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Chair’s Message

It has been a great pleasure working with the Board and staff of YESAB this past fiscal year. The continued dedication and hard work of our organization has resulted in a dynamic assessment process and a team of professionals that have made a true difference in Yukon’s future.

Over the past year the Designated Offices received 163 project assessments and continued to expand outreach efforts within the communities and among First Nations. While this is a lower than average project volume, the size, complexity and level of public interest has made for challenging work. The Executive Committee received the Casino Mine Project, the largest project submitted to date, and issued the Screening Report and Recommendation for the Mactung Mine Project. The Committee also released the Draft Screening Report for the Whitehorse Diesel – Natural Gas Conversion Project which garnered significant public interest.

The Board welcomed two new members. Lawrence Joe and Stuart Van Bibber were nominated by the Council of Yukon First Nations and appointed to the Board by the Honourable Bernard Valcourt, Minister of Aboriginal Affairs and Northern Development. Lawrence and Stuart are valued additions to the Board and they have contributed greatly to the Board’s continued success this past year. I would also like to welcome Tim Smith as YESAB’s new Executive Director and Mara Pollock as our new in house legal counsel.

In closing, I would like to acknowledge that with the help of many, YESAB continues to evolve and improve to meet the needs of participants while adhering to the requirements and intent of YESAA. The proposed legislative changes and the work of YESAB in developing policy and guidance will aid in the continued advancement of an assessment process that will benefit Yukon for generations.

I look forward to working with our Board, staff and all YESAA participants to carry on with the important work of independent environmental and socio-economic assessments.

Sincerely,

Stephen J. Mills
Chair of the Board
The Year in Review

Projects Summary
The Designated Offices received 163 project proposals and the Executive Committee received two new projects for screening during the 2013/14 fiscal year. Among the Designated Office evaluations, the median number of days spent in the Adequacy Stage equaled 19 days and the median number of days in the Seeking Views and Information Stage equaled 20 days. The total median days it took to complete an assessment in 2013/14 from Proposal Submitted to Recommendation Sent, including proponent time, was 55 days.

A number of projects submitted to the Designated Offices are worth noting. The Atlin Lake Campground project within the Teslin district involved controversy around Aboriginal rights and title within the area. Capstone Mining’s Minto Phase V/VI project proposal included challenging and complex issues surrounding water management in the Mayo district. The Whistle Bend Subdivision phases three to seven was submitted to the Whitehorse Designated Office and included 826 residential lots within a total development area of 120 hectares.

The Executive Committee issued the Screening Report and Recommendation for the Mactung Mine Project, released the Draft Screening Report for the Whitehorse Diesel – Natural Gas Conversion Project and received the Casino Mine Project, the largest project submitted to date.

Liquefied Natural Gas
The use of liquefied natural gas (LNG) is a topic of interest for many Yukon residents. The Watson Lake Designated Office received YESAB’s first project related to LNG and the Executive Committee received the Whitehorse Diesel – Natural Gas Conversion Project. The latter saw over 100 people attend an energized public meeting on the proposed project. YESAB also gave a presentation to the Select Committee Regarding the Risks and Benefits of Hydraulic Fracturing that outlined the role of YESAB within the assessment-regulatory framework and highlighted our past experience with the assessment of oil and gas activities.

Board Appointments
YESAB received two new Board appointments. Lawrence Joe and Stuart Van Bibber were nominated by the Council of Yukon First Nations and appointed to the Board by the Honourable Bernard Valcourt, Minister of Aboriginal Affairs and Northern Development Canada.

Socio-economic Effects Assessment
The Board and staff held an internal workshop to continue developing YESAB’s socio-economic assessment practices. Participants discussed current and emerging issues in socio-economic assessment, participated in work group activities and listened to presentations of guest speakers.

Consultant’s Workshop
The 4th Annual Consultant’s Workshop took place in Whitehorse in November. The event included information on YESAB’s contracting process, current and future guidance documents and included panel discussions on a number of topics related to expectations of project proposals, the consideration of comments and the consistency of assessments. The workshop was well attended by consultants in and outside Yukon.

