



Conversations

Newsletter for the CONVERSE Family of Consulting Companies

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Converse Assists in Groundwater Studies for Mount Hope Molybdenum Project

Nevada is recognized worldwide as one of the leading producers of gold and silver. However, by the year 2010, it may become known as one of the world's top producers of molybdenum, a mineral which is used as an agent to harden construction steel and develop stainless steel materials used in applications such as oil exploration, pipelines and the refining of crude oil.



The Numbers:

390 - Number of workers to be hired when the proposed mine opens.

500 to 600 - Number of workers required to build the mine.

8% - The mine's projected share of the world's output of Moly.

\$1.4 billion - Present net value of the mining site.

44 years - The expected operational life of the mine (one of the longest in Nevada mining history).

(Source: Las Vegas Sun, September 14, 2008)

General Moly, a Lakewood, Colorado-based publicly traded mining company, is working to acquire the necessary permits to develop an open-pit mine about 20 miles north of Eureka, Nevada. If successful, it could turn this small tourism-dependent town of 500 residents into a mini boomtown offering high paying jobs to 390 workers and giving the county and state a much needed economic boost.



Exploratory drilling operations on Mt. Hope, June 2008 (Photo by Britt Callahan, Converse)

yielding approximately 480 afy (300 gpm) of water that would be used to provide additional supply for ore processing.

In April of 2008 Converse was retained to assist General Moly, Inc (GMI) in conducting an extensive groundwater exploration program to help identify and characterize a suitable water supply for the Mount Hope project. The Mount Hope Project is a planned molybdenum mine located in Eureka County, Nevada. It is estimated that water demand to support mining operations will peak at approximately 11,238 acre feet of water per year (afy), or 7,000 gallons per minute. At some point during the expected 44 year operational life of the mine, pit dewatering would c o m m e n c e

Converse is providing a staff of Engineers and Geologists to assist with exploratory drilling operations for lithologic logging of drill cuttings and cores, sample collection, and documentation of various drilling conditions that are encountered in the field. The data collected during exploratory drilling, which includes borehole geophysical surveys, are then used to specify designs for test production and monitoring wells at various locations.

The primary aquifers being targeted for groundwater exploration are within saturated alluvial sediments as well as carbonate rock units known as the Devils Gate Limestone and Roberts Mountain formations all within the Kobeh Valley basin. Converse has also provided assistance in the analysis of well performance and aquifer response during aquifer testing that has occurred at select targeted areas for future groundwater development.

(Continued on page 2)



Exploratory drilling operations on Mt. Hope, June 2008 (Photo by Britt Callahan, Converse)

Converse Involved in Earthquake Damage Assessment and Repair

On Friday February 21, 2008, the rural town of Wells, Nevada was hit with a magnitude 6.0 earthquake. During the initial earthquake and the subsequent aftershocks, the Wells High School, an un-reinforced block masonry building built in the 1950's, sustained considerable damage. Converse's Elko office has been involved in the repair and reconstruction of the structures.

Our scope of services began with an environmental evaluation of the damaged areas for asbestos containing materials. The next phase was to assist the structural engineer to determine the structural integrity of the buildings.

Tom Davis from Converse has provided ICC welding and masonry inspections to assist the structural engineer during the evaluation of the

structural integrity of the buildings. Inspections have also included a mortar shear test. Converse is also offering special inspection services for the welding and masonry repair and reconstruction.

Converse Consultants has a long history of assisting in the assessment of earthquake damage and also in the repair of facilities. Our founder, Professor Fred Converse, led the way with his work after the M 6.4 Long Beach earthquake in 1933. California offices have been active with both public and private entities following many major earthquakes, including the massive Northridge quake in 1994 (M 6.7). Our experience and expertise has made Converse one of the 'go to' firms in the event of earthquakes and other natural disasters. ☺

For more information, contact Dean Stanphill, P.E., at (775) 856-3833.

Mount Hope Molybdenum Mine

(Continued from Page 1)

Converse's support for the Mount Hope project continues a long history of consulting services for the mining industry in areas of water supply and management (deep and surface mines), geotechnical engineering as well as environmental permitting and support including (but not limited to) Conjunctive Use Management, water quality (ground and surface water) management and residual waste landfill support. Converse's portfolio of mining projects includes notables such as Bald Mountain, Marigold, Daisy, Cortez, Barrick's Goldstrike and Newmont's Gold Quarry (all Nevada gold

mines). The Cyprus (now operated by Freeport-McMoRan) Bagdad mine and BHP-Billiton's Copper Cities and Miami projects are copper mines in Arizona where Converse has worked or is currently working. California mining experience includes the Mountain Pass Mine (rare earth metals) while other recent Converse mining projects include BHP's Navajo coal operation in Farmington, New Mexico as well as a large limestone mining operation in Pennsylvania. ☺

For more information, contact Jay Dixon, P.E., at (702) 269-8336.

FAA Improvements at Reno-Tahoe International

Converse's Reno office provided the geotechnical investigation for the Federal Aviation Administration (FAA) and the QA/QC for the general contractor during construction of the new FAA Tower. This project consisted of an \$18 million construction contract to build a new Airport Traffic Control Tower at Reno-Tahoe International Airport, located in Reno, Nevada. This tower is replacing the tower that was built over 50 years ago.



associated structures. The structure is of concrete construction with a concrete mat foundation. A mat foundation is a concrete slab that is reinforced with rebar. This mat foundation consisted of a solid concrete base that was 56' x 56' and 4' thick reinforced with 1" rebar that was placed 4" - 6" apart.

