

DIAN MARKET REPORT

ent Newspaper

First Monday of Every Month

JULY, 1987

TULSEQUAH CHIEF:

889126

Yukon Deposit Re-Awakened

By Allan Regier
CMR Editor

Shareholders of **Redfern Resources Inc.** have approved three contingent transactions that will bring in a new controlling shareholder, and provide financing for Redfern's participation in **Cominco Ltd.'s** Tulsequah Chief massive sulphide deposit in the Yukon Territories.

The Tulsequah Chief mine property, one of the properties being combined by Cominco and Redfern, was in production in the 1950's. Existing proven and probable reserves of 780,000 tons with weighted average grades of .07 oz/t gold, 2.9 oz/t silver, 1.3% copper, 1.6% lead and 8.0% zinc were left in place above and below the main mining level. Redfern says the gross value is currently \$205 per ton, in place, and that the deposit is open in all directions.

Redfern must spend \$3 million over the next four years to earn a 40% interest, after which time a joint venture will be formed to conduct further exploration and development work. Cominco is the operator.

Comaplex Becomes Major Shareholder

Shareholders also approved the acquisition of property interests from **Comaplex Resources (Int'l)** for 1,900,000 treasury shares. The transaction makes Comaplex the controlling shareholder. Comaplex is an oil and gas, and mining company listed on the Toronto Stock Exchange.

John Greig, Redfern's president, told the CMR in an interview that the current management will remain with the company and will be joined by an equal number of directors to be named by Comaplex, giving each company four directors on the board.

Prior to the reorganization, Comaplex and Redfern held 50/50 interests in the property. This property completely surrounded the old mine site and borders two other, separate claim blocks held by Cominco to the north and south of the Tulsequah Chief and Redfern/Comaplex properties.

The various properties and interests held by the three companies now form one large contiguous property with the interests split 60/40 between Cominco and Redfern after earnout and providing both companies contribute to the joint venture. When explaining the complex deal, Greig noted that Cominco retains the old Big Bull Mine and a

sizable area surrounding it and adjacent to the joint venture. Along with additional property that has been staked recently, Greig estimated Redfern had an interest in approximately 7,500 acres.

Exploration Underway

A crew and camp have already been established and work is underway on a \$300,000 program of mapping and other surface work. Greig says, "the surface work will assess the massive sulphide potential on the claim block, including rhyolitic centres which are obvious targets." The Tulsequah Chief mine is located in a rhyolitic centre.

(Continued on Page 10)



PHIL OAKES, President of Global Data Systems, has recently brought Gates Lear Jet of Wichita, Kansas on to his parts locator system. Story on page 14.

ons About Smaller Oil Companies

panies such as **Trimac, Bralorne Res., Computalog Gerhart** and **Atco** should benefit substantially.

6. Now that world oil prices have strengthened and asset values have improved, there is speculation that the Royal Bank and other banks will crack down this summer on highly leveraged companies. Bankers are becoming increasingly more sensitive as oil prices increase and are very reluctant to write down loans since they may be criticized at a later date when the oil industry returns to full health.

7. Tax pools are currently slim for many companies like **Mannville, Paloma** and **Oakwood**. Pretax reserve values should be carefully scrutinized for tax impact.

8. Plentiful funds are available for good oil and gas reserves but sellers are few since they have expectations that commodity prices will go higher. Also many investment dealers and brokers have approached companies for flow through share issues, joint ventures or equity issues. In short, money is once again available to the oil patch.

9. Oil companies are cleaning up their balance sheets to look presentable following large full cost accounting ceiling test write-downs i.e. they are taking all the bad news at once and starting anew. Because of these write-downs, resulting in lower depletion charges against earnings, 1987 net profit for many producers will be higher than it would have been had the write-offs not occurred, but cash flow would not be affected.

10. Highly leveraged companies could become increasingly attractive asset or take-over candidates if prices stay strong. Family owned companies like **Paloma**, which has primarily built assets, would be in this category. For years **Paloma** has been rumoured to be a sale candidate.

11. Almost all companies are operationally "lean and mean" and have a better corporate balance resulting in higher leverage on profits and cash flow.

12. Because of rising oil prices, the

CEDIP program, and continually increasing land prices (still relatively low) there may soon be a dearth of good land plays.

Recommendations

Intermediates: **Mark Resources, Canadian Roxy**, and **Renaissance**.

Juniors: **Onyx Pet. Expl. Co., Morgan Hydrocarbons**, and **Canadian Worldwide, Co-enerco, Ranchmen's** and **American Eagle**. **Oakwood Petroleum** (voting shares) have a lot of speculative appeal.

Tulsequah Exploration

(Continued from Page 1)

Greig says the second step, anticipated to begin sometime this fall or early winter, will be the rehabilitation of the mine to bring it up to standards. During the winter drifting and crosscutting to extend the lower level of the mine and set-up drilling stations will be carried out, with underground work continuing in 1988.

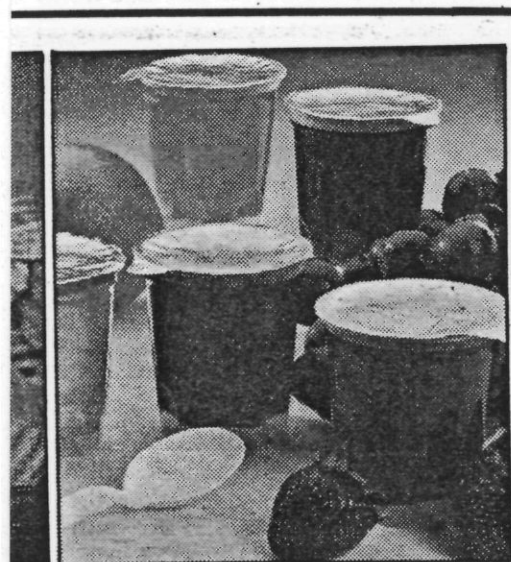
"We believe we can develop substantial tonnage below the main level," says Greig, indicating that "the combined tons per vertical foot are increasing at depth," or in layman's terms, the ore bodies are getting bigger.

"The potential in the area (the entire property) is believed to be in the order of 10 - 20 million tons", Greig said; and continued on to say, "If we're successful in getting several targets going we can add reserves very quickly. We need a

threshold of about 4 million tons to go into production."

A private placement financing was the third contingent transaction approved by shareholders. **Canarim** and **Yorkton** are raising \$1.5 million dollars by placing one million units (1 share and 1 non-transferrable warrant) at \$1.00 each with institutional investors. Two warrants are exercisable at \$1.50 for one share until the anniversary of the placement. The warrants, along with options granted to **Yorkton** and **Canarim**, could raise considerable additional funds if they are all exercised.

Redfern shares (RFR) closed on the **Vancouver Stock Exchange** at \$1.30 on June 26th. There are fractionally over 6 million shares outstanding including those paid to **Comaplex** and issued for the private placement (but not including warrants and brokers options).



Two of six food innovations created by FTI's home economists and marketing specialists.

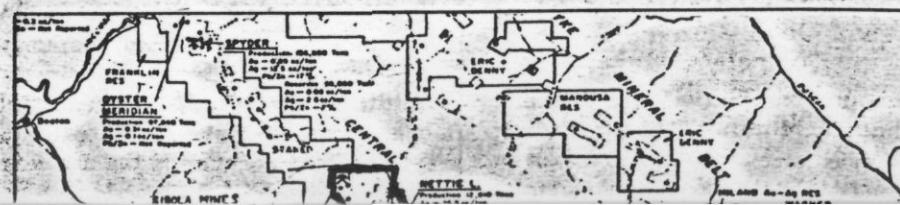
FTI

GOLDFEVER RESOURCES LTD.

(VSE:GFV)

Backed by European interests, Goldfever Resources Ltd. is going ahead with its plans for gold production on its True Fissure properties on the Silver Cup, B.C., site. The mining of previously mined ore materials will begin by the end of July as the equipment scheduled for production should be on the site in the first part of July, 1987. The concentrate will be shipped to Associated General Minerals in Belgium.

The initial production capacity is planned for 300 tons per day, which will later increase to 500 tons per day. There is a proven ore pile of 160,000 tons and probable reserves are estimated to be 700,000 tons.



DIAN MARKET REPORT

Monthly Supplement Focusing



On Canadian Stock Exchange Companies

TULSEQUAH CHIEF:

B.C. Deposit Re-Awakened

By Allan Regier
CMR Editor

Shareholders of **Redfern Resources Inc.** have approved three contingent transactions that will bring in a new controlling shareholder, and provide financing for Redfern's participation in **Cominco Ltd.'s** Tulsequah Chief massive sulphide deposit.

The Tulsequah Chief mine property, one of the properties being combined by Cominco and Redfern, was in production in the 1950's. Existing proven and probable reserves of 780,000 tons with weighted average grades of .07 oz/t gold, 2.9 oz/t silver, 1.3% copper, 1.6% lead and 8.0% zinc were left in place above and below the main mining level. Redfern says the gross value is currently \$205 per ton, in place, and that the deposit is open in all directions.

Redfern must spend \$3 million over the next four years to earn a 40% interest, after which time a joint venture will be formed to conduct further exploration and development work. Cominco is the operator.

Comaplex Becomes Major Shareholder

Shareholders also approved the acquisition of property interests from **Comaplex Resources (Int'l)** for 1,900,000 treasury shares. The transaction makes Comaplex the controlling shareholder. Comaplex is an oil and gas, and mining company listed on the Toronto Stock Exchange.

John Greig, Redfern's president, told the CMR in an interview that the current management will remain with the company and will be joined by an equal number of directors to be named by Comaplex, giving each company four

Prior to the reorganization, Comaplex and Redfern held 50/50 interests in the property. This property completely surrounded the old mine site and borders two other, separate claim blocks held by Cominco to the north and south of the Tulsequah Chief and Redfern/Comaplex properties.

The various properties and interests held by the three companies now form one large contiguous property with the interests split 60/40 between Cominco and Redfern after earnout and providing both companies contribute to the joint venture. When explaining the complex deal, Greig noted that Cominco retains the old Big Bull Mine and a

sizable area surrounding it and adjacent to the joint venture. Along with additional property that has been staked recently, Greig estimated Redfern had an interest in approximately 7,500 acres.

Exploration Underway

A crew and camp have already been established and work is underway on a \$300,000 program of mapping and other surface work. Greig says, "the surface work will assess the massive sulphide potential on the claim block, including rhyolitic centres which are obvious targets." The Tulsequah Chief mine is located in a rhyolitic centre.

Please turn to Page 26



PHIL OAKES, President of Global Data Systems, has recently brought Gates Lear Jet of Wichita, Kansas on to his parts locator system. Story on page 14.

Nelson Holdings List on Amex

The American Stock Exchange announced that 26,987,599 common shares of **Nelson Holdings International Ltd.**, a Canadian holding company, began trading under ticker symbol NHI. The common opened on 100 shares at 2 1/2. The company, which has subsidiaries in New York, California, Canada and elsewhere internationally, also trades on the Toronto and Vancouver Stock Exchanges.

Nelson Holdings International, based in Vancouver, British Columbia, Canada, is the 80th new Amex company to list this year, a 78 percent increase over the 45 new listings for the comparable period in 1986.

Nelson Holdings International is the holding company for Nelson Entertainment, a major independent home video publisher.

Nelson Holdings International reported net income of \$1,317,000 on revenues of \$36,863,000 for the three months ended March 31, 1987.

Redfern Funding Tulsequah Exploration

Continued from Page 22

Greig says the second step, anticipated to begin sometime this fall or early winter, will be the rehabilitation of the mine to bring it up to standards. During the winter drifting and crosscutting to extend the lower level of the mine and set-up drilling stations will be carried out, with underground work continuing in 1988.

"We believe we can develop substantial tonnage below the main level," says Greig, indicating that "the combined tons per vertical foot are increasing at depth," or in layman's terms, the ore bodies are getting bigger.

"The potential in the area (the entire property) is believed to be in the order of 10 - 20 million tons", Greig said; and continued on to say, "If we're successful in getting several targets going we can add reserves very quickly. We need a

threshold of about 4 million tons to go into production."

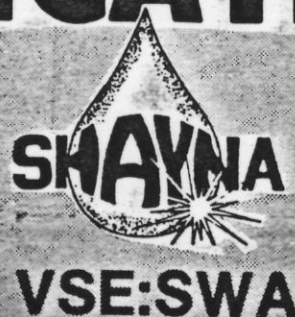
A private placement financing was the third contingent transaction approved by shareholders. Canarim and Yorkton are raising \$1.5 million dollars by placing one million units (1 share and 1 non-transferrable warrant) at \$1.00 each with institutional investors. Two warrants are exercisable at \$1.50 for one share until the anniversary of the placement. The warrants, along with options granted to Yorkton and Canarim, could raise considerable additional funds if they are all exercised.

Redfern shares (RFR) closed on the Vancouver Stock Exchange at \$1.30 on June 26th. There are fractionally over 6 million shares outstanding including those paid to Comaplex and issued for the private placement (but not including warrants and brokers options).

CLEAR PROFITS IN WATER PURIFICATION

Shayna Research and Sales Inc. of Anaheim, California, (a wholly owned subsidiary of Shayna International Industries Ltd.) manufactures, markets, and distributes "reverse osmosis" point of use water purification systems to its customers.

Shayna is the only known company to offer such a product to the public exclusively on a lease basis. Leasing the system serves a two-fold purpose. First, it ensures a continual income stream from each unit for the company. Second, it means a smaller initial outlay for the



Market trends show that an increasing number of people are becoming aware of problems with water purity and are looking for ways to improve the water they drink. In coming years, the market for water purification systems is going to grow tremendously. The com-

Alaska Range deposits reveal origin of massive sulfides

"Light-stable isotopes are a useful tool in determining the genesis and proper classification of mineral deposits...."