YESAA Forums
YESAB also participated in the YESAA Forums in Haines Junction and Whitehorse that included discussions on implementation and monitoring, mitigation measures and the involvement of First Nations in the YESAA process. YESAB was an important resource for these sessions and our unique insight helped inform the discussions.
What is Environmental and Socio-economic Assessment?

Environmental and socio-economic assessment is a process that identifies the potential environmental and socio-economic effects of proposed activities before they are carried out. When a potential effect is identified and deemed substantial, referred to as a significant adverse effect, assessors recommend measures to reduce, control or eliminate those effects. If the significant adverse effects of a project cannot be mitigated, a “do not proceed” recommendation is submitted to the Decision Body(s). A Decision Body is a federal, territorial or First Nation government or agency that regulates and permits the proposed activity. A Decision Body can accept, reject or vary YESAB’s recommendation.

Why Conduct Assessments?
Assessments are conducted to ensure that risk to the environment and the social systems of individuals and communities are fully considered in the design and approval of development projects. This is done by eliminating, reducing and controlling adverse environmental and socio-economic effects. Assessments also allow for transparency, public participation, and input.

The Benefits of Assessments in Yukon
Environmental and socio-economic assessments offer a number of benefits to Yukoners. Assessments provide opportunities for the public to become involved in the development of the territory, allow for increased protection of human health, and minimize environmental risk.

Assessments Under YESAA
Yukon’s assessment process ensures that assessments are done independently by an impartial body and increases the accountability of decision-makers by ensuring all relevant information relating to an assessment is available to the public. The process also reduces uncertainty by having set timelines at every stage. YESAA legislation mandates assessors to look at the potential environmental and socio-economic effects of proposed activities and to recommend whether the activities should proceed, proceed with terms and conditions, or not proceed.

When assessments are complete, recommendations are sent to the relevant Decision Body(s), who will then decide whether to accept, reject, or vary YESAB’s recommendation. Their decision is then issued in a Decision Document.
The Yukon Environmental and Socio-economic Assessment Act (YESAA)

Chapter 12 of the Umbrella Final Agreement and Yukon First Nation Final Agreements calls for the establishment, through federal legislation, of an assessment process that would apply on all lands within Yukon: federal, territorial, First Nation and private. The Council of Yukon First Nations (CYFN) and the Government of Yukon agreed to work with the Government of Canada to establish a unique development assessment process for Yukon. YESAA, the federal legislation establishing this process, has functionally replaced previous assessment regimes. YESAA was given Royal Assent in 2003 and came into full force with its regulations in November 2005.

The Purposes of YESAA

- Provide a comprehensive, neutrally conducted assessment process applicable in Yukon.
- Require that, before projects are undertaken, their environmental and socio-economic effects are considered.
- Protect and maintain environmental quality and heritage resources.
- Protect and promote the well-being of Yukon First Nations persons and their societies and Yukon residents generally, as well as the interests of other Canadians.
- Ensure that projects are undertaken in accordance with principles that foster beneficial socio-economic change without undermining the ecological and social systems on which communities and their residents, and societies in general, depend.
- Recognize and, to the extent practicable, enhance the traditional economy of Yukon First Nations persons and their special relationship with the wilderness environment.
- Guarantee opportunities for the participation of Yukon First Nation persons, and make use of their knowledge and experience in the assessment process.
- Provide opportunities for public participation in the assessment process.
- Ensure that the assessment process is conducted in a timely, efficient and effective manner that avoids duplication.
- Provide certainty to the extent practicable with respect to assessment procedures, including information requirements, time limits and costs to participants.

Key Features of YESAA

- A single assessment process that applies throughout Yukon, to all projects, and to federal, territorial and First Nation governments.
- A neutral process conducted at arms-length from governments.
- A high level of transparency; recommendations include written reasons and are made available on the public registry.
- Consideration of environmental and socio-economic factors.
- Guaranteed opportunities for public participation.
- Guaranteed opportunities for First Nation participation.
- Consideration of traditional and local knowledge.
- Mandatory timelines for both assessment and decision making stages.
The Yukon Environmental and Socio-economic Assessment Board (YESAB)

YESAB is an independent, arms-length body, responsible for the implementation of the assessment responsibilities under YESAA.

