 until his retirement in 1992.

Dick was born on April 4, 1930 in Miami, Arizona, where he was raised. He served on the troop transport ship Noble (APA-218) in the US Navy during the Korean War and obtained his B.S. in Mining Engineering from the University of Arizona after the conflict ended. Dick worked for many of the major mines in the Southwest prior to joining the Department, including Morenci with Phelps Dodge, Sahuarita with Anaconda, US Borax at Boron, California, and Hecla Mining Company at Casa Grande.

Dick was an individual who lived life on his own terms. He was a fearless fighter of mining scams, ignoring both lawsuits and threats of bodily harm to keep Arizona free of fraudulent mining promotions. Coupled with that sense of justice and fairness was an unfailing sense of humor. Coworkers remember and miss his ready smile and droll quips.

Dick is survived by his son, Aaron F. Beard, two daughters, Mary Ann Wutzke and Ellen Berryman, three grandchildren, a great-grandson, a brother and a sister.



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11,602 volunteer hours donated in 2001!!  
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