New data from studies of massive-sulfide deposits in the eastern Alaska Range, south-central Alaska, will help scientists understand the origin of these deposits.

From northwest to southeast, the major massive-sulfide districts are the Bonnifield, Trident Glacier, and Delta. The Bonnifield district contains massive-sulfide deposits in metavolcanic and metasedimentary rocks. The Trident Glacier district contains several occurrences consisting of massive pyrrhotite and lesser pyrite; minor chalcopyrite with or without sphalerite; galena and arsenopyrite in south-dipping massive-sulfide pods, lenses, and stringers that parallel the foliation of the enclosing schists. Host-rock protoliths were mainly andesite, dacite, and rhyodacite tuffs and flows, shale, and limestone, with lesser quartz-rich keratophyre flows and tuffs, volcanic graywacke, and siltstone.

The Delta district contains copper, lead, zinc, silver, and gold. Host-rock protoliths are similar to those found in the Trident Glacier area, but some of the deposits are spatially associated with diorite or gabbro sills that exhibit lower greenschist facies metamorphism and deformation.

Light-stable isotopes are a useful tool in determining the genesis and proper classification of mineral deposits, and have been applied in the south-central Alaska region. Sulfur isotope values of 26 pyrrhotite separates from the Trident Glacier occurrences average +7.7 per mil; the mean value of seven pyrite separates is +8.1 per mil. Forty-one Delta district pyrite separates average +5.9 per mil and ranges of values of the four northwest-trending belts overlap. The relative consistency of sulfur isotopic values of iron-bearing sulfides in the Trident Glacier district, and the apparent lithologic relationship of isotope values in the Delta district may reflect original rock sulfur isotope values. Alternatively, the ^{34}S -enriched values may have resulted from the addition of reduced seawater sulfate to the hydrothermal fluid.

The sulfide accumulations are interpreted as Kuroko-like massive-sulfide deposits that formed along a Devonian continental margin igneous arc. Deeper-level parts of the arc are exposed in structurally lower levels to the north, and contain metamorphosed granodiorite and granite plutons of Devonian to Mississippian age. □

Warren Nokleberg

Permafrost information detailed in Alaskan map

Frozen soil, known as permafrost, is an extremely important phenomenon in northern regions. It plays a critical role in many different disciplines, primarily because of its control over the temperature and flow of water near the Earth's surface. Permafrost has an effect on vegetation growth and the habitats of terrestrial birds and mammals. In addition, areas underlain by permafrost pose special construction problems and are environmentally "sensitive."

A map showing the distribution, thickness, and general character of permafrost is currently being prepared at a scale of 1:2,500,000. The last permafrost map of Alaska was printed in 1965. Since then, a considerable amount of new data have become available throughout the state, especially along the 1,280-km-long trans-Alaska pipeline route on

the North Slope, and from records about soils from other development projects.

The map units will be subdivided primarily on the basis of climate, topography, soil moisture, vegetation, and the thermal characteristics of the soils and rocks. The range of the thickness of permafrost and of ground temperatures at the depth just below the depth of seasonal variation and estimates of the extent of permafrost will be given for each unit.

Approximately 85 percent of Alaska is within the permafrost region, and permafrost ranges in thickness from more than 630 m at Prudhoe Bay in northern Alaska, to less than a meter in the southernmost part of the permafrost region. Consequently, permafrost regions require careful study and consideration to ensure the integrity of buildings and to minimize adverse environmental impact. □

Oscar Ferrians

Tulsequah Chief Mine

MAB Quarterly
Mining
mid-1997

Project summary – an unqualified success!

Many people have expressed an interest in the Tulsequah Chief Mine Project proposed by Redfern Resources. In response, we are happy to provide the following project summary.

Employment

- 700,000 person-hours of employment.
- up to 397 positions during two year construction period.
- 260 full-time highly paid positions during operation over minimum 9 year mine life.

Economics and Revenue

- \$250 million in revenue to governments over mine life.
- Project payback in 3.2 years.
- Rate of return before tax of 24.6%.

Environment

- Re-open and clean-up old mine site.
- Underground mine – low surface impact.
- All potential acid generating waste returned to mine for safe disposal.
- Neutral waste products designed for permanent surface storage and closure.

Construction and Operating Expenditures

millions of dollars

- Construction: \$142
capital over two years
- Operating: \$50
operating costs annually,
\$436 million in total.
- \$29 million capital over 9.2 year
mine life

Revenue

- 9 year mine life, open to increase
- 3.2 year payback, 24.6% pre-tax IRR

Direct Employment

During construction: 700,000 direct person-hours over two years, up to 397 positions and \$40 million in labour wages.

During operation: 260 employees and contract positions, \$15.5 million in wages and benefits, average \$74,000 per position annually.

Environmental Protection Measures

- New mine will effect complete clean-up of old mine site and existing river contamination.
- Underground mine with low surface area disturbance.
- Underground mill and rock crushers for minimal surface noise.
- Mine design avoidance of potential acid-generating rocks.
- Maximum return of waste products to the underground mine.
- Safe neutral tailing disposal on surface for permanent reclamation and re-vegetation on mine closure.
- Treatment plant for all minewater discharge to ensure water quality compliance.
- Restricted access road management to preserve wildlife values.

Reserves

Tonnes	Zinc %	Copper %	Lead %	Silver (g/t)	Gold (g/t)
7.91 million	6.35	1.27	1.18	100.91	2.42

Forecast Average Annual Production of Metals

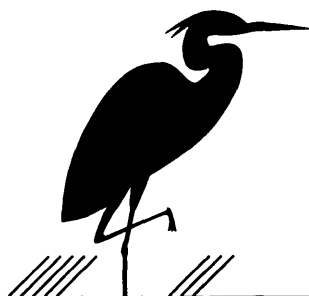
Metal	Zinc (tonnes)	Copper (tonnes)	Lead (tonnes)	Silver (ounces)	Gold (ounces)
Annual	53,200	10,090	9,350	2.42 million	56,000
Total	489,400	92,800	86,000	22.2 million	516,000



Atlin, BC: The "downtown centre". A small, peaceful community on the BC/Yukon border, Atlin has a long and proud mining history.



778 → Tulsequah Chief



MEMBERS' BULLETIN

Box 5253
Vancouver, B.C.
V6B 4B5

B.C. ENVIRONMENTAL INFORMATION INSTITUTE

An Organization Dedicated to Common Sense and Responsible
Natural Resource Management.

July 3, 1997

TULSEQUAH CHIEF

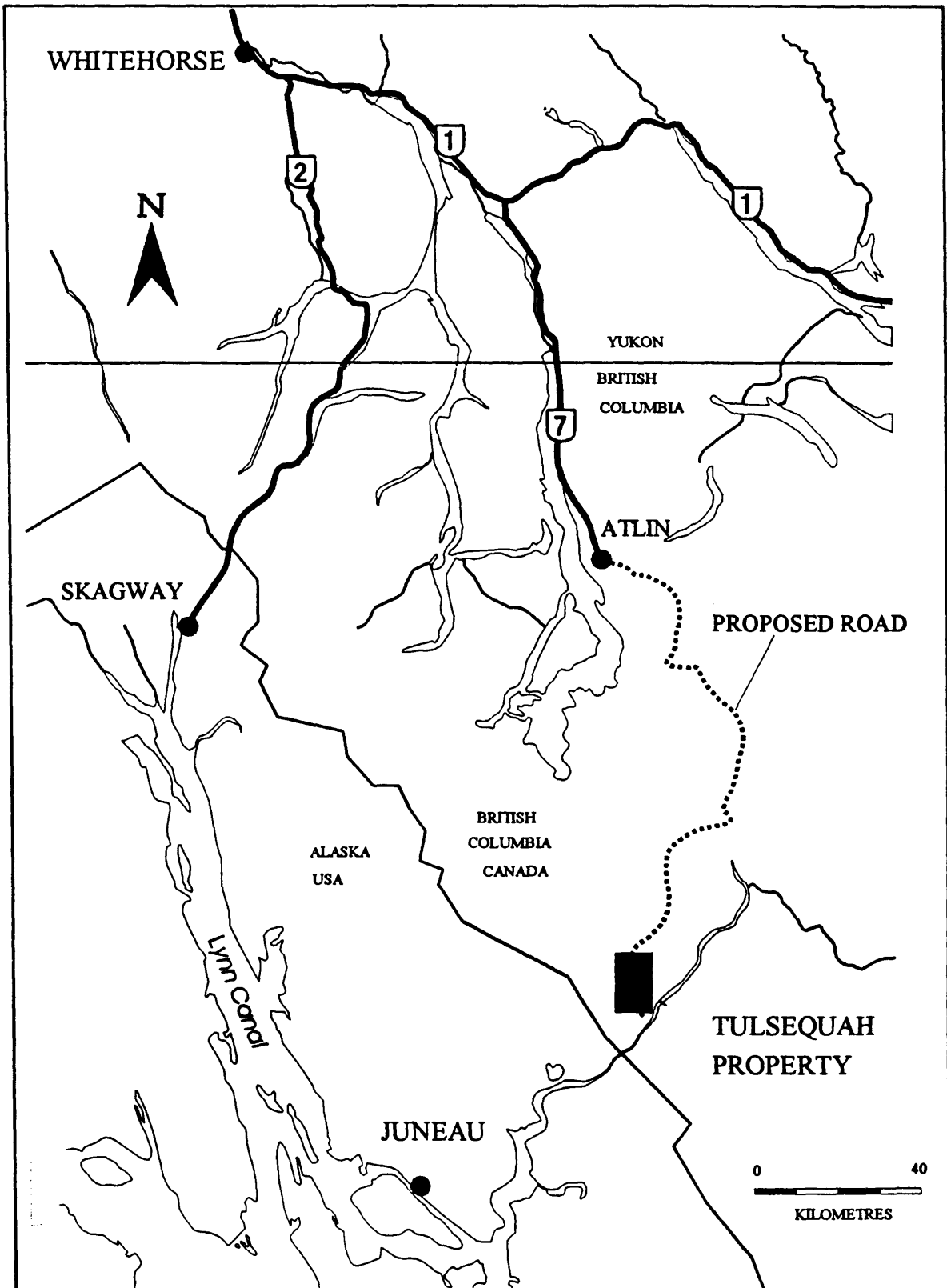
Another Promising New Mine!

The Tulsequah Chief is an underground mine located 100 km south of Atlin and is 100% owned by Redfern Resources Ltd. It was originally discovered in 1929 and was operated by Cominco Ltd. as a producing mine in the 1950's. The property was acquired in the mid 1980's by Redfern who have since undertaken extensive studies and conducted exploration work leading up to the Application for Project Approval Certificate under the Environmental Assessment Process in 1994. The company believes there are sufficient reserves of mineral on the property to warrant re-opening the mine. The mine contains five economic minerals; zinc, copper, lead, gold and silver. This feature provides a measure of stability in periods of fluctuating metal prices as they seldom all experience low prices simultaneously. This mine proposal is under attack by a consortium of preservationist organizations attempting to stop development.

History

Significant mineralization was first discovered in the area in the early 1900's. The Tulsequah Chief was discovered in 1929. It is located on the Tulsequah River, 14 km up from the junction of the Taku River and 100 Km south of Atlin. The initial mineral discovery was followed shortly after by the discovery of the Polaris Taku claims across the river from the Tulsequah Chief deposit.

Polaris Taku was developed as a mine in 1938 and was initially operated until 1942. It was re-opened in 1946 and was operated until 1951 when it was closed down due to fixed low gold prices and high costs. The town of Tulsequah was established at the junction of the Tulsequah and Taku Rivers in 1938 and served the Polaris Taku mine from 1938 to 1951 and the Tulsequah Chief mine, operated by Cominco Ltd., from 1951 to 1957 when this mine was also closed down for economic reasons. The actual Polaris townsite, located approximately 10 km up the Tulsequah River and directly across the river from the Tulsequah Chief mine, included housing, a hospital, a school and recreational facilities.



General Site Location Map - Tulsequah Chief Project

These early mining ventures depended on the Taku River to barge ore concentrates out and supplies into the town and mine sites. Both mines closed because of increasing labour costs, the difficulty of access to the remote site and depressed metal prices at the time. Both mines closed leaving substantial reserves of minerals in the ground. It is significant to note that while the Tulsequah Chief contains 5 minerals the Polaris Taku contains primarily gold.

Canarc Resources Ltd., the owners of Polaris Taku, have plans to re-open this mine also but their plans seem to depend on the outcome of road access being provided to the Tulsequah River valley.

For the past several years Redfern Resources Ltd. has been working its way through the rather tedious mine permitting process. They entered the Mine Development Assessment Process in the fall of 1994. This led up to the Environmental Assessment Process in July of 1995. Redfern expected to be able to file the Project Report in support of the Project Approval Certificate application by late 1996 but the process appears to have been impeded by additional requirements and procedural delays.

Values Involved

The Tulsequah Chief mine has significant proven reserves of minerals. As of December 1996 there were 7.9 million tonnes of mineable ore reserves with the following metal grades:

6.35% Zinc	
1.27% Copper	
1.18% Lead	
2.42 g/t Gold	(Grams per tonne) or (0.074 oz/t)
100.91 g/t Silver	(Grams per tonne) or (2.940 oz/t)

At full production the mine will produce 900,000 tonnes of ore per annum for a 9 year life, based on the 1996 reserves. This will be concentrated and they will ship approximately 151,000 tonnes per year of concentrates. The mine will require approximately 35,000 tonnes per year of inbound supplies including fuel, lime, cement etc.

