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GOLD STANDARDS | MONTANA'S MINING LEGACY Montana gold mine: 'A very good neighbor'

By SAMMY FRETWELL

sfretwell@thestate.com October 12, 2014

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Downtown Whitehall, Montana. Many business people in the town of about 1,100 say the Golden Sunlight gold mine's workers spend money in their establishments. SAMMY FRETWELL — sfretwell@thestate.com | [Buy Photo](#)





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Large gold mining companies are looking to the Southeast, and South Carolina in particular, as a source of gold as new mining techniques become available. One Lancaster County mine, in fact, could become the largest on the East Coast. What can South Carolina learn from states with large mines and more experience?

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ABOUT THE WRITER

Sammy Fretwell covers environmental issues for The State newspaper. He grew up in Anderson County and is a 1983 University of South Carolina journalism school graduate. Fretwell has won numerous reporting awards and has written about most major environmental matters in South Carolina since coming to The State in 1990.

His work on these stories was funded in part by the Institute for Journalism and Natural Resources, a nonprofit journalism organization.



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The Golden Sunlight Mine in Whitehall, Mont., has operated for 32 years. It is about the same size as the new Haile Gold Mine proposed for Kershaw, S.C. Here are similarities and differences between the two mines and the areas in which they are located.

Golden Sunlight, Montana

Owner: Barrick Gold (Canada)

Mine employees: 180

Size: 2,640 acres

Deepest mining pit: 825 feet (from low wall)

Yearly gold production: 100,000 oz.

Population of Whitehall: 1,184

Annual rainfall: 12 inches

People per square mile, county: 6.9

County unemployment: 4 percent

County population: 11,512

County size: 1,659 square miles

Haile Gold Mine, South Carolina

Owner: Romarco Minerals (Canada)

Mine employees: 350

Size: 2,612 acres

Deepest mining pit: 840 feet

Yearly gold production: 150,000 oz.

Population of Kershaw: 1,803

Annual rainfall: 45.3 inches

People per square mile, county: 139.6

County unemployment: 7.1 percent

County population: 80,458

County size: 549 square miles

NOTE: Employees and annual gold production at the Romarco mine are projected figures.

SOURCES: Towns of Whitehall, Mont., and Kershaw, S.C.; U.S. Census Bureau; Montana Department of Environmental Quality; S.C. State Climatology office; USA.com; interviews with Romarco Minerals and Barrick Gold

WHITEHALL, Mont. — As she left a local coffee shop one day last summer, 44-year-old Heather Dove stopped to think about the big gold mine in the mountains above town.

"I've lived here 18 years, and it has been amazing for our community," Dove said. "It's unbelievable what they have done — how they give back."

In business for 32 years, the Golden Sunlight Mine has a loyal following in tiny Whitehall, where people liken it more to a caring friend and provider than an industrial-scale gold-digging operation.

The Golden Sunlight supplies nearly 200 jobs, about 20 percent of the area's local tax revenues, and business opportunities for merchants, industrial recruiters say. Through the years, its owners have helped Whitehall upgrade parks, restore historic buildings, provide public hunting grounds, improve fishing holes and host community cookouts.

"When I was a kid growing up around here, that mountain where the mine is grew nothing but sagebrush and rattlesnakes," retired mine employee Jim Miller said. "After 1982, it grew families. The mine has been a very good neighbor."

The effect mining has had on Whitehall is of note in South Carolina these days, where the largest open pit gold mine in state history plans to launch near Kershaw. Folks in South Carolina are debating whether the economic benefits of industrial-scale gold mining are worth the environmental impacts. Federal and state regulators are expected to make decisions on final environmental permits for the South Carolina mine next month.

Like the proposed mine in South Carolina, the Golden Sunlight covers more than 2,600 acres and has a mining pit more than 800 feet deep. And like the Romarco Minerals project near Kershaw, the Golden Sunlight serves a rural community of fewer than 2,000 people where industry is otherwise scarce.

