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Foreign Owned Mining Company Renews Push for Controversial Mine in Wild and Scenic Smith River Headwaters: Local Communities Vow Continued Opposition

Red Flat Nickel Corporation <u>has filed a petition</u> with the Oregon Water Resources Department (WRD) asking the agency to reconsider denial of the company's application to withdraw water for the <u>Cleopatra test drilling project</u>. The petition for reconsideration was filed with WRD on November 24, 2014.

The test drilling is the second phase in the development of a nickel strip mine in the watershed of the <u>National Wild and Scenic North Fork Smith River</u>. Red Flat Nickel Corporation is a subsidiary of <u>St. Peter Port Capital</u> based in Guernsey, a British protectorate.

WRD received over 3,000 comments from the public last summer opposing the mining company's use of water from the pristine <u>Baldface Creek</u> watershed. The agency issued an <u>order denying the water application on September 1, 2014</u>.

"The petition for reconsideration was entirely expected," states Cameron La Follette of the Oregon Coast Alliance. "But in our opinion, Water Resource's final order is substantive and backed by the Oregon Department of Environmental Quality's analysis and concerns from state agencies in California."

Baldface Creek flows into the North Fork Smith two miles before the river runs into California. A significant portion of the population of Del Norte County, including citizens in Crescent City, Gasquet and Hiouchi get their drinking water from the North Fork Smith and Smith Rivers. County and City governments in the region, as well as three California agencies, have been among those arguing the mining company's water use is not in the public interest.

"Our County Supervisors said it best in their July letter to WRD ---- 'the Del Norte County Board of Supervisors adamantly opposes this application or any application that would result in future strip mining in the Smith River watershed, '" Grant Werschkull of the Smith River Alliance stated. "You can bet we're not going to sit idly by and see our pure water and great salmon streams polluted by a strip mine across the border."

Red Flat Nickel's 3,000 acre <u>Cleopatra mining claim block</u> sits almost on the state line in Oregon. The proposed mine site is on the Rogue River-Siskiyou National Forest in the South

<u>Kalmiopsis Roadless Area</u>. Baldface Creek, one of the Smith River's most productive tributaries tributaries. will be hardest hit by strip mine development.

The Forest Service was so impressed with the quality of habitat and numbers of wild salmon and steelhead in Baldface Creek that the agency found the creek and all its perennial tributaries qualified as Wild Rivers under the Wild and Scenic Rivers Act. In 2004, the Bush Administration recommended that Congress add the creek's pristine watershed and much of adjacent Rough and Ready Creek to the Kalmiopsis Wilderness.

"The company is dead serious about developing the Cleopatra nickel mine and we're dead serious in our opposition" said Barbara Ullian, <u>Friends of the Kalmiopsis</u>. "We may live in a remote corner of Oregon but we have the internet. This August, we watched the <u>Mount Polley Mine disaster</u> pollute miles of pristine salmon streams and lakes in British Columbia. We don't want that in the Smith River's watershed."

Stopping the water use application is critically important for local communities because there are few other venues available to challenge the proposed mine. For example, despite the extremely high natural values of the area, the U.S. Forest Service has said it does not have the authority to deny a reasonable mining plan unless an area is withdrawn from mining.

"Oregon's Water Resources Department made the correct decision," said Kimberley Preistley with <u>WaterWatch</u> of Oregon. "We'll support the agency and continue to oppose this nickel strip mine in the Oregon headwaters streams of the North Fork Smith River, one of the most pristine rivers on the Lower 48's West Coast."

A similar mine is slated for the headwaters of <u>Hunter Creek</u> a favorite native salmon and steelhead stream south of Gold Beach, Oregon. Citizens there have also expressed strong concerns. Earlier this year, the Curry County Board of Commissioners, <u>in a letter to the Forest Service</u>, opposed the development of a nickel strip mine at Hunter Creek.

Previous media

- Oregon Nickel mine proposal runs into stiff opposition (Jefferson Public Radio 7/15/2014)
- City, County say no to mining (Del Norte Triplicate 7/10/2014)
- Mining foes speak (Del Norte Triplicate 6/30/2014)
- Proposed Mine by wild Smith River roils Del Norte County folks (SF Chronicle)

Opposition letters to the Oregon Water Resources Department

- City of Crescent City
- County of Del Norte
- California North Coast Regional Water Quality Control Board
- California Department of Fish and Wildlife
- California Resources Agency
- Group letter from 17 organizations
- Gordon Lyford (Certified Water Right Examiner)