Members of the Board

The Board is comprised of a three-person Executive Committee, one of whom is the Chair of the Board, and four other Board members. All Board members are appointed by the Minister of Aboriginal Affairs and Northern Development Canada. The process for Board appointments and nominations to the Board are set out under YESAA. One member of the Executive Committee is nominated by the Council of Yukon First Nations (CYFN) and one member is appointed by the federal minister after consultation with the territorial minister. The third member of the Executive Committee, the Chair, is appointed after the federal minister consults with the other two Executive Committee members. Of the four remaining Board members, two are nominated by CYFN, one is nominated by the territorial minister, and one is a direct appointment by the federal minister.

The Board (as of March 31, 2014)

- Stephen J. Mills, Chair and Executive Committee Member
- Ken McKinnon, Executive Committee Member
- Dave Keenan, Executive Committee Member
- Tara Christie, Board Member
- Lawrence Joe, Board Member
- Ross Leef, Board Member
- Stuart Van Bibber, Board Member

Our Core Purpose

To protect the environmental and social integrity of Yukon, while fostering responsible development in the territory that reflects the values of Yukoners and respects the contributions of First Nations.

Our Core Values

Neutrality – We will be unbiased and fair in the way we conduct ourselves and carry out our work.

Integrity – We will act in a principled and professional manner.

Transparency – We will provide an open and inclusive assessment process that allows for Yukon voices to be heard and considered.

Growth – We will be a progressive and dynamic organization.

Passion – We believe our work will make a difference for the future of Yukon.
Organizational Structure

YESAB includes the Head Office located in Whitehorse and six Designated Offices located in Dawson City, Haines Junction, Mayo, Teslin, Watson Lake and Whitehorse. The Designated Offices carry out the majority of the project assessments under YESAA. The Executive Committee and its staff work out of the Head Office in Whitehorse and conduct project screenings on larger or more complex projects. The Head Office also includes the Executive Director, finance, administrative, legal, policy and communications personnel.

Staff

In March 2014, YESAB had 35 full-time and part-time staff positions within seven offices throughout the territory. The organizational chart lists Board members, employees and their position titles as of March 31, 2014.
The Responsibilities of YESAB

YESAB has a broad range of responsibilities when conducting environmental and socio-economic assessments and providing recommendations to Decision Bodies. The organization notifies interested parties, First Nations and the public of current project assessments, ensures proponents provide all information required to support a thorough assessment, conducts research related to project activities, and collects and considers public comments before submitting a report and recommendation to the Decision Body(s). YESAB is an impartial and independent body that provides recommendations that eliminate or mitigate significant adverse effects.

However, the mandate of YESAB is limited to the assessment stage of the permitting process. YESAB provides the Decision Body(s) with recommendations. While an assessment is often required when a permit or authorization is needed, YESAB does not issue any permits, authorizations or any other type of approval. The regulatory bodies within governments are responsible for issuing all permits and authorizations. When permits are issued, the terms and conditions of those permits are not enforced by YESAB. Enforcement of the terms and conditions within a permit or authorization is the responsibility of governments.

How Does Yukon’s Assessment Process Work?

An assessment under YESAA is required when a project activity is listed in the regulations and requires a permit or authorization, a transfer of land, utilizes federal funding or if a government agency is the project proponent. The assessment process is initiated when an individual or organization submits a project proposal to YESAB. Once the proposal is received, YESAB ensures that the proposal contains the information necessary to commence an assessment.

Assessors consider the potential environmental and socio-economic effects of proposed activities by gathering and analyzing relevant information from various sources (federal, territorial and First Nation governments, experts in the field, and the public) and by conducting research to allow for a complete and thorough assessment.

Once the appropriate information has been collected and considered, the assessor recommends whether the project should proceed, proceed with terms and conditions or not proceed. Alternatively, a Designated Office may refer a project under evaluation to the Executive Committee to undertake a screening or the Executive Committee may refer a project under screening to a panel of the Board for review.

When an assessment is complete, the recommendation is sent to the relevant Decision Body(s), which can be federal, territorial and/or First Nation governments. The Decision Body(s) will then decide whether to accept, reject or vary the recommendation of YESAB and issue a Decision Document. These documents are placed on the YESAB Online Registry and filed in paper format in the YESAB Document Registry.