Expenditures to December 1996 by Redfern Resources Ltd. on exploration, engineering and the permitting requirements amounted to \$21 million.

The Project Economics of this mine proposal are quite straightforward:

- (1) This mine will require up front capital of \$142.3 million to get started.
- (2) The sustaining capital requirements are \$29 million for shaft and equipment requirements over the life of the mine.
- (3) The average operating costs are estimated at \$56.00 per tonne.
- (4) Estimated returns are \$118.00 per tonne providing an operating profit margin of \$62.00 per tonne.
- (5) The estimated life of the mine, based on current reserves, is 9 years.

- (6) (a) It is estimated that 200 people will be directly employed on the project at an annual average salary, including benefits, of \$74,000.00. The annual payroll is estimated at \$14.8 million.
(b) It is further estimated that 65 full time contract jobs will be created in contract trucking and transportation.
- (7) Estimated payments to governments in the way of taxes and royalties are \$191 million.
- (8) Payback is estimated at 3.0 years, 24.66% pre-tax Internal Rate of Return or 3.2 years, 17.6% after tax IRR.

Environmental Considerations

The original mine created a relatively minor acid rock drainage problem due to the presence and oxidation of sulphur bearing rock. This has drained into the Tulsequah River. There is no evidence that the acid rock drainage has been detrimental to the salmon stocks in the Taku River which continue to be very strong. Nevertheless Redfern Resources Ltd. propose, as part of their mine development plan, to clean up the sulphur bearing waste rock and eliminate the source of the acidic drainage.

The company proposes to use sophisticated methods to avoid any future problems as follows:

- The underground development will be concentrated, as far as possible, in non-acid generating rock.
- There will be operational segregation of acid-generating rock for return to vacant stopes.
- Tailings will be treated as follows:
 - Flotation and segregation of waste sulphide (pyrite concentrate) for return to mine as backfill.
 - Clean tailings (~ 1%S) mixed with cement as paste backfill to seal historical mine workings.
 - Tailings will be mixed with the pyrite concentrate and cement to form paste backfill for sub-water table mine backfill.
 - Remaining cleaned tailings (40% of tonnage) mixed with finely ground limestone to ensure acid neutrality and stored in tailings pond.
- Historic waste rock to be incorporated in backfill program for sub-water table in-mine stopes.
- Closed system capture of in-mine water and process water with temporary storage in tailings pond.
- Water treatment plant for effluent discharge - reduces metal loads to government criteria levels. Treated effluent water has passed bio-assay tests with 100% fish survival rate.

First Nations

The project is located entirely within the Taku River Tlingit First Nation (TRTFN) territory. There are no other First Nations overlapping land claims. Redfern have maintained strong communication ties with the TRTFN. It is significant that they have signed a Phase 1 agreement with TRTFN covering protocols for information exchange and environmental assessment assistance. This agreement contemplates negotiation of a future Impacts and Benefits Agreement.

The TRTFN have expressed some concerns with respect to the impacts of the proposed road and Redfern is working with them in a cooperative manner to resolve their concerns.

Transportation - A Key Issue

The original mine depended on the Taku River for barging out concentrates and bringing in supplies. The current proposal has determined that barging is not feasible due to changes in the Taku River and the volume of material involved. It has also been suggested there would be a serious conflict between barges and the commercial fishing fleet during the fishing season.

The only feasible means of transportation is a new road from Atlin to the mine site and trucking through Atlin to Skagway, Alaska. The proposed location of the road to Atlin would necessitate construction of about 135 km of new road and the upgrading of 25 km of existing road. There is concern that a road would open up the Taku watershed to commercial exploitation and negatively impact the environment. The road, as proposed, will be controlled by a manned gate and patrolled to restrict access and prevent use of the road for hunting. The company has also made a commitment to deactivate the road on completion of the project if required. The Ministry of Forests have indicated they have no plans for any new logging operations in the area and that in any event, prior to any logging taking place, a public Land and Resource Management Planning (LRMP) process would be mandatory.

In the longer term a road may provide the necessary access for the Polaris Taku mine if it should ever re-open and for any other economic initiatives the government may wish to licence in the Taku watershed.

The Preservationist Perspective

The various groups in opposition take the position that they do not oppose the mine but rather they oppose developing road access to the mine. Let us examine this position.

When the mine was originally operated by Cominco the concentrates were barged down the Taku River to Taku Inlet and then trans-shipped to Skagway, Alaska, a distance of approximately 235 kilometres. Similarly supplies and equipment were barged into the mine site. This was one of the options considered by Redfern Resources Ltd.

The alternative is to build a 160 km road from Atlin to the mine site and then haul the concentrate north through Atlin to the Alaska Klondike Highway then south to Skagway, a distance of about 480 km.

The barging option would require extensive dredging both in the Taku River and Taku Inlet. This is an important salmon spawning area and the difficulties in getting authorization to conduct extensive dredging operations are problematical. There are also the problems associated with the short barging season, which

would be 4 - 5 months at best, and the stockpiling of concentrates and mine materials required for the 7 - 8 months the river is closed. It has also been indicated that the conflict between barges and the fishing fleet during the fishing season would create a serious problem. All things considered the barge option is not feasible.

The road option entails construction of 135 km of new road and the upgrading of 25 km of existing road, from Atlin to the mine site on the Tulsequah River. The argument put forward against the road is that the wilderness values, over the long term, are more important and more valuable than the relatively short term values from the mine. The negative impact on wildlife has been brought up and the possibility of the road opening up the area for forestry operations has also been an issue. The Ministry of Forests have taken the position that if forest harvesting in the Taku watershed is proposed it will be subject to a formal planning process under the Forest Practices Code and to full public review. The company is proposing that the road be operated as a controlled access road with a full time manned gate to control unauthorized access. The impact on wildlife is expected to be minimal.

In the final analysis the decision that needs to be made is how much of British Columbia is going to be preserved as wilderness and how much is open to development. Under the protected areas strategy government has indicated that 12% of the provincial land base will be protected. In the north west portion of the province we already have the huge Tatshenshini protected area and the very large Atlin Provincial Park. How much more do we need to protect? Provincially we are at about 10.5% protected now and the Protected Areas proposals being seriously considered in the central part of the province threaten to bring the provincial total to over 13%. The percentage currently protected in the northwest region of the province is already at 13.5%

The lead proponent for wilderness protection of the Taku watershed is the Taku Wilderness Association. They are being supported by:

BC Wild, the Sierra Club, the Sierra Legal Defence Fund, the David Suzuki Foundation, the Southeast Alaska Conservation Council and the American Rivers Foundation.

We know from past experience that these groups have an insatiable appetite and an unfinishable agenda for wilderness preservation. They and their supporters are advocating that 40% or more of British Columbia be put out of bounds for development. This year the American Rivers Foundation put the Taku River on their list of endangered rivers. The only danger to the Taku River might be if barging and dredging were undertaken. The road option appears to be located to minimize any danger to the Taku River or watershed.

As a point of interest this area lies just north of the Stikine River. This is another area the preservationists have on their list for total preservation. If they are able to halt development of the Taku watershed and tie it in with their plans for the Stikine they will have tied up another huge mineral rich area of British Columbia.

Conclusion

It is the conclusion of the Institute that this mining proposal and the road option should move forward through the Environmental Assessment Process with no further delay. The local area of Atlin is largely protected by the 2500 square kilometre Atlin Provincial Park. The road can be adequately controlled by manned gates and patrols. The danger to wildlife due to the road is minimal. In the longer term road access may benefit other potential mines, forestry development and wilderness tourism. And, even more importantly, it will give a strong economic boost to our provincial economy - a win-win result for all the people of British Columbia.

It is our opinion that 12% of British Columbia is more than enough area to be dedicated to wilderness and the hard core wilderness adventurers. Most tourists like their wilderness with a goodly share of the comforts of modern living, and they are prepared to pay for it. We need to examine the motives of the preservationists. Once they have it protected how long will it be before they try to ban tourism development? In some areas, such as the national parks, this has already started.

We do not want to see the Tulsequah Chief become another Windy Craggy. It is becoming clear that if the preservationists get their way we will see another huge non-productive wilderness in the Taku. Make your views known to government. Talk to your MLA on this issue.

A Message To Greenpeace!!

The Forest Alliance of B.C. is gathering signatures to send a strong message to Greenpeace and other organizations that are attempting to circumvent the democratic process in British Columbia. These international organizations are spending millions of dollars on alarmist environmental campaigns that are destroying our resource dependant communities, putting honest people out of work and hurting our families.

They have already destroyed thousands of jobs in areas such as South Moresby, the Nitinat, the Walbran, the Carmanah, the Clayoquot and in many other areas of British Columbia. Their appetite is insatiable. However when you consider the huge salaries they are paying to their senior staff in such places as Amsterdam, Holland you begin to understand where they are coming from. Their motivation has little to do with the environment and everything to do with money.

British Columbia, while well known for our hospitality, must tell these people that "enough is enough". We must tell them "Greenpeace go home".

The Forest Alliance of B.C., and a coalition of other concerned organizations, of which our Institute is one, is organizing a "Greenpeace Go Home" campaign.

You can help!

Please collect as many signatures as you can on the attached sheet and sent them into the Forest Alliance by July 31, 1997. If you need more sheets please photo copy the original and get as many signatures as you can. The Forest Alliance will sent the completed sheets to Greenpeace International and to their supporters as a strong message from us. Let us tell them what we think about their blockades and boycotts.

Please make as many copies of this
"Bulletin" as is necessary to distribute to
senior staff, elected representatives,
co-workers and friends.

THANK YOU

J.H. (Jack) Carradice - Executive Director
Phone/Fax - 858-7789

The Opinions Expressed In The Bulletin Are
Not Necessarily Those Of The Directors.

MEMBERSHIP IS IMPORTANT!

Your Support To Expand Our Membership Base Is Essential.
Sign up a new member to-day!

MEMBERSHIPS

Municipal and Regional Governments	\$100.00
Associations - Business and Professional	\$100.00
Corporate - up to 25 employees	\$100.00
26 to 100 employees	\$250.00
101 and up	\$500.00
Individual	\$50.00

MEMBERSHIP APPLICATION FORM

NAME _____

ADDRESS _____

_____ POSTAL CODE _____

TELEPHONE _____ FAX _____

VOTING DELEGATE/NOMINEE _____

TYPE OF MEMBERSHIP _____ AMOUNT _____

DONATION _____

Please Pay By Cheque or Money Order

Mail to - B.C. Environmental Information Institute
Box 5253, Vancouver, B.C. V6B 4B5

If You Need Additional Copies Please Make Photo Copies

Return to the Forest Alliance of B.C. by July 31, 1997

“If you believe B.C. forest issues are best managed through dialogue and a democratic process, rather than blockades and boycotts, give us your name and home town.”

Please Print	Your Name	&	Home Town
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
18			
19			
20			

**Please return to the Forest Alliance of B.C. PO Box 49312, 1055 Dunsmuir St.
Vancouver, B.C. V7X 1L3 or Fax #(604) 685-5373 - By - July 31, 1997**

TULSEQUAH
CHIEF

PROJECT
REPORT
COMPLETE

Path Is
Clear to
Obtain
Project
Approval

TULSEQUAH PROJECT



The old (1950s) Tulsequah Mine Site.

With the completion of the Tulsequah Chief Project Report in November last year, Redfern Resources Ltd. has achieved an important milestone and can now set its sights on obtaining project approval from the British Columbia government by year-end 1997.

The company's 1996 annual report says that with permits, smelter contracts and financing in place by the end of this year, construction could commence in 1998, with production start up possible by early 2000.

TULSEQUAH CHIEF PROJECT REPORT COMPLETE

The TCPR document was filed for preliminary screening with the provincial government's B.C. Environmental Assessment Office late November last year and was expected to be submitted for full review in July 1997, thereby initiating the final phase of the permitting process. Legislated time lines for the process could allow for a decision on project approval before the end of this year. The project will be in formal public review process under the B.C. Environmental Assessment Act in August this year.

If approved, the company would then be in receipt of a Project Approval Certificate from the provincial government. This would allow for initiating development activities in the Spring of 1998 and the project to move forward, assuming mine financing is

complete and a production decision is made.

It says preliminary indications are that the previously reported excellent project economics and feasibility have been confirmed.

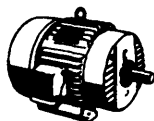
The TCPR report is a five-volume comprehensive document that details all aspects of the proposed mine development. It is the culmination of more than three

years of studies by Redfern and cost over \$6.2 million in permitting and feasibility expenditures.

The Tulsequah is 100% owned by Redfern and is located in Northwestern B.C., 95 kilometres south of the town of Atlin and 14 kilometres north of the Taku River. The mine site is on the Tulsequah River, a tributary of the Taku. The Tulsequah Valley has a long history of mining activity including three former producing mines; the Polaris-Taku mine and the Tulsequah Chief and Big Bull mines, which are located on Redfern's claims.

Redfern's 1996 annual report says that since 1987, the company has spent about \$19.2 million on exploration, delineation drilling, metallurgical testing, environmental studies, engineering design and feasibility studies. The company

Kamloops Electric Motor is pleased to have been a supplier to the Highland Valley Mining area since 1965 and would like to wish Highland Valley Copper continued success.



KAMLOOPS ELECTRIC MOTOR
SALES AND SERVICE LTD.

1260 Dalhousie Drive, Kamloops, BC V2C 6G3
Phone (250) 372-9822 • Fax (250) 372-1566

We extend our congratulations to Highland Valley Copper. We are pleased to have been chosen as the supplier of wooden survey stakes for Highland Valley Copper.



