

Golden State Legislature Poised to Kill Gold Mining Industry on Eve of New Regulations, says Gold Pan California

CONCORD, Calif., May 31, 2011 (SEND2PRESS NEWSWIRE) – Gold Pan California (www.goldpancalifornia.com), a gold mining supply shop, has been looking forward to the relief of November like salve applied to a burn. Owner Mike Dunn's anticipation of relief was suddenly diverted 2 weeks ago, when the California Legislature began shuffling last minute trailer budget bill language which, if passed, will kill the suction gold mining industry and cost the Golden State \$23 to \$70 Million annually.

In 2009, the California Legislature imposed a temporary moratorium on suction gold dredging until a court-ordered Environmental Impact Report (EIR) was completed. Since then, the State has spent \$1.5 Million to conduct the study, and the Department of Fish and Game (DFG), who manages the suction dredge permitting program, is on track to release the updated regulations in November, which will allow the gold miners to go back to work.

That is, unless the California Legislature passes 2 lethal paragraphs of trailer budget bill language regarding suction dredge mining next week. Although the language is titled as a \$1.8 Million cut and 5-year moratorium, the consequences will be colossally worse.

Since the DFG new regulations will not be concluded until November, but the current budget will be passed before then, the original temporary moratorium can never be lifted. Thus, the gold mining industry will be instantly killed, and the financial loss will affect small businesses in at least 14 sectors including grocery, restaurants, lodging, fuel and hardware.

Dunn points to the stack of fine-gold recovery units for suction dredges that he has been building in anticipation of the industry re-opening. "The DFG has already spent \$1.5 Million to complete the EIR, which proved that gold dredging is not deleterious to fish; now the Legislature wants to discard the results? This is extraordinarily reckless legislation!"

Indeed, the socio-economic destruction would be vast. By the DFG's own calculations, \$23 Million annually benefits the lowest income regions of the State.

Proline, a mining equipment manufacturer based in Coulterville, suffered a 40 percent loss when the 2009 temporary moratorium went into effect. Owner Jeff Kuykendall paints a bleak picture for the California retailers of his products. "We are very fortunate to have overseas sales to help sustain our business. But if this legislation passes, my retailers will be forced out of business. The Legislature hasn't even considered how broad the closures will

be.”

In Siskiyou County, nearly every business and household is dependent on the miners. Bruce Johnson owns Mid River RV located in Seiad Valley. All of the neighboring businesses, a cafe, grocery store, mini storage and post office, rely on Johnson’s tenants for their seasonal incomes. Johnson also serves on the Seiad Valley Fire Board, which is the oldest all-volunteer fire department in California. Exasperated, Johnson asks “Is the Legislature intentionally dysfunctional? We’re holding on for dear life out here and the gold miners could immediately help ease the burden.”

In the 1850’s, gold miners blew down hillsides with huge hydraulic cannons of water which wreaked havoc on rivers and were outlawed. 100 years later, manufacturers such as Proline invented the environmentally responsible hand held suction dredge, and gold miners have been using them ever since.

Suction dredge mining is conducted underwater by a diver wearing about 50 pounds of weights, with most of the work dependant on the strength of the individual. The suction dredge consists of a hand-held vacuum hose, with a sluice box floated on pontoons above. The diver holds the vacuum hose with one hand while throwing cobbles out of the way with the other hand, and the gold flakes land up in the sluice.

Dunn says that suction dredge mining is the epitome of the American dream; “Suction gold dredging is one of the purest tests of the human spirit. The underwater working conditions are constantly challenging and sometimes brutal, but at \$1,500 a teaspoonful, prospecting for gold is worth every effort spent.”

Whether prospecting for the Mother lode or a few small flakes to put food on the table, the fate of more than 4,000 miners and the annual \$23 to \$70 Million industry they create is being determined by the Legislature this week.

About Gold Pan California:

The company was founded in 2008 by Mike Dunn, an international gold mining specialist who has been suction gold dredge mining for 33 years.

For more information visit <http://www.goldpancalifornia.com> .

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