Three Levels of Assessment

Depending on the type, size and complexity involved with a proposed project, an assessment can take place at three different levels.

1. Designated Office Evaluation:
   The majority of assessments are conducted in the six community-based Designated Offices located in Dawson City, Haines Junction, Mayo, Teslin, Watson Lake and Whitehorse.

2. Executive Committee Screening:
   The Executive Committee of the Board will assess larger projects that are submitted to it directly, or are referred by a Designated Office.

3. Panel of the Board Review:
   A panel of the Board may be established to assess projects which, for instance, have potential significant adverse effects, are likely to cause significant public concern, or involves the use of controversial technology.
Stages of the Designated Office Assessment Process

**STAGE 1**
Working with regulators and YESAB, the proponent or project developer determines if an assessment is required.

**STAGE 2**
Proponent completes a “Project Proposal Form” and submits it to one of YESAB’s Designated Offices.

**STAGE 3**
YESAB assessors review the proposal to ensure that enough information is included to commence an assessment.

**STAGE 4**
YESAB assessors begin the assessment and gather and review all relevant information from the public, First Nations and other governments, experts and people and groups who may have an interest in the proposed project.

**STAGE 5**
After considering all relevant information, assessors determine whether the project will have significant adverse environmental and/or socio-economic effects.

**STAGE 6**
The Decision Body(s) reviews YESAB’s recommendation and either accepts, rejects, or varies it through the release of a Decision Document.
Designated Office Evaluation

The Designated Office evaluation process follows set timelines outlined below. The timelines allow for the assessment of a variety of project types including those that are larger and more complex and those that are smaller and straightforward in nature. During the past fiscal year Designated Office evaluations took an average of 38 days from the time a project proposal was deemed adequate to the time a recommendation was sent to the Decision Body(s). When including the adequacy review stage and proponent time, the average Designated Office evaluation took about 65 days.
Executive Committee Screening

The Executive Committee timeline is longer and is intended for large or more complex projects that come directly to the Executive Committee or are referred to the Executive Committee by a Designated Office. These projects move through a screening process that can take six months to two years. A screening generally allows for two public comment and review stages. One stage allows for public comment on the project proposal and another for the public to review the Draft Screening Report.

EXECUTIVE COMMITTEE SCREENING PROCESS

Adequacy

Proposal Submitted by Proponent

Adequacy Review

60 + 30 Days

Screening

Publish Notice of Screening

6 Days

Public & Other Comments on Proposal

30 + 30 Days

Assess Comments & Need for more Information

21 Days

Complete Draft Screening Report

120 + 270 Days

Public & Other Comments on Draft Report

30 + 30 Days

Assess Comments & Need for more Information

21 Days

Recommendation Sent

60 + 30 Days

Report

Decision Document Issued

Decision

Referral Back by Decision Body

45 Days

Publish Notice of Referral

6 Days

Public & Other Comments

21 + 14 Days

Recommendation Sent

21 Days

Decision Document Issued
Project Statistics for the 2013|14 Fiscal Year

Fiscal Year Timeline Statistics 2013/14
• Average time from Proposal Adequate to Recommendation Sent: 38 Days
• Average time from Proposal Submitted to Recommendation Sent: 65 Days

Of the 136 Designated Office level projects completed in 2013/14, twelve projects required more information from the proponent post adequacy stage; thirteen project evaluations required extended timelines to prepare the recommendation.

<table>
<thead>
<tr>
<th>Designated Office</th>
<th>Submitted</th>
<th>Cancelled or Withdrawn</th>
<th>Active or Assessed</th>
</tr>
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<tr>
<td>Mayo</td>
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<tr>
<td>Teslin</td>
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<tr>
<td>Watson Lake</td>
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<td>6</td>
<td>10</td>
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<tr>
<td>Whitehorse</td>
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<td>3</td>
<td>26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>163</strong></td>
<td><strong>27</strong></td>
<td><strong>136</strong></td>
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</table>

Assessment Districts
The territory has six assessment districts. Each district contains a Designated Office that is responsible for all Designated Office evaluations for that district.
### Projects Submitted For Assessment