SKA-LU-LA
WORKSHOP

P.O. Box 997, Merritt, BC V0K 2B0 Ph: (250) 378-4744 Fax (250) 378-4815

Smith Chevrolet Oldsmobile Ltd.
950 Notre Dame Drive
Kamloops, British Columbia V2C 6B9

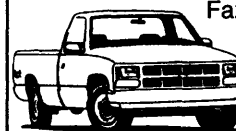
Ken Desjardine

Fleet Manager

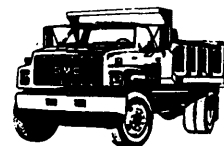
Tel.: 250-372-2551

Fax: 250-828-6727

D 5359



Proud supply partner of Chevrolet light duty & GMC medium duty trucks to Highland Valley Copper



TULSEQUAH CHIEF PROJECT REPORT COMPLETE

expects to spend \$171 million to redevelop the underground mine.

The report says a feasibility study completed in 1995 forecasts excellent project economics. Additional engineering and metallurgical update work in 1996 was expected to be finalized by mid-1997. It says preliminary indications are that the previously

reported excellent project economics and feasibility have been confirmed.

The company says that subject to the forthcoming update, the 1995 Feasibility study results included the following:

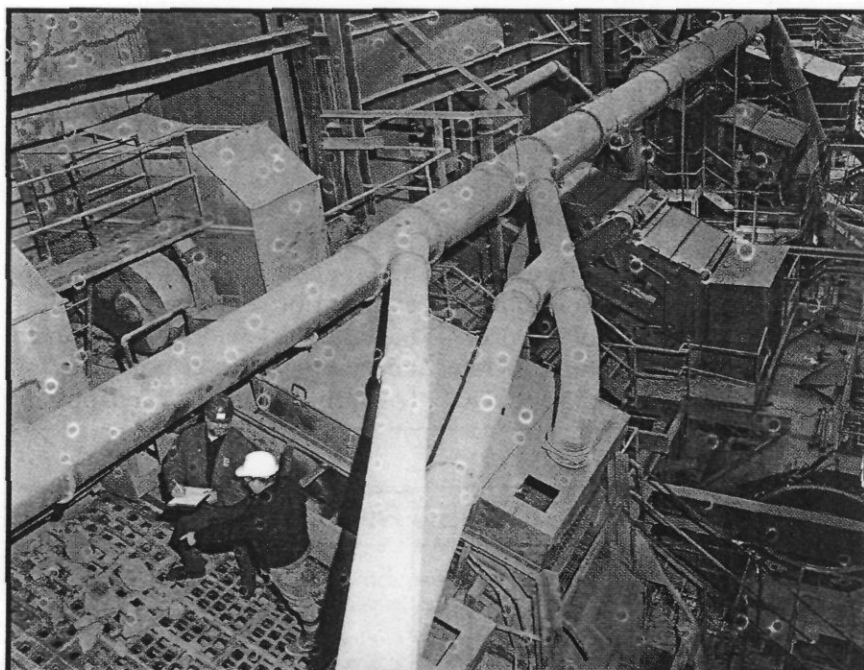
- Diluted mineable reserves at the Tulsequah Chief deposit total 7.9 million tonnes grading

6.35% zinc, 1.27% copper, 1.18% lead, 2.42 grams per tonne gold and 100.91 grams per tonne silver. The delineated reserves remains open for expansion.

- Forecast average annual metal production, in concentrate, is 56,000 ounces of gold, 2.4 million ounces of silver, 54,000 tonnes of zinc, 10,000 tonnes of copper and 9,300 tonnes of lead.
- The pre-tax payback period for the initial capital expense of \$143 million is forecast to be 3 years. The project is expected to generate \$55 million in average annual operating profit and provide a pre-tax return of 24.6%.
- A full production rate of 900,000 tonnes will allow a mine life of 12 years, including two years of pre-production construction.
- Creation of more than 300 direct jobs during construction (700,000 person-hours) and 265 new positions during operation.
- Utilization of low cost underground mining methods and a paste backfill system to maximize ore extraction, minimize mine dilution and allow return of mine waste sulphides underground for permanent storage and environmental protection.

Process tailings will be cleaned of residual sulphides and mixed with ground limestone slurry to ensure permanent neutrality. The tailing facility has been designed for dewatering, recontouring and revegetation at mine closure.

Redfern's other 1996 achievements include the signing of a preliminary cooperation agreement between the company and the Taku River Tlingit First Nation (the company plans to negotiate a comprehensive Impacts and Benefits



Partnering At Work

Partnering is customers, Team Durex and suppliers working together in a common commitment to provide the highest quality products at the lowest possible price. The key is *Supply Chain Management*. Through Partnering, customers and Team Durex share schedules, usage requirements and needs. The result is customized screens, wear parts and Customers. Team Durex and suppliers cooperate in developing new products that increase production and solve specific problems.

Partnering—the open, trusting alliance of customers, Team Durex and suppliers of urethane and rubber working together. It's our formula for increased production and lower costs.

Call 1-800-461-1228 today.

Invest In Our Quality. Profit from Our Solutions.

TEAM DUREX

Marsh Bay Road
Cobalt, Ontario P0J1C0



(705) 679-8524
Fax: (705) 679-8869

TULSEQUAH CHIEF PROJECT REPORT COMPLETE

Atlin is the nearest Canadian community and has functioned as a supply, services and logistical center for the company throughout its exploration programs.

agreement with the Tlingit related to Tulsequah Chief project development and operation), completion of access road surveys and engineering design, and collection of a bulk sample for additional metallurgical studies.

Throughout the review process, open and extensive consultation has been held with the public, First Nations and the Project Committee to allow full assessment of the proposed mine development.

The project is located within the traditional territory of the Taku River Tlingit First Nation (TRTFN) who have their seat of government in the town of Atlin. Atlin is the nearest Canadian community and has functioned as a supply, services and logistical center for the company throughout its exploration programs. The company says this will continue through development and operation of the project. ■

PROUD TO HAVE BEEN A PART OF THE MOUNT POLLEY PROJECT



ISO 9000 Certified

International Organization for Standards is an independently audited quality control program. The benefits to you are considerable: superior quality; regulated inspections; improved coordination; monitoring; and prompt, effective actions.

CSA - A660

A formal quality control system designed specifically for metal building manufacturers. This certification guarantees compliance to complicated and changing Canadian Building Codes.

G90 Galvanized Secondary

Galvanizing offers both economy and the most durable finish available for the secondary steel.

100% Canadian Product

Colony and Behlen are owned and operated in Canada. Your building is designed and manufactured by people who understand the demands placed upon it by the Canadian environment. Your money stays in Canada working for Canadians.

Weekly Reports

You stay up to date on the exact status of your project so you have verification that schedule requirements are being met.

Lease/Financing

A strategic alternative worth considering.

When you're ready to purchase a new steel building, one of the most important decisions you'll make is who to build with. The wrong decision can be costly down the road.

The right decision now makes all other decisions easier. We believe in a strong relationship. We believe in providing excellent value. We believe that your success is our success.

the right call...

(604) 688-2604

the right decision



188 Smith Street, Vancouver, BC V6B 6A9

Juneau Empire
Editorial 3-22-98

Post-It Fax Note	7671	Date 3-24-98	# of pages (3)
To Dick Swainbank	From Jan Nauman		
Co/Dept	Ca		
Phone #	Phone # 4655403		
Fax # 4568173	Fax #		

Sorry about missing date. Emily gathers them home.

Watch out for that watershed

→ Tul. Chief

Anything that affects the Taku River watershed deserves close and careful study. And so, when the provincial government of British Columbia quickly rubber-stamped an approval on the Tulsequah mine, proposed for the headwaters of the Taku River, it naturally raised some eyebrows on this side of the border.

The Tulsequah Chief is a copper, lead, zinc, gold and silver deposit on the shores of the Tulsequah River, which drains into the Taku River. The site is located just a day paddle from the U.S. border, which means the Canadian permit process is in effect for a mine on the shores near one of the richest salmon spawning streams in the country.

The Alaska Department of Fish and Game has long expressed concerns about the mine and its potential to harm a multimillion-dollar fishery just south of Juneau. While the Governor's Office hasn't come out strongly for or against the project, state biologists have weighed in with some real worries. Among those worries are a 500-meter-long area where fish could be exposed to toxic levels of copper and zinc, as well as silt entering from road crossings and the proposed 100-mile road from the mine to Atlin, B.C., now a roadless area.

There are some possible benefits of the mine, one being that Redfern, the company that owns the project, may be able to stop current acid drainage from previous mining operations that has been polluting the Tulsequah River for years.

The speed at which the Tulsequah has received approval from British Columbia is the biggest concern. Such haste makes us wonder if adequate thought has been given to the environmental concerns. And there's another concern, involving the question of whether our Canadian neighbors truly care about preserving the fisheries along the northwest coast. We witnessed this lack of stewardship last year during the protest fisheries Canadians conducted in the Straits of Juan de Fuca. The angry Canadians, who don't like the way Alaska's fishermen catch some of the B.C.-spawned salmon in our most southern fishery, attempted to catch as many fish as possible to prevent the American fishermen from getting any. The punitive fishery wasn't scientifically supported or environmentally sound and further put in jeopardy the coho populations on the West Coast, possibly contributing to the collapse of that species.

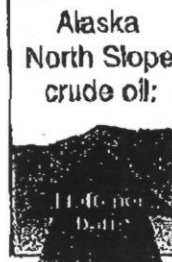
That kind of irresponsible action leads us to wonder whether a mine could also be used punitively by the Canadians if, for instance, they don't get their way during the Pacific Salmon Treaty negotiations, due to resume in Washington, D.C., on March 30.

The Canadians need to slow down and offer better assurances that their proposed mine won't be a landmine for our fishing economy. Further, we need assurances from Ottawa that, when the mine is ultimately abandoned, the Canadian federal government will oversee and enforce the protection of our watershed in perpetuity.

WHAT'S BEING SAID: "The dope argument lacks any merit." - Hawaii Rep. Cynthia Thielen, Page 7

JUNEAU EMPIRE

'The Voice of Alaska's Capital City'



FRIDAY

MARCH 20, 1998

Tulsequah mine gets province OK

*Gov. Knowles may
 take action to resolve
 issue of mine's effects
 on U.S. fishery*

LORI THOMSON
 JUNEAU EMPIRE

A nearby mine that would have
 enough time getting approval in
 United States won acceptance
 British Columbia ministers.
 Provincial ministers on Thurs-
 day approved the Tulsequah Chief

mine, just over the Canadian bor-
 der and about 40 miles northeast
 of Juneau.

The Tulsequah Chief still must
 get permits, but ministerial ap-
 proval is the highest hurdle Red-
 fern Resources Ltd. has to leap in
 its efforts to reopen the multi-
 metal mine.

The U.S. State Department
 voiced its concerns, on behalf of
 the state of Alaska and federal
 agencies, about approval of the
 Tulsequah Chief, said Lynn Cas-
 sel, spokeswoman for the U.S.

Embassy in Ottawa.

Alaska Gov. Tony Knowles be-
 lieves approval of the mine is not
 warranted and is looking at possi-
 ble courses of action to resolve
 Alaska's worries about the mine's
 potential effects on the Taku Riv-
 er, said Knowles' press secretary
 Bob King.

King criticized the B.C. minis-
 ters for approving the mine in
 less than a week after they re-
 ceived a lengthy report from a
 project committee.

"When you have a watershed

such as the Taku - one of the top
 salmon producers in Southeast
 Alaska - any proposal that would
 affect fishery habitat and water
 quality would get much more
 than six days of deliberations,"
 King said today.

Among the governor's options
 are a formal appeal to the Inter-
 national Joint Commission, which
 oversees U.S. and Canadian
 boundary issues, he said.

Meanwhile, the Alaska Miners
 Association is concerned the gov-
 ernor's actions on the Tulsequah

Chief contradict his stand the
 Alaska supports resource deve-
 lopment.

"It sends a mixed message to
 mining companies that maybe
 Alaska isn't open for business,"
 said Paul Rusanowski, Juneau
 branch chairman of the Alaska
 Miners Association.

Rusanowski applauded provin-
 cial approval of the projec-
 which he said is well-designed
 and environmentally sound. The
 mine would produce copper, lead

Please see Mine, Page

Journal
Empire
3/20/99?

superconductor

Business will be helped
with Navy contract in
exchange for jobs

THE ASSOCIATED PRESS

KETCHIKAN - A federal contractor wants the city's help in convincing Sen. Ted Stevens to push for a U.S. Navy contract that could translate into hundreds of high-tech jobs for the city.

Stephen Kuznetsov, chief executive and president of Power Superconductor Applications Inc., visited Ketchikan and Saxman last week to investigate the possibility of opening a manufacturing plant.

The Pittsburgh-based company's work has included a Navy contract for development of superconductor-powered motors

and magnetic levitation equipment. Technology it also markets to the transportation and amusement park industries, Kuznetsov said.

The executive called the technology to the attention of the state Department of Commerce and Economic Development last fall because Alaska is home to a large deposit of yttrium, a rare earth element that has shown promise in superconductive applications.

The deposit, which is mostly owned by Bob and Irene Dotson of Ketchikan, is in the Bokan Mountain area on Prince of Wales Island. But of more interest than the yttrium is Ketchikan's potential for providing an industrial site and a skilled labor force, Kuznetsov said.

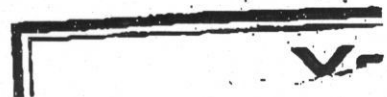
The community already has an

industrial infrastructure and a potential labor force of artists and craftsmen skilled in working with their hands, he said.

And an industrial site can be leased in Ketchikan or Saxman for about one-eighth the cost of a similar site on the East Coast, he said.

