

# WHO IS REVETT SILVER COMPANY?

Corporate Office: 11115 East Montgomery, Suite G, Spokane Valley, WA 99206, 509-921-2294  
Montana Office: 2301 Colonial Dr., Helena, MT 59624

Frank D. Duval, Chairman, CEO  
Janice Duval, VP Corporate Affairs  
Hobart Teneff, Director  
Wayne Schoonmaker, Secretary/Treasurer

William Orchow, President and COO  
Doug Ward, VP Corporate Development  
Dr. John Balla, Director

## HISTORY

In 1973, Asarco, Inc. leased or acquired interest in the Troy Mine and Rock Creek project. In October of 1999, Asarco announced the sale of the proposed Rock Creek mine and now defunct Troy Mine to Sterling Mining Company of Montana. Incorporated in Montana, Sterling Mining Co. was specifically started to purchase the two mining projects. Most recently, Sterling Mining has changed its name to Revett Silver Company. Below you will find information concerning the business endeavors of the company's founding directors, including Frank Duval, Hobart Teneff, and Janice Duval, who have a history of attracting capital for risky mining ventures, declaring bankruptcy, and leaving costly environmental cleanup to taxpayers.

## SECURITIES AND EXCHANGE VIOLATIONS (SEC) VIOLATIONS

In 1988, the SEC filed a complaint against Frank Duval and Hobart Teneff for alleged violations of SEC laws during their tenure with Pegasus Gold. As a result of the complaint, Duval and Teneff consented to a Federal court injunction that permanently enjoins them from future violations of securities laws. In the Complaint, the SEC stated "There is a reasonable likelihood that the defendants will, unless retrained and enjoined, continue to engage in the acts, practices, and courses of business set forth in this Complaint..."

ZORTMAN - LANDUSKY GOLD MINES- The Zortman-Landusky Gold mines, owned and operated by Pegasus Gold Corp., are located in Little Rocky Mountains of north-central Montana. Frank Duval and Hobart Teneff co-founded Pegasus Gold in 1974. These mines have been labeled the poster child for regulatory inadequacy, illustrating how state and federal mining regulations failed to protect the environment and local communities from irresponsible mining. Duval and Teneff both left Pegasus in the wake of charges that he and others had violated federal securities laws. In 1998, Pegasus Gold filed for bankruptcy, leaving state taxpayers with millions of dollars in cleanup expenses.

- In 1982, irresponsible management of cyanide solution resulted in 6 separate spills and leaks, which contaminated groundwater and poisoned local drinking water sources.
- Today, half of all streams in the area are polluted with acids and heavy metals.
- In 1996, a settlement was reached with Pegasus for \$37 million to upgrade and expand the water-treatment facilities following one of the worst water quality violations in the state of Montana. \$2 million of the settlement was a civil penalty from the state and federal governments for illegal discharge of mine-waste waters. An additional \$1.8 million was set aside to evaluate and monitor the potential human health impacts.
- Today, Montana taxpayers are facing clean-up costs of roughly \$30 million.

*"The mountain has been gutted. The water is contaminated. The jobs have disappeared."*  
Great Falls Tribune editorial, June 28, 1999

MIDNITE MINE- Midnite Mine, owned and operated by Dawn Mining Company, is situated next to a tributary of the Columbia River in Washington. Frank Duval is the president and director of this mining operation, which is in serious trouble with the state and the EPA. Elevated levels of heavy metals and

radionuclides are seeping from this inactive mine. Wetlands, creeks, surface and ground water, and the Walker's Prairie Aquifer have all been contaminated.

- Dawn Mining Co. tried, unsuccessfully, to transform this idle project into a commercial radioactive waste dump.
- While pursuing state approval for the toxic waste site, Midnite Mine officials assured the public they would use clean fill for reclamation. However, in a letter to state officials, the company indicated the intended use of contaminated soils and sludge as part of the material for reclamation.
- In February of 2000, the Midnite Mine was officially listed as a Superfund Site.

**BUNKER HILL-** Bunker Hill is considered the largest, and one of the most complex hazardous waste sites in the nation, spanning 21 square miles in the Silver Valley of Idaho, and impacting thousands of people across state borders. Frank Duval and his partners re-opened the Bunker Hill mine in 1988. In less than one year, the company laid off the workforce and filed for Chapter 11 bankruptcy protection.

- Filing of the bankruptcy, impeded clean-up of the site, which was already on the Superfund site.
- Upgrading the bankruptcy to a Chapter 7 liquidation in early spring of 1991, Bunker Hill left Shoshone County with a tax liability bill of over \$2 million
- This tax delinquency left Kellogg School District 391 short \$400,000 in operating funds.
- The site, now owned by others, will cost an estimated \$360 million to complete remediation

*"It appears to me that these are people who make a living finding loopholes in the legal system. But we can't come away from this problem holding nothing. The taxpayers aren't going to forgive us that."*

Shoshone County Commissioner David Dose, The Spokesman-Review, January 24, 1991

**STAR PHOENIX-** The Star Phoenix mine, located in Idaho's Silver Valley, was re-opened by the company's president Frank Duval around 1989. Duval closed the mine less than two years later and filed for Chapter 11 bankruptcy protection.

- Among the list of Star Phoenix creditors were 100 miners who sued for more than \$500,000 in back pay. Other creditors included Cominco American and West One Bank.
- According to a Spokane business magazine, on two occasions bench warrants were issued for Frank and Janice Duval for failure to appear for proceedings in the West One case.

*"Duval has so many lawsuits against him, he has a vapor trail."*

Journal of Business-Spokane, Sept. 30, 1993, p.1

**CLAYTON SILVER MINES-** The Clayton Silver Mine is located between Stanley and Challis, ID. A group of investors led by Mr. Duval purchased interest in the Clayton Silver Mines in 1987. After failing to meet minimum financial maintenance requirements, Clayton Silver Mines was delisted by the Pacific Stock Exchange in 1991. With Mr. Duval at the helm, but unable to make a profit, the company halted operations, leaving behind a site with a substantial accumulation of mine tailings.

- In 1994, a branch of the Centers for Disease Control found potential health problems associated with the heavy metals in the soils near Clayton. With Clayton Mining gone from the picture, local residents started a voluntary clean up that year. The state and the EPA have since taken over the clean up activities.

Information Compiled by:

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