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PROPOSAL FOR RECLASSIFICATION OF KGHM FLOTATION TAILINGS INTO A VALUABLE TECHNOGENIC ORE

by

Dr. Jan Krasoń

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1. The main purpose of the reclassification of KGHM's flotation tailings is to avoid paying penalties for ecological environmental harm, imposed by the European Economic and Social Committee, the European Union, in accordance with "Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008, in particular Article 6 "Loss of Waste Status".
2. The reclassification relates to flotation tailings deposited at the storage facilities of the inactive copper mines "Konrad" and "Lena" plus the currently active storage facility "Żelazny Most".
3. The amount of flotation tailings deposited to date at the KGHM tailings storage facilities is around one billion tons.
4. The reclassification also applies to flotation waste from current production, in an amount of about 27 to 28 million tons per year.
5. In the past and over the last few years, at the request of KGHM, this flotation tailings were thoroughly examined by highly qualified Polish and foreign institutes and specialized research laboratories.
6. Attempts have been made to use KGHM's flotation tailings for, among other things:
    - cement production
    - manufacture of piano-concrete
    - soil treatment
    - backfilling of mine workings resulting from the exploitation of ore; to this end, they were partly used
    - in particular for the recovery of copper and silver by secondary flotation

    Detailed analyses were performed to determine the presence and quantity of precious metals - including platinum and palladium, as well as non-ferrous metals such as lead, zinc, nickel, molybdenum, cobalt, and many others.

    Despite the certainly considerable research costs and undoubtedly thorough studies, to date, flotation waste already deposited and still generated by enrichment of ore to its concentrates inflicted by smelters for the production of high-cathode electrolytic copper, continues to be produced and deposited in their storage facilities in the aforementioned amount of 27 to 28 million tons per year.
7. Regardless of the above-mentioned and undoubtedly many other studies undertaken and performed particularly by KGHM - CUPRUM Research Institute, Dr. Jan Krasoń, who is well acquainted with Polish copper deposits and has personal experience in research on mining waste in many countries of the world, since the beginning of 1990s has also collected samples of flotation waste from landfills and current KGHM production.

    **** See: "Jan Krasoń-Curriculum Vitae", "List of Publications", "Geoexplorers' and Jan Krasoń's experience in evaluation and assessment of the mine tailings and exploration for base and precious metals deposits".***
8. Collected samples were brought to the USA and tested there, with the primary purpose of testing being to determine the presence and amount of non-ferrous and precious metals, in particular gold and metals of the platinum (n.b. apart from platinum and palladium, also rhodium, iridium rhodium, iridium, osmium, and ruthenium; collectively known as PGM - Platinum Group Metals) in flotation tailings, from enrichment of copper and silver-bearing ores of KGHM.
9. Many years of studies of published and unpublished relevant literature, searching for a model of deposits of non-ferrous and non-ferrous and precious metal deposits, including PGMs, similar to those of KGHM, multiple attempts at analysis using standard geochemical analytical methods, study of alternative analytical methods, their use, and investment risk of obtaining positive results of the research were undertaken and performed solely at the expense of Geoexplorers International, Inc.

10. The total precious metal contents, including PGMs in grams per ton of flotation waste and their US dollar values, are summarized in the two tables attached here (according to two laboratories testing facilities, including Eltron Research & Development, Inc. in Boulder, Colorado and Aspex Corporation in Delmont, Pennsylvania).
11. Considering the results of the aforementioned alternative, initiated by Geoexplorers International, Inc. analytical methods proved to be positive and justifying possibilities for:

    a. Reclassification of flotation waste to economically valuable "technogenic ore" (n.b. called in Poland "anthropogenic ore").

    b. Subjecting flotation tailings to technological tests (on multi-ton samples) for recovery of non-ferrous metals, in particular precious metals, not recovered in the process of enrichment of KGHM ores.

12. Jan Krasoń presented a summary of the above-mentioned research and its aggregated analytical data at a conference at KGHM in Lubin on March 24, 2011.

    Regarding the aforementioned possibilities; a and b, the company Geoexplorers International, Inc. has offered KGHM also two separate agreements.

    Except that the negotiations on the proposed cooperation between Geoexplorers International, Inc. and KGHM Polska Copper S.A., regarding the exploration of flotation tailings, have already been conducted since the beginning of 2007.