In return, Ketchikan stands to gain 450 "high-tech, high-paying jobs" by 2006, Kuznetsov said.

Kuznetsov said his company's chances of winning the contract would improve if Stevens and Sen. Frank Murkowski can help him acquire a machine called the linear induction motor research vehicle.



3/20

Continued

Mine...

Continued from Page 1

zinc, gold and silver.

The U.S. Environmental Protection Agency disagrees, however, is especially concerned about a dam to hold mine tailings to be built in a floodplain, near salmon grounds in the Taku River watershed.

"It's like a loaded gun sitting above Flannigan Slough, which is a valuable spawning area," said Bill Riley, mining coordinator for the EPA's office of water in Seattle. The slough is near where the Tulsequah and Taku rivers meet.

Riley said getting approval for such a tailings plan would be very difficult in the United States.

Kelvin Dushnisky of Redfern called the EPA's comments "short-sighted" and said the agency wasn't paying enough attention to the extensive review the plan received in Canada.

"While it's one thing to say putting a tailings impoundment would be difficult to permit in the United States, this has also been a difficult project to permit in Brit-

ish Columbia," said Dushnisky, senior vice president for Redfern, based in Vancouver.

Rusanowski said the tailings don't pose a problem in the floodplain because the toxic materials have been removed. He said Redfern is not only taking measures such as storing much of the tailings in the mine instead of aboveground, but is also cleaning up the acid drainage that's been flowing since the 1950s into the Tulsequah River from previous mining.

Redfern plans to prepare for construction this year, launch actual construction next year and open the mine in 2000, Dushnisky said.

"We're obviously very pleased at the decision that's been reached. We think it foretells a bright future for mining in the area," he said.

The EPA has been told it will be able to sit on a committee that reviews the mine permitting process, but the agency is still trying to find out how involved it can be in the permits, Riley of the EPA said.



Fax Cover Sheet

DATE: Mar. 25/98 TIME: 3:15 pm

TO: Gerald German
MEN - vic.

PHONE: _____ FAX: _____

FROM: Tom Schroeder PHONE: _____
FAX: 604-775.0313

RE: Tulsequah Chief - Taku

CC: Ron Smyth

Number of pages including cover sheet: 4

REMARKS:

☐ Urgent ☒ For Your Review ☐ Reply ASAP ☐ Please Comment

Message

Rec'd from Dick Swainbank,
State of Alaska, Dept. of Commerce
& Econ. Dev. (Fairbanks, AK)
- In Suneau papers
- 'Heads Up'

Tom.

FAX**State of Alaska**

Department of Commerce &
Economic Development,
Division of Trade & Development
751 Old Richardson Highway, #205
Fairbanks, Alaska, 99701.

Date 3/25/98

MINE: Alaska protests British Columbia's approval of plan

Continued from Page B-1

project.

Knowles on Monday criticized the quick approval the Canadian government gave the mine.

"It's unacceptable to Alaskans to proceed with a project of this magnitude which represents such a threat to Alaska fisheries without more consideration" of those who would be affected, Knowles said.

"It's an extraordinary and, to my knowledge, unprecedented request to put a significant mine development in the flood plain of a major salmon-producing river," he said.

The Taku is an important commercial, sport and subsistence fish resource for Southeast Alaska. The river has produced 300,000 red, 400,000 silver, and a million pink salmon annually, as well as steelhead and cutthroat trout.

Knowles wrote a letter to U.S. Secretary of State Madeleine Albright, seeking her assistance in bringing the mine question before the International Joint Commission, es-

tablished by the Boundary Waters Treaty of 1909 to resolve boundary and water disputes between the United States and Canada.

The commission is scheduled to meet Friday in Washington, D.C., and could take up the Tulsequah mine issue then, said John Katz, director of the Knowles administration's Washington, D.C., office.

Katz said the State Department has presented Canada with diplomatic communications expressing concerns about the mine approval process.

He said the six-member boundary commission — three appointed by Canada and three by the United States — has the authority to make a binding decision on the mine project.

Knowles spokesman Bob King said the panel has not used that authority in the past. Redfern, a Vancouver-based company, wants to reopen the historic underground Tulsequah mine. Its development plans include construction of a 74-mile road to the mine from Atlin, B.C.

The mine could produce about 2,500 tons of

ore a day. Knowles said there are concerns about the effect of the mine on Taku water quality, its disposal of tailings and the design of its facilities in an earthquake zone.

Redfern officials did not respond to a request for comment Monday on Knowles' action.

The British Columbia government issued a final report on the mine plan on March 4, and after allowing two days for public comment, issued its final certification for the project

less than two weeks later.

Knowles criticized the project in a letter to Albright. "This is a mockery of meaningful input and analysis of a project of major consequences," he said Monday.

He said Alaska has supported mine projects, like the Kensington gold mine near Berner's Bay.

"Our formula for doing development is doing it right. ... This mine project is way off the mark."

SECTION B

Alaska protests British Columbia's approval of plan

Knowles, others want more thorough review

By ROBERT KOWALSKI
Daily News Juneau Bureau

JUNEAU — British Columbia's recent approval of a copper, lead, zinc and gold mine near the Taku River flood plain is "a mockery" of appropriate environmental review, Gov. Tony Knowles said Monday, appealing to an international boundary commission to reconsider the project.

The action, Knowles said, is intended to protect the water quality and fishery resources of

the Taku, which flows from its headwaters in British Columbia to Taku Inlet a few miles southeast of Juneau. The river supports all five species of Pacific salmon and is highly valued by Southeast anglers, recreational boaters and commercial fishermen.

Knowles said the action is not necessarily intended to kill the Tulsequah Chief Mine, which is located near the confluence of the Tulsequah and Taku rivers in Canada, about 40 miles northeast of Juneau. But he wants a more thorough review and perhaps more habitat protection.

Despite objections from Alaska, the U.S. government and some environmental and Native interests, British Columbia earlier this month issued a certificate to Redfern Resources Ltd. to proceed with the \$150 million



RON ENGSTROM / Anchorage Daily News

DUSTY'S DEAL

Sourdough Mining Co.

presents

AD AD

Oh Yea!

Make a motherload of
ice cream sundae
then you're done!

Please see Page B-2, MINE


INCO**American Copper & Nickel Company, Inc.,****Inco Limited**

4400 Business Park Blvd. Suite 48, Anchorage, Alaska USA 99503-7118

Telephone (907) 562-7378

Facsimile (907) 562-5637

FACSIMILE

604 775 0313

If you do not receive all pages, please call the number listed above.

TO: **TOM SCHROETER**
FROM: **JIM MORIN** DATE: **3/31/98**
COPY: _____ PAGES: _____
SUBJECT: **TULSEQUAN** PROJECT #: _____

IMPORTANT: This facsimile transmission and any accompanying documents contain information intended only for the confidential use of the recipient named above. If you are not the named recipient or an agent of the recipient, any disclosure, copying, or distribution of the information contained in this facsimile transmission is prohibited. If you have received this transmission in error, please call us to arrange for the return of the documents at our expense. Thank you.

HI TOM: Say hello to Brenda
at the PH farm. I will be in
Van next week - lunch?
Following page FYI.

Cheers.
Jim



Fax Cover Sheet

DATE:

Apr. 1/98

TIME:

7:30am

TO:

Gerald German
MEM- Vic.

PHONE:

FAX:

FROM:

Tom Schroeder

PHONE:

FAX: 604-775.0313

RE:

Tulsequah Chief

CC:

Ron Smyth

Number of pages including cover sheet:

3

REMARKS:

☐ Urgent

☒ For Your Review

☐ Reply ASAP

☐ Please Comment

Message

Further to my Mar. 25/98 Fax: - FKT.

Tom.

Saturday Night
~~Aug 2000~~
July 15/2000

ATLIN IS AN IDYLIC PIONEER TOWN IN NORTHERN B.C., A FAVOURITE DESTINATION FOR HELI-SKIER, ARTISTS, AND REFUGEES FROM THE URBAN RAT RACE. BUT IT'S ALSO, IN THE WORDS OF ONE RESIDENT, "A SEETHING CAULDRON OF HATRED AND BACK-STABBING, LYING BASTARDS." HERE'S WHY

ROADBLOCK

By Alex Gillis Photographs by Greg Staats

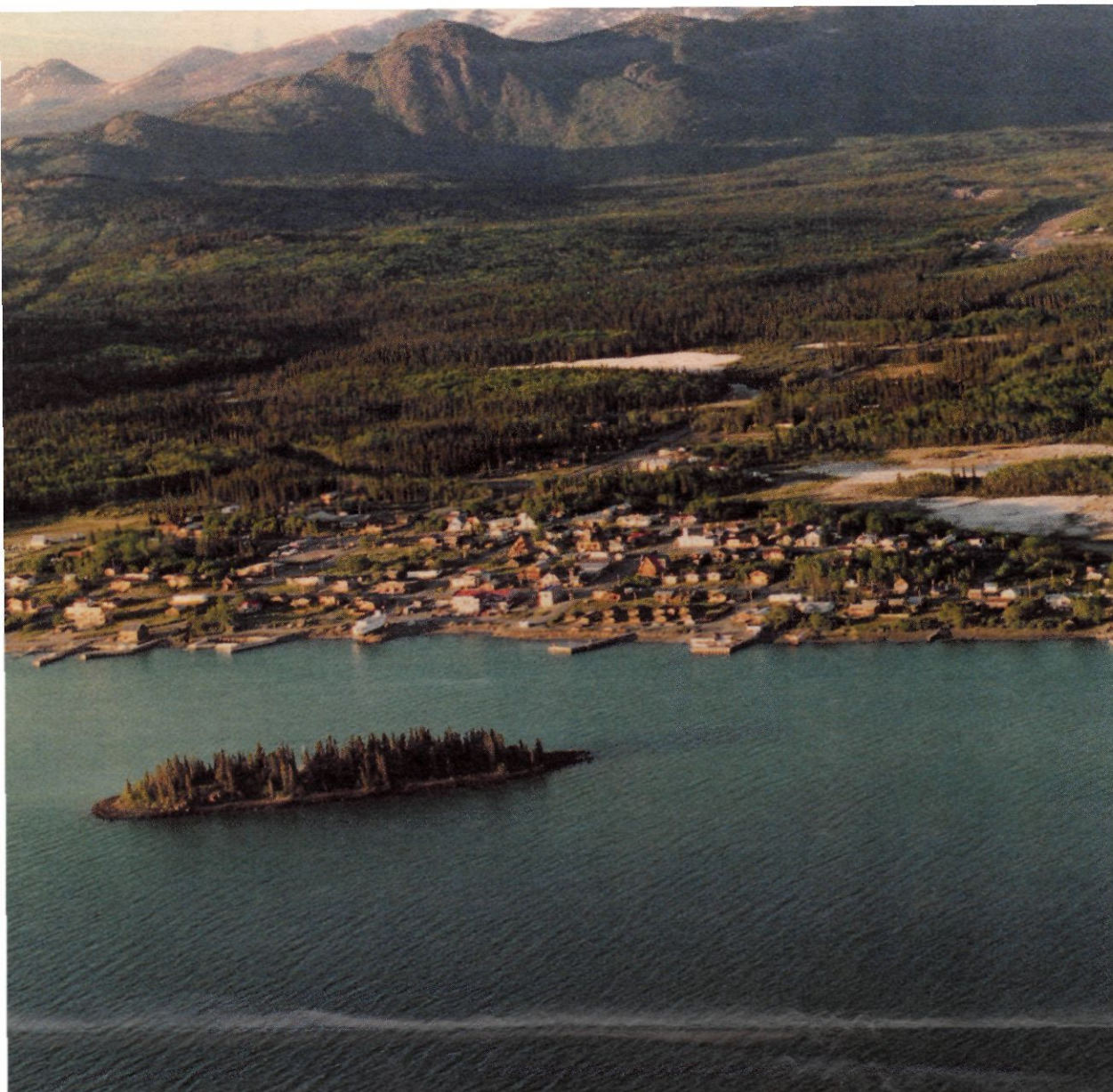
THERE ARE TWO BARS IN ATLIN, B.C. The Rec Centre bar is a huge, windowless log building that lies near the Caribou Laundromat on the north side of town; the Atlin Inn bar is on the ground floor of a two-storey inn that overlooks Atlin Lake. Only five blocks separate the two bars, but their regular customers are as different as Budweiser and Shaftesbury Ale. The Rec Centre is usually filled with unemployed miners and long-time residents. The Atlin Inn is home to European heli-skiers, struggling artists, and "outsiders" — a label that northerners apply to anyone born south of Fort St. John, B.C. Atlin used to be a harmonious town, its 520 souls (700 in the summer) generally tolerant of each other. But not any more. "Outsiders," in general, are bitterly opposed to something called "the road," a proposed 160-kilometre, all-season truck route that will slice through the Taku River watershed. Long-time residents support the road. The discord's been simmering for nearly six years.

This helps to explain why Susan Carllick nearly fell off her chair one cold night in 1995. She was up in Whitehorse, 180 kilometres to the north, having a drink in a bar called The 60 Below, when her old sweetheart, Tony Netro, walked in. Tony had worked around Atlin and was a regular at the Rec Centre. Susan usually drank at the Atlin Inn bar. He was for the road, she was against it. They hadn't seen each other in two years, but there he stood, smoking a cigarette and wearing that brown, oiled-leather coat she liked so much.