So far, Romarco Minerals has stopped virtually all opposition in Kershaw by networking in the community and promising several hundred jobs, just as the Golden Sunlight has done in Montana. Romarco scored a big victory last week when it struck an accord with influential environmental groups. They agreed not to oppose the mine after Romarco, which recently helped sponsor an awards ceremony put on by environmentalists, said it would preserve 368 acres of ecologically significant land to offset the mine's impact on wetlands.

Montana state Rep. Ryan Lynch said smart mining companies are good at building community support. A proposed copper mine in central Montana is today working with local leaders as it seeks permission to open near an environmentally sensitive headwaters river, the Butte Democrat said.

"They're trying to build some community relations and really working hard trying to be a good neighbor," Lynch said.

Dove, a librarian and homemaker, said she's seen little evidence that the Golden Sunlight has hurt the environment of her community. She's particularly impressed with how she said the mine's owners invest in Whitehall.

"It would be hard to see them go," said Dove, whose ex-husband works at the mine. "Big projects we have that we would never be able to fund ourselves — they come through with some metal mines grants and make it happen."

GLITTER AND CLOUDS

Barrick Gold Corp., the mine's owner, has some folks worried in Whitehall amid reports that it may sell the Golden Sunlight. Many say they'd prefer Barrick remain in charge.

"They're part of our overall employment and economic structure here, and we're just glad to have them as a partner next door," said Tom Harrington, an executive with the Jefferson Local Development Corp.

The Golden Sunlight, an open-pit mine that relies on cyanide, was the biggest taxpayer last year in Jefferson County, where Whitehall is located. It has paid \$6.8 million in local property taxes during the past five years, according to the Jefferson Local Development Corp.

County tax revenues from the mine topped \$2.4 million last year, corporation statistics show. That's significant in a county that collects no more than \$10 million a year in real estate taxes, Harrington said. Over the life of the mine, the Golden Sunlight's owners have paid about \$40 million in state and local taxes. Harrington said the state's metals mines tax provides \$100,000 annually for schools and businesses in the area.

That kind of help is important in Whitehall and Jefferson County, a sparsely populated area of picturesque valleys where people need jobs. The county, about two hours from Yellowstone National Park, is sprinkled with cattle ranches and farms that grow feed for stock. Those not involved in ranching or farming either work at the mine or in small businesses. Jefferson County's population is 11,500.

In addition to the nearly 200 people the Golden Sunlight employs directly, it also uses about 50 contractors, Golden Sunlight general manager Dan Banghart said.

Statewide in Montana, metals mining directly employs 2,700 mine workers. Nearly 1,000 more people work in transportation jobs for the industry, according to the National Mining Association. Nationally, the average mining job pays about \$85,000, the association reports.

"It pays well, but it's not just the jobs," said Patrick Barkey, director of the University of Montana's economic research bureau. Mines "buy a lot of electricity. They buy machines, they hire vendors. It is a big economic engine."

Despite good feelings toward mining, folks in Whitehall concede that the Golden Sunlight has not made everyone rich.

Take a trip off Legion Avenue, Whitehall's quaint main thoroughfare, and ramshackle neighborhoods are easy to find. Tiny wood-frame homes and house trailers line some of the streets. At the edge of town, small gambling casinos and 1960s-era motor courts are evident.

About 19 percent of the people in Whitehall live below the poverty line, according to the U.S. Census Bureau. Harrington acknowledged the disparity between those who work at the Golden Sunlight and those who don't.

"If you work at the mine, you are doing just fine," he said. "You've got a good quality of life, making good money, driving a nice truck, and you live in a nice house. If you don't work at the mine, you are probably struggling."

Environmentalist Bonnie Gestring said gold mining isn't all its purported to be, either from an economic or environmental standpoint.