#### NUMBER OF PROJECTS SUBMITTED

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Total Projects Submitted</th>
<th>Submitted to Designated Office for Assessment</th>
<th>Submitted for an Executive Committee Screening</th>
</tr>
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<td>2007-2008</td>
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<tr>
<td>2008-2009</td>
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<td>267</td>
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<td>2009-2010</td>
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<td></td>
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<tr>
<td>2010-2011</td>
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<tr>
<td>2011-2012</td>
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<td>2012-2013</td>
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<tr>
<td>2013-2014</td>
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<td>163</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>165</td>
<td></td>
</tr>
</tbody>
</table>

### Projects Submitted to Designated Offices by Sector

- **Agriculture\Aquaculture** | 2
- **Camps** | 1
- **Energy - Petroleum** | 2
- **Energy - Power generation** | 1
- **Energy - Transmission (Gas, Electric)** | 4
- **Forestry** | 6
- **Mining - Placer** | 15
- **Mining - Quartz** | 50
- **Other Industrial Activities** | 10
- **Recreation and Tourism** | 7
- **Residential, Commercial & Industrial Land Development** | 25
- **Scientific Research/Wildlife Management** | 1
- **Transportation - Roads & Trails** | 23
- **Utilities - Telecommunications** | 1
- **Utilities - Water & Wastewater** | 6
- **Waste Management - Contaminated Sites** | 4
- **Waste Management - Solid Waste** | 3
- **Waste Management - Special & Hazardous Waste** | 1
Outreach and Communications

YESAB is focused on keeping the public informed and engaged in our work so they are better equipped to participate in the assessment process in a meaningful way. In this fiscal year we continued to focus on encouraging public participation in assessments and in the development of operational policy and guidance. Ideas, opinions, comments and suggestions from the public help inform our work and make the YESAA process better.

As part of YESAB’s efforts to ensure participants stay informed and engaged in the YESAA process, we developed a new website with information that focuses on the needs of proponents and participants. The new site is easier to navigate and provides all the information required to participate and contribute to assessments. YESAB also conducted information sessions for local media reporters to discuss the assessment process and demonstrate how the registry can be used in their work.

YESAB also worked with a public participation and engagement consultant late in the fiscal year. The workshop highlighted potential areas of improvement and identified opportunities to explore new approaches and apply international standards to our public engagement practices.

In order to maintain close links to communities and organizations throughout Yukon, the Designated Offices and the Executive Committee maintain a comprehensive list of current and past outreach efforts and report these activities directly to the Board throughout the fiscal year. First Nations and communities have remained the cornerstone of all our outreach planning and implementation efforts and our annual Designated Office outreach plans focus on delivering information that our audiences want and need to stay engaged.

The Voice Newsletter

The Voice is YESAB’s seasonal newsletter that helps inform our audience about the organization’s activities and highlights projects and subject matter that concern Yukon residents. The newsletter focuses on current issues and explores projects and activities that shape our land, water, wildlife and socio-economic values. During the fiscal year, three issues of The Voice were distributed.

The YESAB Website

YESAB launched a new information website that meets the needs of both proponents and participants. The new site focuses on information that proponents need to move their projects through the assessment process efficiently and places a strong emphasis on public participation and community engagement. The site is divided into five main categories: proponents, participants, process, current events and information about YESAB. www.yesab.ca is the first place to look for information about YESAA, YESAB and the work we do.

YESAB Online Registry (YOR)

The YESAB Online Registry (YOR) is the website that stores and shares all assessment related information and allows proponents, members of the public as well as First Nation and other governments to participate in the assessment process. The two main functions of the YOR are to provide access to assessment-related documents and to allow people to submit project proposals, make comments and find information related to assessments. It is designed so that users can be notified of new project assessments and can track them throughout the assessment process. Both the yesab.ca and the yesab.ca/registry.ca websites provide an interactive medium for proponents, stakeholders, First Nation and other governments as well as the public who are involved or interested in assessments.
Designated Office Highlights

Dawson City

The year began with a focus on 3D seismic activities with Northern Cross Ltd.’s eighth project proposal submission in the North Yukon assessment district. The 3D seismic program was the first of its kind for the Designated Office. The assessment was completed within five months and included the collaboration of interested parties, government and the proponent. The Designated Office participated in a fly over and site tour of the program while the seismic activity was happening.