"Hi, Susan," Tony said, straightening a blue baseball cap over his brown hair. He was twenty-nine, born and raised on the Vuntut-Gwitchin reserve in the northwest Yukon, and currently unemployed. Susan had lived all her life in Atlin and on the Taku River Tlingit First Nation reserve, just outside of town, where she was land and resources coordinator. The last time they'd "had a good time," as she put it, she'd been eighteen and he twenty. Now things were different. She had >

EIGHTEEN VIEWS OF ATLIN, A RUSTIC MIX OF NINETEENTH- AND TWENTI-ETH-CENTURY LIVING. LAND PRICES ARE RISING AS PEOPLE MIGRATE HERE FROM CITIES, DRAWN BY THE SCENERY, THE WILDLIFE, THE LOW CRIME RATE, AND THE SMALL-TOWN ATMOSPHERE

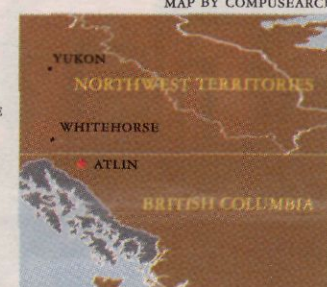




LEGEND

- TULSEQUAH CHIEF MINE
- TAKU RIVER TLINGIT RESERVE
- ATLIN PROVINCIAL PARK
- GLACIER
- ATLIN
- THE PROPOSED ROAD

MAP BY COMPUSEARCH



ATLIN WAS ESTABLISHED DURING THE KLONDIKE GOLD RUSH. WITHIN A FEW YEARS, IT HAD TWENTY-NINE SALOONS AND SEVERAL BROTHELS, BUT NO HOSPITALS, CHURCHES, OR POLICE

a daughter, he had a son, and, as if that wasn't enough, the road had come between them.

"Have a seat," she told him. They chit-chatted amiably until the conversation turned to the future. "What are you doing this summer?" Susan asked.

"Who knows, maybe I'll end up in Atlin, working for Redfern," Tony said, winking. Redfern Resources Ltd. was the Vancouver-based junior mining company proposing to build a road that would give it access to the Tulsequah Chief Mine, a fifty-year-old abandoned gold mine the company was hoping to reopen. "Redfern might do more exploring this summer," Tony said.

"I don't think so," Susan said. "We haven't approved that project."

By "we" she meant the 450-strong Tlingit band, most of whom opposed any road that would carve up the Taku watershed, which was part of the territory at issue in their land-claims negotiations with the province. In 1992, when another road had been proposed from Juneau to Atlin, Susan had vowed to lie in front of the Cats to stop it. "You can't just walk in like you own the place," she told Tony.

"Why not?" he asked.

"Because I'd have to shoot you in the back," she said.

FOR CENTURIES, PEOPLE HAVE viewed this region, tucked between the Alaska panhandle and the northern B.C. border, with awe. Long before they had any contact with Europeans, the Tlingit had cut trails

through the wilderness, marking spiritual power spots along the way. John Muir, one of the godfathers of North America's wilderness movement and founder of the Sierra Club, trekked through the area in 1890 and was so enthralled by the massive fjords and the icebergs splintering off mile-long glaciers that he wrote a book about it. In 1898, as 18,000 prospectors rushed to Klondike Creek in search of gold, two young men, a German and a Nova Scotian, discovered gold near Atlin Lake and established a settlement. Within a few years, the town contained 6,000 placer miners, one government official, and a handful of unwanted Asian labourers. The Tlingit, many of them suffering from tuberculosis, were forced onto reserves, though no

treaty was ever signed. Atlin was a lawless frontier town with twenty-nine saloons and several brothels, but no hospitals, churches, or police. To survive, people had to look out for each other. If the avalanches and minus-fifty-degree temperatures didn't kill them, then the bears, wolves, and wildcats might.

What has drawn people to Atlin in recent times is not so much the prospect of instant wealth as its natural beauty. Atlin offers a rustic mix of nineteenth- and twentieth-century living: antique cabins owned by miners snuggle up against \$350,000 lakefront homes renovated by urban refugees. People still talk about the spiritual power of the place, especially since 1980, when an ex-mayor of Whitehorse built the Holistic Healing Centre in the shape



THE ABANDONED TULSEQUAH CHIEF MINE SITE, STREAKED BY ACIDIC WATER. REDFERN SAYS IT'S PREPARED TO SPEND \$80 MILLION TO CLEAN IT UP

of a pyramid. The thirty young Buddhists who studied here in the early seventies are gone, replaced by about fifty guitarists, painters, photographers, and other artists. But the isolation, the harsh climate, and the dangers remain, and can still foster a sense of solidarity. Three weeks ago, for example, four members of a film crew died when their helicopter crashed while they were shooting a commercial for a Nissan SUV on top of a glacier. Atlinites rose to the occasion and helped in the recovery mission.

In general, though, the spirit of neighbourliness is dissipating, thanks to Redfern's plan to build a road to the Tulsequah mine 100 kilometres south of Atlin. The company plans to extract gold, silver, zinc, copper, and lead ore. Three

other companies have been exploring for gold near the Taku River and its tributary, the Tulsequah, and there are at least 150 other mineral claims in the area. The B.C. government calls Redfern's project a cornerstone of its northern-development strategy.

The road is now the centrepiece of a battle that's been raging for the past six years. Redfern needs it to truck the ore past Atlin to Skagway, Alaska, for shipping. The B.C. government wants it because the road will open up the 4.5-million-acre watershed to badly needed industrial development. Alaska is concerned that pollution from the mine might flow downstream through the panhandle. Environmentalists oppose it because it cuts through a region that is home to

endangered mammals and salmon. In fact, they have transformed it into one of the most broadly contested environmental battles on the continent, one that has already involved Foreign Affairs Minister Lloyd Axworthy, U.S. Vice President Al Gore, U.S. Secretary of State Madeleine Albright, and Alaskan governor Tony Knowles.

On top of it all, there's the Tlingit First Nation. The Tlingit, of course, have studied the recent Delgamu'ukw decision in the Supreme Court of Canada, which among other things recognized that non-treaty First Nations retain a right to the mineral deposits on their territory. Encouraged by the outcome, they have deployed a series of legal manoeuvres, including a judicial review, to delay construction of the

road. On June 28, the B.C. Supreme Court handed down a decision that stunned all the warring factions — a decision that might, in fact, scuttle the whole project.

FEW PEOPLE KNOW THE TERRITORY under dispute better than Tony Netto. Several years ago, Redfern had offered him some line-cutting work. He had to chainsaw a perfectly straight line one metre wide and five kilometres long through ancient boreal forest, creating a pathway for test drilling. Tony had been a line-cutter since the age of eighteen, so he knew what to expect: forty-five days of rotting vegetation, fresh-cut pine, gasoline fumes, and sweat, with no days off. Tony knew the Tlingit disapproved of the project, but he tried not to think too >

"There's a group of Tlingit tied to the radical environmentalists who want this project killed. Then there's a whole bunch who want it to succeed because they're desperate for jobs"

much about the politics. After a winter of collecting U.I., he desperately needed a job.

Redfern flew him south in a chopper to the Tulsequah Chief Mine site. As he flew over millions of acres of wilderness, he realized how difficult it would be to build the road. For starters, the Cats would have to go over seventy streams, two canyons, and one mountain pass, and through the highly sensitive habitat of grizzly, moose, and caribou. In addition, the road would cut through Tlingit burial sites, hunting areas, and a prehistoric trail. Redfern then planned to extend the old mine shaft by about a kilometre, build an airstrip, a power plant, a processing mill, a huge acid-waste impoundment, and set up a makeshift town for 200 employees. According to Redfern, all this would generate several hundred jobs and half a billion dollars in revenue. But for the Tlingit, the mine wasn't the main issue. It was the road.

Had Tony looked down as the chopper approached the Tulsequah camp, he would have seen a rust-coloured liquid crawling down a slope. Each year for the past fifty years, the mine shaft had been leaking 500 million litres of water laden with sulphuric acid and heavy metals into the Tulsequah and Taku rivers. In 1992, when Redfern bought the Tulsequah property from Cominco Ltd., it gave assurances to the B.C. government that it would clean up the mess if it could reopen the mine. Redfern president Terry Chandler said there had been no negative effect from the acid, but an Environment Canada report would conclude that the leak was "acutely toxic to fish" and in clear violation of the Fisheries Act. Chandler estimated that the entire cleanup would add \$80 million to the \$160-million cost of the road and mine operations.

When the chopper landed at the Tulsequah camp, Tony and his partner grabbed a chainsaw and walked into the bush with sixty pounds of gear on their backs. One guy sawed while the other cleared. Depending

on the land, at best they might cut through 700 metres a day. The worst terrain contained devil's club, which grew in thorny thickets north of the Tulsequah camp. But there were beautiful places that Tony would later tell Susan about. He'd be cutting through the bush, hearing only the sound of the saw, then suddenly he'd see a bear running away or a moose staring at him. One day, he found himself at a mountain ledge overlooking a spectacular valley. It was the most amazing thing, he thought. He turned off the saw and gazed down into the valley. It was quiet. There were mountain goats on a cliff. He sat down to eat his lunch.

THERE ARE ONLY TWO RESTAURANTS in Atlin. The Atlin Inn Cafe (anti-road) is in the same building as the Atlin Inn bar. The Pine Tree Restaurant (pro-road) sits about a block from the Rec Centre. Over the doorway of the Pine Tree is a plaque that reads, "If a man has enough horse sense to treat his woman like a thoroughbred, she will never grow into an old nag."

In the spring of 1999, I walked into the Pine Tree to meet Rick Stephens and Julie Mann, both in their early thirties. Like many young couples here, they were leaving Atlin for greener pastures. They had just sold their house. They invited me to sit down, while their four children ran around outside.

"There's lots of guys who need the work Redfern's offering," Rick said, referring to the fact that 30 percent of area residents were either unemployed or employed seasonally or part-time. The company was promising 320 jobs for the two-year, road-building part of the project and 260 in the seven-year, mine-operation phase — with an average salary, including benefits, of \$77,000. Sixty of the 320 jobs would come to Atlin. "It would have been a good thing," Rick went on. "But between the Indians, environmentalists, and tree-huggers, they've got this place locked up. They're trying to kill the project. They want Atlin to stay the pristine little town that it is, so that all the

rich Americans and rich Krauts can come up for three months." He meant the heli-skiers who pay about \$5,000 a week to shred powder on Atlin's mountains. Most of the outsiders bring money in, but people like Rick and Julie don't see much of it.

"We got five thousand tourists last year," Rick explained. "That's not enough to keep this town alive. Take the heli-skiers, for example. They spend money at the Atlin Inn bar. They don't go to the Rec Centre. They don't buy anything anywhere else. They're tight, just like carp in a creek."

"Also, the town used to be together," Julie added.

"Yeah," Rick went on, delivering each point with a sledgehammer blow. "There was no TV when we first moved here twenty-five years ago. Nobody sat at home. Videos hadn't been invented yet. We had family nights at the Rec Centre a couple of times a month: potluck dinners, games, visits. Now, you don't find that any more. Everybody's so busy trying to make a dollar. And there's nothing here for the kids. No 4-H clubs, no livestock clubs."

"We're starting a ranch in Fort St. John," said Julie.

"There are a few more opportunities out there — oil, gas, logging, and farming," her husband explained.

"We can't afford land here," Julie said. It's a common trend throughout mountainous regions, even this far north. Land prices are rising as people migrate from cities into towns like Atlin to start businesses and raise families. They're drawn by the scenery, the wildlife, the low crime rate, and the small-town atmosphere. In the last five years, the population of Atlin has remained steady, even though long-time residents like Rick and Julie have been moving out.

Rick also believed that the Tlingit were making things worse. He thought the natives had no right to stall Redfern's project with a judicial review. "They're lazy and they're greedy — that's my opinion about it," he said. "We're working



CLOCKWISE FROM TOP LEFT: DON WEIR, PRESIDENT OF THE TAKU WILDERNESS ASSOCIATION, AND SUSAN CARLICK, LAND RESOURCES COORDINATOR FOR THE TAKU RIVER TLINGIT, BELIEVE THE RECENT SUPREME COURT JUDGMENT IS A WIN FOR THE ROAD'S OPPONENTS. TONY NETRO, WHO HAS WORKED FOR REDFERN, AND TERRY ZANGER, THE COMPANY'S TULSEQUAH CAMP MANAGER, WANT THE MINE TO GO AHEAD

our asses off to pay for them. Is that right? They get millions a year to run that band office up there."

"They grew up with alcohol," added a woman at the next table who declined to give me her name. She glared at two Tlingit men behind me who were just finishing their lunch. One of them had long black hair and very white teeth. It was Andy Carlick, Susan Carlick's uncle, who, unlike his niece, but like everyone else in this restaurant, supported the project.

Rick took a deep breath: "Atlin is a nice, beautiful little place on the surface, but when you pull that back, it's just a seething cauldron of hatred and back-stabbing, lying bastards, eh?"

IF THERE'S ONE THING ENVIRONMENTALISTS and mining executives can agree on, it's that B.C.'s Envi-

ronmental Assessment Act, which came into effect in June, 1995, is one of the toughest pieces of "green" legislation on the continent. It provides for an exhaustive review and consultation process involving not just the Ministry of Energy and Mines and the Environment Ministry, but all the "stakeholders" as well. The act specifies that "aboriginals" must be included. Redfern had formally applied for a mine-development certificate in September, 1994, under the old act, but their application was brought forward as the first one evaluated under the new act. It received intense scrutiny.

The Environment Ministry set up an Environmental Assessment Committee to review the project. Susan Carlick was on the committee for the Tlingit, along with representatives from the state

of Alaska, the U.S. Department of the Interior, the U.S. Environmental Protection Agency, and eleven federal and provincial government departments.

