



FOR IMMEDIATE RELEASE:

September 7, 2016

CONTACT:

Chris Zimmer, 907/586-2166,
Zimmer@riverswithoutborders.org

**TULSEQUAH CHIEF MINE OWNER CHIEFTAIN METALS IN RECEIVERSHIP
After Two Bankruptcies Will B.C. Government Clean Up Mine Site?
60 Years Of Mine Pollution Is Why Alaskans Don't Trust B.C.**

(JUNEAU) Chieftain Metals Corp., owner of the defunct Tulsequah Chief mine in the transboundary Taku watershed since 2010, [announced](#) late yesterday that the accounting firm “Grant Thornton was appointed through court order as the receiver of all the assets, undertakings and properties of Chieftain” and “the majority of the directors of the Corporation have resigned.”

“In 2009 [Redcorp Ventures](#), went bankrupt trying to develop the Tulsequah Chief and a second company, Chieftain, is now in bankruptcy proceedings. It is becoming increasingly obvious that this mine in the salmon-rich Taku watershed is not a viable project, economically, environmentally or socially. Alaska commercial fishermen and leaders have long standing concerns about the proposed mine, while the Taku River Tlingit First Nation opposes the project and has challenged its permits in Canadian courts,” said Chris Zimmer, Alaska Campaign Director for Rivers Without Borders. “Since the mining companies have been unable to halt the acid mine drainage, it’s time for B.C. to honor [the promises made by Minister Bill Bennett](#) last August and clean up this mess.”

The court order resulted from West Face Capitol, which essentially [owns about 31% of Chieftain](#), issuing a [repayment demand](#) on August 15 for \$26 million in loans to Chieftain that the company cannot pay back. Chieftain’s [latest financial documents](#) show the company, as of June 30, had \$449,000 in cash. Since the mine is the collateral on the loans, West Face could end up owning the Tulsequah Chief.

“This court order will likely bankrupt Chieftain. West Face, which has no experience with owning or operating a mine, could end up owning the mine. Unless the B.C. government steps in with money and expertise, the Tulsequah Chief will continue polluting the Taku watershed,” said Zimmer.

[Despite over two decades of inspections and cleanup orders](#) little has been done to halt acid mine drainage into the Tulsequah River. A major cause of this inaction has been B.C.’s reliance on mining companies to develop and eventually clean up the mine, which is now more unlikely than ever. B.C. Minister of Energy and Mines Bill [Bennett visited the site in August 2015](#), was embarrassed at the mess and pledged to do something about it. The site was [most recently inspected](#) in October 2015, but little has been done to halt the ongoing acid mine drainage.

“A year after B.C.’s top mine official toured the mine we are now even farther away from stopping Tulsequah Chief’s chronic pollution of the Taku watershed,” said Zimmer. “Minister Bennett promised to address the problem, but little has been done. Instead of hoping that a

company can develop and clean up the site, B.C. needs to realize this isn't a viable mine and take on the responsibility to ensure a prompt and proper cleanup," said Zimmer.

The Tulsequah Chief mine is a poster child for downstream concerns at a time of growing demands from Southeast Alaskans for Alaska and the U.S. State Department to work together to obtain guarantees that B.C.'s mining development won't harm water quality, fisheries or livelihoods downstream in Alaska.

"If B.C. can't ensure that the Tulsequah Chief is cleaned up why should Alaskans have any trust that much larger mines like KSM won't pollute our waters?" asked Zimmer. "The size of the watersheds and valuable fisheries at risk, and the growing evidence that neither B.C. nor its mining industry can be trusted clearly shows Alaska cannot go it alone with B.C. We need the help of the U.S. federal government and the authority of the Boundary Waters Treaty to ensure that B.C. and its mining industry pay for the true costs of mining rather than risking fisheries and water quality downstream."

###