The Designated Office, along with Executive Committee Member, Ken McKinnon, travelled to the communities of Old Crow and Fort McPherson. The Designated Office hosted community dinners and met with elders, students, members of the Renewable Resource Council, governments and the Gwitchin Tribal Council. These were great opportunities to experience firsthand the values that the communities and people share.

The North Yukon assessment district had a number of mining related assessments however; the office experienced a significant drop in quartz exploration projects in comparison to past years. Placer mining project submissions remained relatively consistent; the majority of placer projects were within the Bonanza Creek, Sixty Mile and Indian River watersheds.

Other activities that were submitted for assessment included the Old Crow winter road, improved fuel storage for the Old Crow airport, improvements to the City of Dawson’s water treatment, and monitoring and rehabilitation plans for the Old CIBC building on Front Street, which is designated a national historic site.

Haines Junction

Projects assessed by the Haines Junction Designated Office came from a variety of sectors including, forestry, mining, tourism and land development. While there were no large-scale projects the year was not without its controversies. Several placer mining projects in the Kluane Wildlife Sanctuary garnered interest and concern, as did several land applications in the Mendenhall and Canyon areas.

One Mendenhall spot land application was recommended not to proceed based on adverse cumulative effects to socio-economic values. The project dealt with complex issues related to the incremental spot land development in Champagne and Aishihik First Nations (CAFN) Traditional Territory. Socio-economic values such as sense of place were considered, and the participation of the local First Nation in decision-making. Although the Decision Body rejected the recommendation, the assessment and the Decision Document highlight the complex issues within the region and identify the subtleties of the socio-economic values raised.

The Designated Office also supported the Mayo Designated Office on the proposed Flame and Moth project. A holiday Open House was well-attended. Over 30 people dropped in over the course of the afternoon. It was a great opportunity to meet with community members and government personnel to discuss projects, policies and processes.
The Designated Office also participated in several discussions hosted by Wellgreen Platinum Ltd. in the community of Burwash Landing, regarding their future proposal submissions to develop advanced exploration and an open pit mine in the Burwash Uplands. The proactive discussions allowed the Designated Office to get an early sense of what valued components might be important to the area should a proposal be submitted.

Mayo
The fiscal year ended with 30 project submissions to the Mayo Designated Office, similar to the number of projects submitted in 2012/13. Placer mining proposal submissions nearly doubled this past fiscal year compared to the previous year, returning to more typical annual totals. Quartz mining and exploration projects remained steady in number but increased substantially in size and complexity with the addition of both the Minto Mine Phase V/VI expansion and the Flame and Moth development proposals. These two evaluations contributed significantly to the work load of the Mayo office and will continue into the new fiscal year.

The Mayo Designated Office formed an exciting partnership with the Government of Yukon to advance the baseline data collection for a large cumulative effects study taking place west of Carmacks. YESAB contributed funding to develop disturbance maps that can be used to form the basis of a larger cumulative effects assessment. The study, led by the Government of Yukon, focuses on the Klaaz Caribou range with the goal of gaining a greater understanding of the cumulative effects of ongoing and proposed development in the area. The study will continue through to the next fiscal year.

YESAB also purchased high-resolution imagery of the Rau-Rackla area north-east of Mayo. This area has experienced considerable exploration activity in recent years and substantial gaps exist in baseline information for the region. This imagery will allow for a myriad of analysis that will provide proponents, assessors, governments and the public with a better understanding of the potential effects of project developments in the area.

Finally, the Mayo Designated Office hosted their Annual Open House and was happy to see record attendance from the community. We suspect the excellent and abundant food contributed to the high turnout. Mayo staff also presented to local high school students and provided an overview of YESAB and explained how we conduct assessments. This presentation was well received and may be planned for next year.

Teslin
The Teslin Designated Office received eight projects within the fiscal year. Projects included: gravel pit development, power line installation, site reclamation, road development, residential land development and tourism. The Teslin Designated Office also provided assessment related support for other Designated Offices.

Several contentious and challenging projects were assessed in the Teslin district. A rural residential land application located near Carcross was recommended not to proceed due to conflicting land use values and its location within an avalanche closure zone.