Two years later, in November, 1996, Redfern handed the committee its five-volume project report, but the committee sent it back because it had "a number of deficiencies," including insufficient studies of wildlife, water, and Tlingit land-use impacts. At the time, Redfern president Terry Chandler complained to *The Vancouver Sun* that "the process seems to be a bit more complex than it need be."

It took another nine months for the company to submit a revised report. This time, the committee accepted it for review. In the fall of 1997, during the sixty-day public-hearing process, the Alaskans raised concerns about the effect of the sul-

phuric acid leaks on salmon habitat in the Alaskan panhandle. The Tlingit, along with environmental groups such as Atlin's Taku Wilderness Association (TWA), asked why Redfern had rejected alternative routes for the road, and reiterated their concerns about the impact of the road on wildlife.

By January, 1998, during the technical-review phase, the committee found itself overwhelmed with work, and Redfern officials were fuming. In an attempt to reach a consensus, Norm Ringstad, the committee chair and a project director in the Environmental Assessment (E.A.) office, told the committee that it could issue a general approval for aspects of the project, like the road, and let other ministries deal with impact problems during the specific-use permit process later on. The Alaskans, in particular, were flabbergasted. Where >

they came from, first you got the specific studies cleared, then you got government approval.

To make matters even more complicated, the Tlingit, who had been involved in land-claim negotiations with the B.C. government since 1993, were reluctant to give such an open-ended approval before their land claim was settled. The road was a central problem for the Tlingit, and not just because of the burial sites, hunting areas, and spirit trails: it would open the region to even more mining and logging, which would deplete resources that the province might later acknowledge belonged to the Tlingit.

To address this concern, Redfern had promised to obliterate the road when their nine-year project was over. But when you looked at what was actually happening in the Taku region, the promise sounded hollow. Redfern owned one other mine in the area; Cominco had mineral claims there; and Canarc Resource Corporation, with its New Polaris gold mine across the river from the Tulsequah mine, was already hoping to extend Redfern's road by three kilometres. Xplorer Gold Corp. and Kohima Pacific Gold Corp. also had a presence. And finally, a forestry company was talking with some Tlingit about doing an inventory of tree stocks in the area.

Then, on March 2, 1998, the E.A. office abruptly terminated its review of Redfern's project. "It was pretty obvious that all the committee members' positions had crystallized," Ringstad said later. "Alaska and the First Nation were looking for mega-time and mega-amounts of information." Susan Carlick got the news by e-mail in the Tlingit band office, a large clapboard building with posters announcing A.A. meetings and anti-suicide counselling. The message thanked her for her commitment and noted that because of the workload in the E.A. office, she had two days to read and sign a 104-page report recommending that Redfern go ahead with its project. The e-mail also said that all future

"They want it to stay the pristine little town that it is," said Stephens, "so that all the rich Americans and rich Germans can come up for three months"

committee meetings were cancelled. "Oh my God, it was an intense time," Susan said. "Forty-eight hours! We couldn't even reach the staff at the E.A. office. I wanted to tell them this was ridiculous." Two and a half weeks later, the B.C. government officially approved the project.

The Tlingit leadership believes that the B.C. government meddled in the process. Susan's guess is that Premier Glen Clark's scandal-racked NDP government, which was plummeting in the polls at the time, desperately needed a good news story. Ringstad vehemently disagrees: "I can tell you straight out that I was not unduly influenced by any politician." Redfern's Tulsequah camp manager, Terry Zanger, had a more practical explanation: "The committee was taking too long."

But it wasn't over yet. A few weeks later, Alaska's Democratic governor, Tony Knowles, on the advice of American environmentalists, sent a letter to Al Gore and Madeleine Albright, stating that the measures outlined by Redfern and B.C. were "insufficient to protect the valuable salmon resources of the Taku River." Ignoring the fact that Alaska's fishing fleet, at least according to the Canadian government, was catching northern coho to the brink of extinction, the governor recommended that Albright formally refer the Redfern project to the International Joint Commission, which resolves transboundary water conflicts. Next, Glen Clark, who had never got along with the governor, waded into the fray. "Concerns over loss of salmon habitat and fish mortality are unfounded," he wrote to Prime Minister Jean Chrétien. Albright forwarded the governor's request to Lloyd Axworthy, and a series of bilateral meetings to resolve the diplomatic impasse were held over the next two years. Redfern countered by lobbying Axworthy, the Reform party, the Alaskan Republican opposition, and presenting their position to a congressional committee in Washington. Although Axworthy has so far remained on the fence,

Alaska's lobbying efforts have spooked investors. "We talked to a consortium of Japanese interests," Redfern president Terry Chandler told me. "Shortly after Knowles's blistering invective, the Japanese said, 'Well, look, we'll wait until this thing is sorted out.'"

There was worse to come. In the late autumn of 1998, about a dozen environmental groups met to plan what would become one of the most sophisticated environmental campaigns in Canadian history. The slogan was "To Save the Taku River," but the broader strategy, in the words of Meshell Melvin, vice-president of the Taku Wilderness Association, was "to drag the province and the mining industry into the twenty-first century."

"The way that the economy and the industry developed itself in the forties, fifties, and sixties is no longer sustainable," added TWA president Don Weir. His organization, along with another Atlin-based group, the Nakina Centre for Aboriginal Learning and Living (Nakina CALL), formed a coalition with the Sierra Club of B.C., the David Suzuki Foundation, American Rivers, and seven other environmental organizations in Canada and the U.S. They put together a war chest of \$100,000 and hired an independent mineral economist, who reported that Redfern's estimated profits were based on unrealistically high price projections. "They attacked us in the marketplace," said Chandler.

Redfern was not about to underestimate the power of this coalition. The last time environmentalists had gone up against the mining industry, in 1993, they persuaded the B.C. government to kill the proposed \$8-billion Windy Craggy mine and smelter project. Instead, the province created the 2.4-million-acre Tatshenshini-Alsek Park. According to Ric Careless, one of the architects of both the Tatshenshini and Taku campaigns, the environmentalists had stopped Windy Craggy by lobbying officials, devising strategic land-use plans, publi-

cizing endangered-species studies, packing public and stockholder meetings with supporters, co-operating with American organizations, strategizing with Al Gore's office, and flying journalists and political leaders (such as Pierre Trudeau and Paul Martin) to Tatshenshini for whitewater-rafting trips.

The Taku campaign used all these strategies against Redfern and more, including an appeal under NAFTA. "This could be the death knell for industry," said Redfern's communications consultant, Sean Magee, when I met him in early 1999. "We are rallying the troops — people in the mining establishment, people in the forestry community, people who live in resource communities right across the country." At stake was the mining industry itself: B.C. was already suffering from the lowest level of mineral exploration in thirty years. Redfern also began a campaign across the province and beyond to win back investors.

By this time, Atlinites realized they were in the middle of a war. They'd bump into each other in the Food Basket, the local grocery store, which used to be a brothel long ago, and discuss the latest moves of each side. Or they'd meet in the Atlin Inn bar, where the owner had recently installed a blackboard listing Redfern's falling TSE stock price, and talk about the rising tensions in town.

In early 1999, a Tlingit band member leaked the coalition's strategy document to Redfern, stating that the environmentalists planned to give the Tlingit \$150,000 to cover the costs of a judicial review of the abruptly concluded E.A. process. Shortly after that, the Tlingit filed a petition for review with the B.C. Supreme Court. Terry Chandler called it a "cloud which now hangs over the project."

ABOUT THAT TIME, I STEPPED into the smoke-filled Rec Centre in Atlin to meet two Redfern officials. Seven men were sitting on stools at the bar. Terry Zanger, the Tulsequah camp manager, and Stuart Simpson, Redfern's community liaison and

training coordinator, sat at a table across the room. Zanger, who was wearing a worn-out baseball cap, is a wiry, witty forty-five-year-old from Alberta. He moved to Atlin in 1984 to do exploration for Chevron. He loves it here. "There are no newspapers, no Y2K problems, no conspiracy theories about the end of the world — and we don't even have cell-phones," he explained. Simpson, thirty-six, is beefier and louder than his colleague. He used to be married to a Tlingit woman and, until six years ago, was the Tlingit's economic-development officer. Now it was part of his job to encourage people to support the project. He got involved with Redfern in 1995, partly because he couldn't believe all the lies and misinformation, as he puts it, coming from groups like the TWA and Nakina CALL.

Simpson and Zanger ultimately blame the environmentalists, not the Tlingit, for starting the judicial review, mainly because of the financial support the activists have given the natives. "There's a group of Tlingit who are tied to the radical environmentalists, and who would like to see this project killed," Simpson explained. "Then, there's a whole bunch — and I mean a *whole* bunch — who want to see this project succeed, because they're desperate for the jobs and contracts. They're on welfare, they're unemployed, and they have to move to find work."

As if on cue, Tony Netro and Andy Carlick walked into the Rec Centre. Simpson had invited them here because both were enrolled in a Redfern-run mine-prospecting course. Tony now had his own line-cutting business and was working off and on for Redfern. "I figure that if the project is done right," Tony said, "everybody will come out of this with a trade and ten years under their belts."

Andy Carlick, forty-one, was just as eager: "If this mine goes through, ten years of solid work would put me into retirement benefits." Like Zanger and Simpson, he blamed the environmentalists for

friction in Atlin. "They've divided us because they're throwing a lot of dollars our way," he said. But to Simpson's consternation, Carlick also expressed support for the Tlingit's judicial review. "Our people are afraid that the road will open up the country to more mining and logging," he said, sounding very much like his niece Susan. "What control do we have over that?"

Simpson jumped right in. "Do you know what's in this project?" he snapped. "Until you negotiate with Redfern, you can't make an informed decision on this project, can you?"

"Where does the negotiating start and where does it end?" Tony asked.

"Do you think that the First Nation realizes that by litigating — by going to court — they've now lost their opportunity to negotiate land claims?" Simpson asked.

Carlick backed down, even though he knew that Simpson was wrong, that the two issues were not legally connected.

"I need another beer," Zanger announced, to break the tension. But the new round just heated things up, especially when Tony started drawing a map on a napkin and Carlick asked why the road had to cut through the Tlingit's prehistoric trail.

Simpson rolled his eyes in exasperation. This wasn't how the conversation was supposed to go. "I'm out of here," he said.

THE TLINGIT PRESENTED THEIR case in court last March, and two weeks ago, accomplished what even they considered unbelievable: they won. In her ruling, Madam Justice Kirkpatrick quashed the B.C. government's approval of the Redfern project and sent it back to the ministers for reconsideration. She acknowledged that Redfern had "made genuine and full efforts to comply with the EAA . . . and satisfy the concerns of the Tlingit." But she wrote that the province, in "the unexplained rush to formalize a decision" between December '97 and March '98, had failed to "meaningfully" address the Tlingit's concerns.

Reactions were swift and intense. Redfern president Terry Chandler told *Saturday Night*, "The effect of the judgment is to, at least temporarily, freeze the project and any potential for financial investment to see it through." Gary Livingston, who is president of the Mining Association of B.C., called the decision "a serious blow to the province and the country."

While the environmentalists were elated, the Tlingit were overjoyed. Susan Carlick called the judgment "a win for all of the First Nations of this country." Tony Netro's reaction was more circumspect. "It's a risky decision by the judge," he said, "but it's about time. I want to work as much as the next guy. But people should ask before they do things. I'm all for mining exploration, but I want to see it done right."

NEAR THE END OF MY VISIT IN Atlin last year, I rented a small plane and flew over the Taku wilderness. The pilot, Guy Anttila, runs a big-game hunting company in Atlin and is against the road because it will adversely affect wildlife, not to mention his business. He flew low over a frozen lake splattered with blood. "See that?" he said, banking the plane so I could get a better look. "Some wolves forced a caribou onto the lake." We skimmed over the ice. There was bloody hair and bone everywhere.

As we soared back up over the millions of acres of pine and limestone outcroppings, I found it hard to believe that a mere road could change all this and that people were so upset.

Susan Carlick never did shoot Tony Netro. Actually, they fell in love again and moved in together. They have a one-year-old son. Unlike most others in town, they've found a way to live with their differences. Tony still occasionally works for Redfern. Susan still works for the Tlingit. "We have an understanding," Susan says. "He knows that when he does work in our territory, it's got to be with our okay. And he understands that I also have a job to do." ■

TOS → Tulu
Chief

While you're busy saving the environment...

AD INFO

E
ma

Canadian Feds Challenge Taku Mine

From Transboundary Watershed Alliance
Monday, June 24, 2002

VANCOUVER, BC — FOR IMMEDIATE RELEASE: June 24, 2002

CONTACT:

David MacKinnon, Transboundary Watershed Alliance, (867) 668-5098, fax:
(867) 668-6637, email: david@riverswithoutborders.org

FEDS PRESS PROPONENT ON TULSEQUAH MINE IMPACTS Release Unprecedented 10 Page List of Outstanding Issues

(VANCOUVER) The Federal Government has put another nail in the coffin of the Tulsequah Chief mine proposal with a strongly worded letter to Terry Chandler, the President of Redfern Resources Ltd. The letter came from Herb Klassen of the federal Department of Fisheries and Oceans. It included a ten-page list of outstanding issues that must be resolved prior to approval of the project, located in the Taku River watershed near Atlin.

The Taku watershed is one of BC's most extraordinary and biodiverse watersheds. Throughout the environmental assessment process, diverse groups including the Taku River Tlingit First Nation, the State of Alaska and commercial fishing, guiding and outfitting representatives have called for conservation based land planning in the watershed prior to any development decisions. Finally it appears the Canadian Government is listening, heralded by this unprecedented action.

"The letter is one more indication that the mine is unsustainable, poorly conceived and poses a grave threat to the Taku watershed," said David MacKinnon of the Transboundary Watershed Alliance. "Let's halt this proposal and move forward with comprehensive land planning that protects the Taku and those who depend on it."