The tower has been constructed in 20' concrete lifts and will total 200" high. The construction of this tower will contain the modern technology for aircraft and will allow further expansion

of the airport. ☺

For more information, contact Dean Stanphill, P.E., at (775) 856-3833.

Did you know?

Molybdenum (mo-LIB-duh-num), or Moly as it is commonly referred to, is the element No. 42 on the periodic table and it is important component for several steel applications.

Moly is known as "the energy metal" because approximately 38% of it's demand is from the energy industry.

Moly is commonly used in oil pipelines, drilling equipment, various refining applications as well as nuclear and coal power plants.

2007 Moly Market



For more information about Moly and the Mount Hope project visit the General Moly website at www.generalmoly.com

Pennsylvania Uniform Environmental Covenants Act

The Pennsylvania Environmental Covenants Act (UECA: Act 68 of 2007) became effective on February 19, 2008. The Pennsylvania Department of Environmental Protection considers this to be the first major piece of legislation impacting remediation programs in Pennsylvania since 1995.

UECA is a formal, legal protocol that is required if any engineering or institutional controls are necessary to remediate a site to the State maximum health standards.

The covenant is intended to be perpetual, but can be terminated by an administrative or judicial action or can be limited to a specific duration or a specific event, such as demonstrating a stable groundwater plume over a specified time period or subsequent sampling that demonstrates that natural attenuation results in contaminant concentrations below those requiring the covenant.

UECA may affect decisions to implement corrective actions that incorporate engineering and/or institutional controls because of the strict legal requirements. The UECA is also retroactive for sites requiring an instrument using a control to meet the State maximum health standards or to satisfy the requirements of the Storage Tank and Spill Prevention Act. Those completed since 1994 must be converted to a covenant within 5 years of the effective date of UECA.

This requirement may pose serious issues to those who hold title to a property with engineering and/or institutional controls and involve entities who thought their responsibility for a property was long past.

The UECA has raised many questions that have not been answered, and the Department appears to be as concerned with the implementation of UECA as is the regulated community. As with all new regulation, it is likely that there will be conflicting interpretation of elements of the Act, and the interpretation will change with time. Converse Consultants expertise in the industry will be instrumental in guiding our clients through the new regulatory environment. ☺

For more information, contact Bill Brusse at (814) 234-3223.

Converse Annual Shareholders Meeting Held

Converse Consultants held the annual shareholders meeting at the Disneyland Grand California Hotel in Anaheim, California on June 21, 2008.

At the meeting the Chairman of the Board, Dr. Hashmi Quazi presented a report on the status of the company. He expressed satisfaction over the continued growth the company has experienced over the last ten years and gratitude to all employees for their hard work and dedication.

A covenant must:

- 1) state that a covenant is executed pursuant to UECA;
- 2) contain a legal description of the property;
- 3) provide a brief description of contamination and remedy;
- 4) describe the engineering and/or institutional control;
- 5) identify every holder;
- 6) be signed by the Department, every holder, and every owner in fee simple of the real property subject to the covenant; and
- 7) identify the agency that approved the covenant and the location of the administrative record for the environmental response action.

A covenant may, but is not required to, include:

- 1) requirements for notices, permits, or plans for work after the transfer of a property that might affect the controls that are described in the covenant;
- 2) requirements for periodic inspection and reporting to demonstrate compliance with the covenant;
- 3) rights of access to implement or enforce the covenant;
- 4) restrictions or limitations on amendments to or termination of a covenant;
- 5) rights of a holder in addition to its right to enforce the covenant; and
- 6) a detailed description of the contamination and remedy.

The shareholders elected the following board members:

Hashmi Quazi, Chairman of the Board
William Chu, Board Member
Normal Eke, Board Member
Kurt Goebel, Board Member
Don Christiansen, Board Member
Ruben Romero, Board Member
Dean Stanphill, Board Member
Bill Brusse, Board Member

Employees in Action

Nelsene Alford, Biologist in the Phoenix office, volunteers her time via her Rotary Club to help in her community of Mesa, Arizona. Last year she took her older daughters, Morgan and Jordan, with her to assist children from the Mesa Boys and Girls Club shop for Christmas clothes and gifts for themselves and their families. Community service and philanthropy begins at home for the Alford's.

Nelsene's husband, **Dean Alford**, managing officer of the Phoenix office and a fellow Rotarian, has traveled to Russia to assist in development of a water treatment system at a veterans home, and more recently, traveled to Guaymas, Mexico to take part in a construction project at a school for the deaf.

James Eicher, staff geologist for the Converse Parsippany Office has been volunteering with Habit for Humanity for the past seven years building homes for less fortunate families. He also has dedicated his time and skills as a craftsman to his church, Saint Peter's in New Brunswick. He has dedicated his weekends over a two year span to build a wall with pillars that encloses the prayer garden around the convent. All block work, layout, brick laying, and painting were done on a voluntary basis. When he isn't building structures, James is team building as a coach for Christian youth basketball, little league and all-star baseball teams within his community.

For relief of hurricane victims, Converse Consultants made a corporate donation of \$10,000 to the American Red Cross, matching donations from the Converse Team.

The Redlands office of Converse has been involved with the Alford Unified School District Scholarship Program in California and was recognized at the district board meeting with a plaque. ☺