



November 5, 2015

File: 105719

VIA EMAIL (rob.marsland@chieftainmetals.com)

Rob Marsland
Senior Environmental Engineer
Chieftain Metals Inc.
Unit 118, 1515 Broadway St,
Port Coquitlam BC
V3C 6M2 Canada

Dear Mr. Marsland:

RE: Non-compliance Advisory Letter Resulting from Inspection of permit number 105719 for Chieftain Metals Inc.'s Tulsequah Chief mine under the *Environmental Management Act*

On Oct. 15, 2015 the Tulsequah Chief facility near Atlin, BC was inspected by staff from the Ministry of Environment and Ministry of Energy and Mines. Thank you for your time during the inspection.

Enclosed is an inspection record and photo log from that site inspection. Please review the attached inspection record for further details.

Below lists the section, the non-compliance of that section and the action required related to the Permit (105719).

- Section 1.1.5 The authorized works include, but are not limited to, a water collection and conveyance system, pumps, an acid water treatment plant which includes a neutralization chamber, rapid mix tank, flocculent tank, inclined plate-type separator/thickener, filters and holding tanks, a discharge line, outfall to the Tulsequah River, and related appurtenances approximately located as shown on Site Plan A.

Section 2.1 – Bypasses

Any bypass of the authorized works is prohibited unless the approval of the Director is obtained and confirmed in writing.

Non-compliance: Written Approval for the bypass of the water treatment plant was not obtained and the discharge does not meet the conditions specified in Section 3.6. As a result, Chieftain Metals Inc. is in violation of Section 2.1 Bypasses.

Action: Commission the IWTP immediately once site development occurs.

- Section 4. Discharge and Receiving Environment Monitoring.

Commencing July 1, 2014, Section 4.0 of permit 105719 is to read as follows:

-Sampling monthly from October through February increased to bi-weekly April through May and then returns to monthly in the period from June to September.

-The sites to be sampled remain W10, W46, SE2, W51 and W31

-The parameters to be sampled for remain total and dissolved metals, pH, conductivity, turbidity suspended solids, hardness and alkalinity.

Non-compliance: The Permittee did not meet the amended requirements for Discharge and Receiving Environment Monitoring on the following dates and locations:

-At site W51 for July 29, 2014 pH, conductivity and alkalinity were not monitored for.

-Monitoring of W46 is suspended in June 2015 as path of river no longer passes through this location.

Action: Ensure monitoring occurs in the locations, frequencies and parameters required in The June 12 2014 Amendment to Section 4.0 Discharge and Receiving Environment Monitoring. Contact Director regarding amending the W46 monitoring location.

Failure to comply with the terms and conditions set out in your authorizations is a violation under the *Environmental Management Act* (EMA). A person who fails to comply with a provision of EMA may be found guilty of an offence and could be liable, on summary conviction, to a penalty. For your reference, EMA and all related and pertinent British Columbia Laws can be found at <http://www.bclaws.ca/>.

This advisory, the alleged violation and the circumstances to which it refers will form part of the compliance history of Chieftain Metals Inc. and its responsible officials and will be taken into account in the event of future non-compliance. You are directed to do the following:

1. Implement the necessary changes or modifications **immediately** to address this situation and to bring it into compliance.
2. Notify this office by email or letter within 30 days of this letter, advising what corrective measures have been taken, and what else is being done, to bring this authorization into compliance.

Please note that this authorization is considered out of compliance until such a time as it can be confirmed to meet the authorization requirements. If you have any questions with regard to this advisory, please contact Neil Bailey at 250 847-7456 or email Neil.Bailey@gov.bc.ca.

Yours truly,



Neil Bailey, P.Eng.
Senior Environmental Protection Officer

Attachments: Inspection Record & Photo log

Cc Mark Love (by email), Section Head Mining Authorizations, Ministry of Environment, Mark.Love@gov.bc.ca
Cassandra Caunce (by email), Director Compliance & Integrated Pest Management
Ministry of Environment, Cassandra.Caunce@gov.bc.ca
Diane Howe (by email), Deputy Inspector of Mines, Ministry of Energy and Mines,
Diane.Howe@gov.bc.ca