



May 28, 2021

Bruce Bando
Chieftain Metals Inc.
c/o Grant Thornton Limited
11th Floor, 200 King Street West
Box 11, Toronto, ON, M5H 3T4

Email: Bruce.Bando@ca.gt.com

Dear Chieftain Metals Inc.:

Re: Notice of Works and Lien Against the Mine Pursuant to Section 17 of the *Mines Act*

On September 2, 2020 I provided Chieftain Metals Inc. and Chieftain Metals Corp. with a letter giving notice that, pursuant to section 17 of the *Mines Act*, due to the continued non-compliance with previous orders (described in that letter), I considered that work was necessary in, on or about the Tulsequah Chief Mine (the “Mine”) in order to prevent danger to persons or property and to abate pollution of the land and watercourses affected by the Mine. I also described the work planned for 2020 (the “2020 Work”). A copy of that letter is attached.

The following 2020 work was initiated:

- (a) Road and Bridge Repairs In 2020, as the primary contractor, the Atlin Tlingit Economic Limited Partnership (ATELP) reopened the 20-person exploration camp and started to repair the roads and bridges that service the mine area. Activities included: brushing and removing dangerous trees and clearing the road, repairing sloughed sections of the road; cleaning the mine and local area of old mine debris and garbage. An independent bridge engineer was also brought in to survey the bridge crossings between the airstrip and barge landing areas (17 crossings) and provide construction drawings for further work.
- (b) Acid Water Treatment Plant Assessment SRK Consulting, an engineering firm from Vancouver, was contracted to review and assess the current state of the interim acid water treatment plant.
- (c) Tulsequah River Water Quality Assessment SLR Consulting, an environmental firm based in Vancouver, was contracted to develop a phased, five-year water quality and aquatic effects monitoring program for the Tulsequah River to support the development of site-specific risk-based performance objectives in the Tulsequah River.

The cost of undertaking the 2020 Work was \$1,671,000.00 of which \$92,027.00 was drawn from reclamation security. As of March 31, 2021, \$160,981.00 was remaining in the reclamation security.

The following work is planned for 2021 (the “2021 Work”). The 2021 Work will be a continuation of the 2020 Work plan and will include:

- (a) Replace/repair five bridges located between the airstrip and mine, which did not get fixed in 2020, all of which is required to help mitigate environmental impacts and enable the safe movement of personnel and equipment to and throughout the Mine site;
- (b) Conducting a light detection and ranging sensor ("LiDAR") survey to provide base contour information on the physical setting of the mine and periphery structures which is necessary for the development of engineering controls and design (originally planned for 2020 but was not able to be flown due to weather); and
- (c) Continuing with the water quality and aquatic monitoring program to support the development of an Aquatic Effects Monitoring Program and establish Science Based Environmental Benchmarks. These programs will be needed to monitor and inform the development of a reclamation and remediation plan that could support closure of the Mine.

The remaining reclamation security is \$160,981.00, and the estimated costs of the 2021 Work is approximately \$1,760,000.

The costs expended on the 2021 Work, not taken from the security, will be considered a debt due to the Province and will form a lien and charge on the Mine and mineral title in favour of the government, as per section 17(3) of the *Mines Act*.

Sincerely,



Hermanus Henning
Chief Inspector of Mines

CC: Peter Fraser, West Face Capital, Peter.Fraser@Westfacecapital.com

Attached: Letter from the Chief Inspector of Mines dated December 13, 2018
Letter from the Chief Inspector of Mines dated September 2, 2020 entitled Notice of Works and Lien Against the Mine Pursuant to Section 17 of the *Mines Act*