

LOCAL NEWS

Mining exec says open-pit ban rules his company out

Added costs too great for underground mining

By MELANIE LENART

Of the STAR staff

The president of the U.S. mining company that had been eyeing Adjuntas said the ban on open pit mining effectively rules his company out.

"No, there is no other alternative," Southern Gold Resources Inc. President Jim Knox responded Wednesday when asked whether the company would consider other options.

"Underground mining is for smaller, higher grade things where you can stand the additional cost of going underground," he said.

Puerto Rican Independence Party leaders drew thousands of anti-mine protesters to Adjuntas on Tuesday to object that the bill signed Friday — which banned open pit and strip mining in Puerto Rico — ignored other options like tunneling.

The protest Tuesday included "hanging" an effigy of a Southern Gold representative cloaked in a business suit and sporting an American flag and a dollar sign.

Knox agreed with the PIP premise that tunneling can cause environmental damage. For instance, digging tunnels can cause aboveground areas to sink.

However, Southern Gold doesn't consider the method economically feasible, he said.

The political atmosphere in Puerto Rico is enough to scare away most investors, he guessed.

Another company had been exploring mining prospects in the same region, he said, but quietly packed up and abandoned the project last year as political opposition began to heat up.

Knox said he was still waiting to receive official word of the anti-mining bill, which New Progressive Party leaders sped through the Legislature in the latter half of June. Gov. Rosselló held a bill-signing ceremony on Friday in what some independentistas saw as an attempt to upstage their protest scheduled for Tuesday.

Knox sounded philosophical about the venture into Puerto Rico, which cost the company about \$1 million.

"This is different than almost anywhere in the world," he mused. "Politics is everybody's life down there."

The president noted the irony of the Legislature passing a bill outlawing the open pit mining of metallic materials while various industrialists continue to use open pit methods to extract construction aggregate material.

"The thing that we're talking about is essentially the same thing as these limestone mines," Knox said.

Also, most U.S. mining gold and copper operations involve open mines, he said, while strip mining is mainly associated with coal retrieval. Arizona and Utah have dozens of open mines, with some removing as much as half a million tons of ore a day, he said.

"I could probably name you a couple of hundred of them in the U.S. that makes this [Adjuntas] one look like a baby," Knox said.

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