Klassen's letter includes a wide spectrum of outstanding concerns relating to adverse impacts from the mine on the rich Taku fishery, water quality, wildlife, air quality, human health, the local economy, physical and cultural heritage, land use planning, and other values. It states that impacts from constructing and operating the mine facilities and road would likely include, among many other things:

- "destruction of fish and fish habitat"
- that "local grizzly bear populations would be extirpated"
- "a population decline leading to the demise of the East Atlin [caribou] herd"
- "permanent decreases or demise of the local moose populations" and
- "thwart[ing] TRTFN's intentions to design protection measures for their

ENN Toolbox

[Printer-friendly version](#)

[E-mail this release to a](#)

More from Affiliates

[View all releases from Transboundary Water](#)

[Affiliate press release h](#)

[View all affiliates alphab](#)

[Search affiliate press re keywords](#)

[Affiliate press releases i](#)

[Post your press release](#)

[Read ENN's acceptan](#)

Become an affiliate

Interested in becoming Affiliate? [Click here for i](#) about this free service. registration for ENN Dir inquiry only.

Post new content

Current affiliates only. [post](#) new content to ENN

Powered by GroupStone

ENN's direct services are GroupStone, the leader communication technology services for nonprofit or GroupStone couples systems and tools with service and support to your organization's site



View all affiliate

Want to see what organization members of ENN Direct view an alphabetical list Direct Members.

traditional territories, community health and future well-being."

|Paid Advertiser

"Given the gravity and sheer volume of unresolved issues in this letter and the complete absence of provincial scrutiny in this assessment, the federal government should move from a screening assessment to a full comprehensive environmental assessment of this project," said MacKinnon. The federal assessment process is all that remains after the BC Appeal Court disbanded the provincial environmental assessment process in January of this year. That decision also upheld the BC Supreme Court's quashing of a project approval certificate awarded to Redfern by the province in 1998. "Mind you, it should be clear to everyone by now that ~~this terrible project is~~ simply a bad idea. The best use of provincial and federal government resources would be to support and participate in the land use planning process that is currently being led by the Taku River Tlingit First Nation," MacKinnon concluded.

- 30 -

For more information, contact:

chris zimmer

US Coordinator

Transboundary Watershed Alliance

907/586-4905

zimmer@alaska.net

Web site: <http://www.riverswithoutborders.org>

 [Home](#) | [News](#) | [In-Depth](#) | [Interact](#) | [Marketplace](#) | [About ENN](#) | [Affiliate Tech Center](#) | [Take Our Survey](#) | [Feedback](#) | [Site](#)

ENN is a registered trademark of the Environmental News Network Inc. Copyright © 2001 Environmental News Network

Schroeter, Tom EM:EX

From: Schroeter, Tom EM:EX
Sent: Tuesday, July 02, 2002 7:55 AM
To: Conte, Rick EM:EX
Subject: RE: News item FYI

Thanks, Rick. Tom.

-----Original Message-----

From: Conte, Rick EM:EX
Sent: Wednesday, June 26, 2002 2:35 PM
To: Schroeter, Tom EM:EX
Subject: FW: News item FYI

Tom, see attached news link and associated email chain.

Canadian Feds Challenge Taku Mine

<http://www.enn.com/direct/display-release.asp?id=7169>

-----Original Message-----

From: Kennedy, Wesley EM:EX
Sent: June 26, 2002 14:30 PM
To: Conte, Rick EM:EX
Subject: FW: News item FYI

fyi, very emotional statements

-----Original Message-----

From: Bergen, Wally EM:EX
Sent: Wednesday, June 26, 2002 1:57 PM
To: Bergen, Wally EM:EX; Flynn, Doug EM:EX; Gleason, Nancy EM:EX; Graff, Bruce EM:EX; Hanson, Daryl EM:EX; Kennedy, Wesley EM:EX; Korschuh, Elaine EM:EX; Malott, Mary Lou SRM:EX; Pardoe, Jill EM:EX; Price, Bill EM:EX; Van Zalingen, Sylvia EM:EX; Wojdak, Paul EM:EX
Subject: FW: News item FYI

FYI

Wally Bergen
Ministry of Energy and Mines
Regional Manager
Northwest Region
Telephone: 250 847-7385
Facsimile: 250 847-7603

-----Original Message-----

From: Hermann, Fred EM:EX
Sent: Wednesday, June 26, 2002 11:16 AM
To: Sumanik, Ken EM:EX; Bergen, Wally EM:EX; Stancil, Daphne EAO:EX; Errington, John EM:EX; Curtis, Ross EM:EX; O'Rourke, Patrick EM:EX
Subject: FW: News item FYI

FYI

Fred

-----Original Message-----

From: Murphy, Maureen EM:EX
Sent: Wednesday, June 26, 2002 10:59 AM
To: Simons, Steven J EM:EX; Hermann, Fred EM:EX; Ebbels, Jack EM:EX
Subject: FW: News item FYI

Please see link below to Transboundary Watershed Alliance news release on Taku River, FYI. We have not seen any media pick-up of this to date. Cheers, M

-----Original Message-----

From: Hansen, Regan EM:EX
Sent: Wednesday, June 26, 2002 10:48 AM
To: Murphy, Maureen EM:EX; Logan, Claudia EM:EX; Parhar, Debbie EM:EX
Subject: FW: News item FYI

Don't know if you guys saw this or not...

-----Original Message-----

From: Dalton, Peter C FOR:EX
Sent: Tuesday, June 25, 2002 9:22 AM
To: Hansen, Regan EM:EX
Subject: News item FYI

Good day Regan - Came across this news item that might be of interest to your branch - text in main body para 6 is very critical of the province :

Cheers,

Peter Dalton

Ministry of Forests,

Communications Branch

Tel: 387-2514 Fax: 387-8485

Imagination is more important than knowledge.

Knowledge is limited. Imagination encircles the world.

- Albert Einstein

→Tulsequah
Chief

Tulsequah Chief feasibility outlines barge transport

GWM'S REE RESOURCE

Great Western Minerals Group Ltd (GWM) has received a resource estimate for its Hoidas Lake rare-earth deposit in Saskatchewan from consultant Wardrop Engineering. GWM commissioned Wardrop to complete a prefeasibility study at Hoidas Lake to consider a 500 t/d plant over a life of 20 years. Measured resources are estimated at 80,000 t at 2.534% total rare-earth oxides (TREO), indicated resources at 1.1 Mt at 2.852% TREO, and inferred resources at 0.4 Mt at 2.581% TREO. GWM said the new estimate represents an increase in measured resources of 108% compared with the previous estimate.

KALKAROO STUDY BEGINS

Havilah Resources NL has begun a feasibility study to develop its Kalkaroo copper-gold deposit in South Australia, having completed a new resource estimate. Havilah said the new estimate increased resources by 28% from 85 Mt (measured) to 108 Mt (measured and indicated). The increase comes from drilling at the West Kalkaroo deposit, which is now estimated to contain indicated resources of 23 Mt at 0.58 g/t Au and 0.33% Cu. Havilah estimates an optimised open pit outline contains 85 Mt at an average grade of 0.51 g/t Au and 0.45% Cu.

MAJOR CHINESE COAL FIND

China's Xinhua news agency said coal deposits containing 319,000 Mt of resources have been outlined in Inner Mongolia. The newly-defined deposits are in addition to previously-known resources of 220,000 Mt, and were found through an exploration programme costing US\$357 million, covering a 170,000 km² area. The programme found five 10,000 Mt deposits in the Xilin Gol area alone. Bai Dun, director of Inner Mongolia's department of land and resources, said the region produced 260 Mt of coal during 2005.

ASMARA INCREASE

Sunridge Gold Corp received independent resource estimates for the Debarwa and Adi Nefas volcanogenic massive-sulphide deposits, part of its Asmara project in Eritrea (MJ, August 25, 2006, p7). Inferred resources at Debarwa are estimated at 5.3 Mt at 1.57 g/t Au, 21.04 g/t Ag, 2.00% Cu and 0.79% Zn, and at Adi Nefas inferred resources are estimated at 2.8 Mt at 2.56 g/t Au, 74.84 g/t Ag, 1.36% Cu and 5.65% Zn. The company planned to develop the deposits jointly, and scheduled the completion of a preliminary assessment during the current quarter.

REDCORP Ventures Ltd has received a feasibility study to develop its Tulsequah Chief polymetallic project in northwestern British Columbia (BC).

Redcorp acquired the historical mine site more than 15 years ago (MJ, January 17, 1992, p40).

The study, prepared by Wardrop Engineering, considered an eight-year underground operation

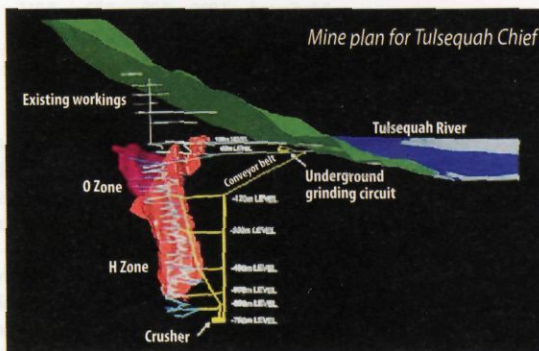
developed beneath the historical mine, exploiting probable reserves estimated at 5.4 Mt at an average grade of 1.4% Cu, 1.2% Pb, 6.33% Zn, 2.59 g/t Au and 93.69 g/t Ag. The estimate used a value cut-off of US\$94/t, based on preliminary operating-cost projections, and was not adjusted to reflect the final estimated cash operating costs of C\$86.64/t.

Primary mine access would be via the existing underground development, enlarged to accept modern diesel trackless mining equipment.

Access to the mining levels would be via a spiral decline in the hanging wall, chosen because the rock is non-acid-generating, rather than the footwall, which has the potential for acid generation.

Mining would use mainly sublevel stoping, with minor cut-and-fill stoping in narrower portions of the orebody.

The 2,000 t/d processing plant would



include two stages of crushing (jaw and cone) and two stages of milling (rod and ball), followed by flotation to produce separate gold, copper-lead and zinc concentrates. The copper-lead concentrate would then be treated further to give separate copper and lead concentrates.

Average annual production over the life of the mine is estimated at 9,000 t of copper, 3,900 t of lead, 40,200 t of zinc, 50,000 oz of gold and 1.7 Moz of silver.

Capital costs are estimated at C\$210.5 million, and cash operating costs at C\$86.64/t. The study used average metals price assumptions over the life of the mine of US\$0.92/lb for zinc, US\$1.85/lb for copper, US\$0.42/lb for lead, US\$550/oz for gold and US\$8.95/oz for silver.

The study included a new transportation method compared with previously-approved feasibility studies, which

proposed a 150 km road crossing provincial forest land (MJ, December 20, 2002, p437).

The new study proposed using the Taku River for year-round equipment, supplies and concentrate transport via air-cushion barges (450 t payload) towed by amphibious tugs from the port of Juneau in Alaska. Concentrate would then be transported by commercial ocean-barges to

the port of Skagway, also in Alaska for ship-loading.

Redcorp said the new route required amending the environmental approval certificate granted by British Columbia's Environmental Assessment Office. The company will apply for permission. The Canadian federal government will assess the impact of the alternative transport route on the project's current approval under the terms of Canada's Environmental Assessment Act.

Redcorp further noted the route would cross the international boundary between Canada and the US, and may require formal approval from the Alaskan State authorities.

Redcorp estimated additional permitting would require three to six months, but not delay the development schedule, which targets full production at the end of 2008.

Moto "strongly disputes" Kasongo claims

MOTO Goldmines Ltd (MGL) has rejected claims made by Victor Kasongo, the chief executive of L'Office des Mines d'Or de Kilo-Moto (Okimo), that the company has failed to satisfy criteria set out in joint-venture agreements.

The claims were made in letters sent to the company by Mr Kasongo.

State-owned Okimo is one of MGL's joint-venture partners at its namesake Moto gold project in the Kilo-Moto region of the DRC, and is the registered holder of the project licences. MGL said Mr Kasongo also called for the company's contracts to be cancelled or revisited.

Last year, MGL and its partners rationalised the numerous agreements relating to the Moto gold project, reducing the area considerably (from 4,785 km² to 2,350 km²), and amalgamating previous agreements into one simplified contract (MJ, November 10, 2006, p7).

MGL "strongly disputes" Mr

Kasongo's claims that criteria under the terms of certain of the original agreements have not been satisfied. One of Mr Kasongo's claims related to a technical and financial assistance agreement (TFA), which included the Durba prospect, at the centre of the project (MJ, April 13, 2006, p9). He said MGL had 90 days to fulfil the requirements set out in the TFA.

The company said it had been told by the chairman of Okimo that Mr Kasongo's letter relating to the TFA was sent without the appropriate authority, and was of no effect.

Further documentation needed to implement the newly-agreed contract

is in progress, but MGL was asked to delay until the new government of the DRC has been appointed, and the subsequent appointment of officials to state companies.

Meanwhile, Mr Kasongo also said Okimo's talks with AngloGold Ashanti Ltd concerning a joint venture in the Kilo-Moto region may be concluded by the end of next month. He said Okimo wanted to increase its 13.8% interest in the JV, and suggested that AngloGold Ashanti was using delaying tactics to prolong the talks. AngloGold Ashanti announced about 14 months ago it had agreed to review the joint-venture agreement (MJ, October 28, 2005, p10). An AngloGold Ashanti spokesman said exploration so far at the property is satisfactory, and the agreement review will be completed as soon as is feasible.

This week, Mr Kasongo announced Okimo planned a listing in London's AIM market later this year, in June or July.

