

# STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES  
OFFICE OF PROJECT MANAGEMENT AND PERMITTING

**SEAN PARNELL, Governor**

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Keith Boyle  
2 Bloor Street West, Suite 2000  
Toronto ON M4W 3E2

July 9, 2012

Dear Mr. Boyle,

Re: Tulsequah Chief Mine Interim Water Treatment Plant

I recently received a copy of your letter (June 6, 2012) to Mr. Wade Comin, Environment Canada, describing the intentions of Chieftain Metals, Inc. (Chieftain) to curtail activities at its Interim Water Treatment Plant (IWTP) at the Tulsequah Chief mine to allow for further optimization of the facility and to secure additional financing to develop the Tulsequah Chief Mine property.

As you are aware, the Tulsequah River is a tributary to the Taku River, which flows into Alaska. As the largest salmon producing river in southeast Alaska, the Taku River supports valuable subsistence, commercial, and recreational fisheries. The health of the Taku River is therefore a major concern of economic and cultural importance to the State of Alaska (State) and to southeast Alaska residents.

The State has previously commented on the importance of addressing acid rock drainage (ARD) from past (legacy) mining activities at the Tulsequah Chief Mine site, and we recognize Chieftain's work to date constructing and operating the IWTP to treat ARD flowing from the old mine workings. The State urges Chieftain to expeditiously resolve the operational challenges associated with the IWTP and bring the facility back online as soon as possible.

Although the State does not have authority to regulate activities occurring outside the boundaries of Alaska, we are afforded an opportunity to review and comment on projects in transboundary watersheds through various international agreements. Consequently, the State's Large Mine Team has actively participated throughout the Environmental Assessment and permitting process for the Tulsequah Chief Mine project and will continue to do so. As the Coordinator and point of contact for the State's Large Mine Team I would appreciate you keeping me informed over the coming months as optimization activities are undertaken.

Sincerely,



Kyle Moselle  
Large Project Coordinator

CC by email:  
Ed Fogels, ADNR-CO  
Tom Crafford, ADNR-OPMP  
Gordy Williams, ADFG-CO

*"To responsibly develop Alaska's resources by making them available for maximum use and benefit consistent with the public interest."*

Michelle Bonnet, ADEC-DOW  
Sen. Dennis Egan  
Rep. Beth Kerttula  
Rep. Cathy Muñoz  
Wade Comin, Environment Canada  
Ian Sharpe, Province of British Columbia  
James Cuell, Province of British Columbia