



FOR IMMEDIATE RELEASE
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Naabik'iyátí Committee passes \$2.3 million legislation to fund Phase II of the possible acquisition of BNCC, proceeds to Council for final decision

WINDOW ROCK – Today, the Naabik'iyátí Committee passed Legislation No. 0078-13 with a vote of 18-2, which brings the Nation a step closer to approving \$2.3 million in supplemental funding for Phase II of the due diligence investigation to possibly acquire the BHP Navajo Coal Company.

Council Delegate LoRenzo Bates (Nenahnezad, Newcomb, San Juan, Tiis Tsoh Sikaad, Tse' Da Kaan, Upper Fruitland), in his opening remarks to the committee, explained the need to complete Phase II of the due diligence so that Council can make an informed decision on the possible acquisition of BNCC.

Delegate Bates described Phase II of the due diligence investigation as a process that will allow the Nation to conduct an independent legal, mining, and financial due diligence.

“This will be an ‘as is’ sale, so we will be particularly focused on identifying and quantifying any potential liabilities,” Delegate Bates added.

The Nation began exploring the possible acquisition of BNCC in October after it became apparent that Navajo Mine would no longer meet BHP Billiton’s investment criteria beyond 2016.

During the 2012 Fall Council Session, Council approved supplemental funding in the amount of \$750,000 from the Unreserved, Undesignated Fund Balance to begin Phase I of the due diligence.

“The purpose of Phase I was to become familiar with the mine operations, run initial financial and economic analyses, and identify potential liabilities based on information provided by BHP Billiton,” Delegate Bates said.

On Dec. 18, after the completion of Phase I, the Navajo Nation and BNCC entered into a Memorandum of Understanding, outlining the transfer of ownership of BNCC to the Nation.

The legislation will now proceed to the Council for final considered on Mar. 29 beginning at 10 a.m. during a special council session at the Navajo Nation Council Chambers.

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