Pollution from open pit gold mines that closed in the 1990s has cost taxpayers about \$40 million to clean up in Montana, state and federal records show. The Golden Sunlight isn't one of the mines that has cost the public, but its owners must pump contaminated groundwater from the site uphill so that pollution doesn't spread. That pumping could be required long after the mine closes.

While mine owners say they use the latest pollution control measures, the site has had acid drainage and cyanide spills in the past.

"Clearly this is not a long-term economic benefit for the state," said Gestring, one of the foremost authorities on the environmental impacts of gold mines.

BURGERS AND JOBS

Nonetheless, Whitehall would be worse off if the Golden Sunlight wasn't operating, say many town residents.

"It's challenging for any small town business community to really thrive, but the mine has definitely enhanced things," said downtown general store owner Tim Mulligan, 61. "It is a huge piece of our property tax base. In the big picture, that is probably the most significant impact.

"The jobs obviously are important," he said. "There are some very good-paying jobs in this community that would not be here if it weren't for the mine."

Dwayne Brown, who runs a pawn shop, liquor store and bar, said it's not unusual to see his saloon, the Two Bit, packed with mine employees munching hamburgers and drinking cold beer. For that, he is grateful.

"They buy stuff from us, and they support the area," Brown, 48, said as he passed the time at the pawn shop one late summer afternoon with friend Bill Dellar.

"Without that mine, this town would fold up," Dellar agreed, noting that the only people in Whitehall who complain about the Golden Sunlight are "maybe some of the people who get fired."

Tim Hockenberry, who has worked at the Golden Sunlight since it opened in 1982, said the mine has provided a steady income that allowed him to raise nine children. Hockenberry, 63, is a Wisconsin native who moved to Montana after visiting the Whitehall area for a college class.

He and his first wife divorced, but he never thought about leaving and has since remarried.

"The mine has really enriched the entire area," Hockenberry said. "I always tell people the mine has been so good to me I was able to afford two wives."

OPEN PIPELINE

On a recent summer day, workers pounded nails and moved boards in their rush to complete a renovation project at the historic Borden's Hotel as part of a plan to reopen the multi-story inn by New Year's Eve.

The hotel, established in 1913, will include shops on the ground floor and condominium-style rooms on the upper floors. The community hopes the hotel can attract trout fishermen interested in dropping hooks in the Jefferson River and other cold-running streams.

Without the Golden Sunlight, the project would not have happened, Harrington said. The mine is purchasing \$450,000 in tax credits from the development corporation to help finance the \$1.5 million renovation project, Harrington said.

Another project the Golden Sunlight has helped with is a fishing pond just below Whitehall, near the Jefferson River. The company donated the land for Piedmont Park, a 20-acre site that is landscaped with huge boulders and dotted with picnic tables. It lies in an open valley surrounded by high mountains that provide a scenic backdrop for anglers.

The Golden Sunlight also is leasing land at low cost near the base of its mine for a business park. The long-term lease costs the development corporation \$100 per year, Harrington said. A spec building has been erected, and tenants already have committed to open in the small building along Interstate 90, he said.

But perhaps the biggest project was the purchase years ago of the Candlestick Ranch on the Boulder River. The 3,500-acre ranch is mostly open to the public for hunting – a big deal in a state where public hunting grounds are becoming harder to find. The ranch includes bird fields and is ringed by high mountains.

Barrick Gold says the key to good community relations is more than spreading money around. It's keeping an open dialogue with the public.

Company officials say they go out of their way to take telephone calls from people who have questions. The company figures information can help diffuse suspicions about pollution.

"We try to accommodate everyone we can," said Mark Thompson, the Golden Sunlight's environmental superintendent. "It is as much an educational process as anything."

Being accessible can make a difference at times when miners need support from state and federal regulators. The company received permission late last year from Montana regulators for a modest expansion of the Golden Sunlight.

"If communities don't support your application, that's not good – you are probably not going to be successful," Thompson said. "On the other hand, if they do support you, it speaks volumes about how you operate and how you conduct business."

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