



EARTHWORKS

ANNUAL REPORT
2008

MISSION STATEMENT

EARTHWORKS is a non-profit organization dedicated to protecting communities and the environment from the impacts of destructive mineral development in the U.S. and worldwide.

We fulfill our mission by working with communities and grassroots groups to reform government policies, improve corporate practices, and influence investment decisions. We work to encourage conservation, recycling, responsible materials policies, fuel efficiency, and renewable energy sources. We expose the health, environmental, economic, social and cultural impacts of irresponsible mineral development through work informed by sound science.

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2008 Top Accomplishments

Grand Canyon Protected From Uranium Mining As claim staking for uranium grew exponentially around Grand Canyon National Park (from 10 claims in 2003 to 1,130 by January 2008) EARTHWORKS helped the House Natural Resources Committee pass an emergency withdrawal of lands in June 2008 that will protect the Grand Canyon from new uranium development for three years.

Oil & Gas Industry Forced to Clean Up Operations Our Oil & Gas Accountability Project scored important wins out west. New Mexico passed the nation's strongest rule governing toxic waste pits; Colorado adopted landmark public health and wildlife rules – including requiring disclosure of fracturing chemicals; Santa Fe County passed the nation's strongest local oil and gas regulations; US Representatives DeGette, Salazar and Hinchey introduced legislation to remove the exemption of hydraulic fracturing from the Safe Drinking Water Act; and, we launched No Dirty Energy – a campaign exposing the impacts of “dirty energy” development with a focus on tar sands and Alaska coal.

America's #1 Mercury Polluter Shut Down EARTHWORKS and its partners pressured the Nevada Division of Environmental Protection to take enforcement action and close down the Jerritt Canyon Mine until better pollution controls are in place. This mine was the single largest source of mercury air emissions in the U.S. for many years, and dumped its mercury into an unlined tailings pond that has leaked into groundwater since the early 1980s.

Jewelry Retailers & Wal-Mart support Bristol Bay Wild Salmon Our outreach efforts led to seven influential U.S. jewelry retailers (Tiffany's, Helzberg Diamonds, Fortunoff, Ben Bridge, Michael's, Brilliant Earth, and Leber Jewelers), an Alaska-based jewelry retailer (Blakes Fine Jewelry), and about forty independent jewelers to sign the Bristol Bay Protection Pledge. This is the first time that jewelers have publicly pledged to not source gold from a specific mine. We also secured a commitment from Wal-Mart to source wild salmon from Bristol Bay, thus promoting economic alternatives to mining in the region, and helping ensure the health of local fisheries.



New Research Holds Extractive Industry Accountable

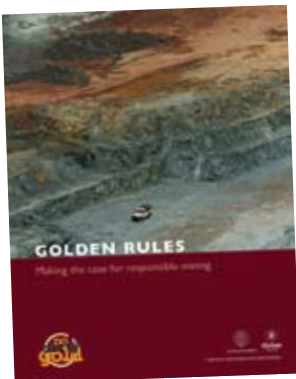
■ **The Golden Rules: Making the Case for Responsible Mining** Our “No Dirty Gold” campaign released a new report that documents the devastating impacts of metals mining at 16 sites in Ghana, Indonesia, Papua New Guinea, Australia, Nevada and elsewhere. The report documents case studies of mining projects to forcefully argue for adoption—at a minimum—of the campaign's “Golden Rules.” **Over 50 jewelry retailers, representing 23% of the US jewelry market, have now signed on to the Golden Rules to indicate their desire to source minerals from mines that uphold principles protecting human rights and the environment.**

■ **Shale Gas: Focus on the Marcellus Shale** An east coast drilling boom is taking Pennsylvania and New York by storm, threatening the drinking water of more than 12 million people. As production ramped up in the region we were deluged with calls, emails and letters. We quickly turned around a report that has been widely cited in the media and used by the NY city council in their quest to ban drilling within the city's drinking watershed.

Protected Fragile Ecosystems & Communities Throughout 2008 we worked in partnership with communities to stop the worse extraction proposals and to improve practices where mining and drilling does occur. EARTHWORKS assisted local partner groups to stop Robin Redbreast Mine (MT) and the Mt. St. Helens Mine (WA); and used legal action to toss out fifty mining claims in Oregon's Rough and Ready watershed “Area of Critical Environmental Concern”. We also worked with partners to permanently protect the Upper Missouri Breaks National Monument (including the most remote and best preserved section of the Lewis and Clark National Historic Trail) from oil and gas leasing. Internationally, we provided technical reviews and assistance to partners in Ghana, where Newmont Mining Corporation is attempting to build a mine in a rare forest reserve; and we helped win a major victory in Ecuador to revoke copper mining permits inside a rare cloud forest reserve in the Andes.

Fostering Solutions: Mining Standards & Certification

EARTHWORKS co-leads the Initiative for Responsible Mining Assurance (IRMA), a multi-sector effort to promote more responsible standards in the industry, and to develop a system to independently verify compliance with these standards. Participants include NGOs, affected community representatives, unions, mining companies, and jewelry retailers. In 2008, IRMA developed 14 draft environmental, social and human rights standards.



EARTHWORKS gratefully acknowledges the generous support and critical contributions of our members and e-activists.

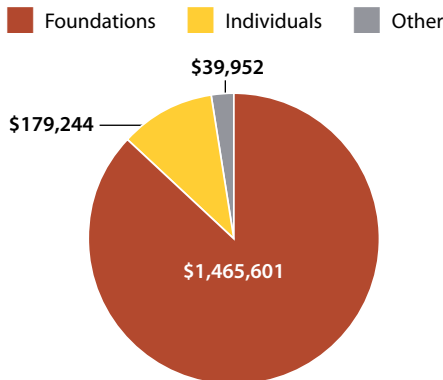
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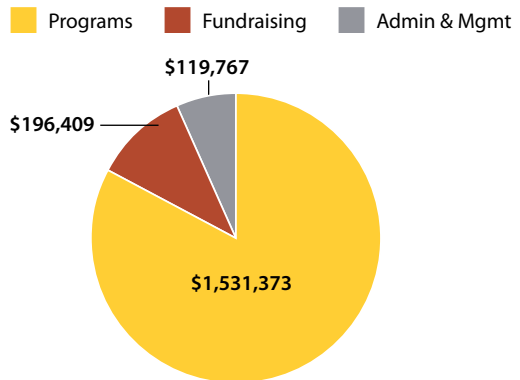
Financial Information

Income FY2008



Year End Net Assets: \$173,412

Expenses FY2008



Program Expense Breakdown:

- Oil & Gas Accountability Project: \$523,855
- US Mining Reform: \$524,489
- International Mining Reform: \$266,019
- Public/Member Information & Services: \$53,988
- Affiliate Programs: \$163,022
 - Ethical Metalsmiths: \$50,844
 - Common Ground United: \$1,313
 - Alaskans for Responsible Mining: \$80,140
 - Arizona Mining Coalition: \$16,249.57
 - Cook Inlet Alliance: \$1,313
 - Next Best West Film: \$9,500

Audited financial statements available by request or online: www.earthworksaction.org



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