The Atlin Lake Territorial Campground, located within the Carcross Tagish First Nation Traditional Territory and the Taku River Tlingit First Nation’s (TRTFN) asserted Traditional Territory, was recommended to proceed with terms and conditions. TRTFN raised concerns during the assessment relating to Aboriginal rights and interests in the area. To better understand concerns and facilitate public participation, the Teslin Designated Office held a meeting with TRTFN in August and a public meeting in September. Mitigations included the undertaking of a bear risk assessment, a fish sustainability analysis as well as engaging both First Nations in future heritage assessment work.

A 55-lot rural residential subdivision project in Carcross was recommended to proceed with terms and conditions as well. The project is located in the sensitive Carcross Dunes ecosystem which is habitat to Baikal Sedge, a species listed as threatened under the Committee on the Status of Endangered Wildlife in Canada (COSEWIC), and in an area of high recreational value. The proponent committed to relocate overlapping recreation trails as well as to undertake site-sensitive design measures. Monitoring and adaptive management plans to reduce or eliminate effects to the valued ecosystem were recommended along with 15 other specified terms and conditions.

The Teslin Designated Office also hosted their Annual Open House in December. This event provides an opportunity to share information with the community and enjoy festive treats. Staff also conducted site visits, attended inter-agency meetings and led YESAA information sessions with various audiences.
Watson Lake

The Watson Lake Designated Office had a lower project load this year compared to previous years. Projects received were from a number of sectors including waste management, forestry, transportation, land development and quartz exploration. We received a number of projects in relation to roads, access roads and trails, including access road repair, reconstruction, winter road, bridge installation and the taking down of the Ross River Suspension Bridge. The project involving the Ross River Suspension Bridge was later withdrawn from assessment.

The Designated Office completed a number of projects from the previous year. The Watson Lake Bi-Fuel Project was the first project submitted to YESAB that included the use of liquefied natural gas (LNG). The project gained reasonable public interest and sparked public discussion around the use of LNG in Yukon. A rural residential land application near Jackfish Lake was recommended to not proceed as the Designated Office determined that effects from the Project, in combination with the residual effects of other projects and existing developments in the area, would result in significant adverse cumulative effects from the loss of land that could not be mitigated.

The Designated Office participated in the Liard First Nation Development Corporation Job Fair in April 2013 that provided a great opportunity for discussion about how the YESAA process works and allowed for information sharing on the projects that were currently under assessment.

Whitehorse

The Whitehorse Designated Office assessed 26 project proposals during the year. Land development made up approximately half of the submissions, followed by utilities projects that made up a quarter of the submissions. Other submissions included solid and contaminated waste management, geotechnical investigations, forestry and scientific research.

There were a number of challenging assessments this year, as public interest and the complexity of projects were considerable. The Whitehorse Designated Office assessed the Whistle Bend Subdivision Phases three to seven submitted by the City of Whitehorse. The project was recommended to proceed with terms and conditions and focused on land clearing, dust, noise, impacts on community, quality of life and impacts on other land users. The City of Whitehorse Solid Waste Landfill Disposal Permit Renewal was recommended to proceed with terms and conditions. The assessment focussed on contamination of the environment, surface and groundwater as well as health and safety. The Designated Office also received a project proposal for an aggregate quarry on McLean Lake Road, locally referred to as Sleeping Giant Hill. The assessment is ongoing and likely to be completed later in 2014.

Staff of the Whitehorse Designated Office participated in the Geoscience Forum and the Yukon First Nations Resource Opportunities Conference and Job Fair. Staff presented at YESAB’s Consultant’s Workshop, and provided YESAA 101 sessions for Government of Yukon and the United States-Canada Yukon River Panel. The Designated Office also reached out to École Émilie Tremblay and participated in a career day held in French.
Executive Committee Screenings

Eagle Gold Mine - Victoria Gold Corporation
(Project No. 2010-0267)

In 2010, Victoria Gold Corporation submitted the proposed Eagle Gold Mine Project proposal which involves the design, construction, operation, closure, and reclamation of a gold mine. The Project is located in central Yukon in the Traditional Territory of the First Nation of Na-Cho Nyak Dun, approximately 45 kilometres northeast of the Village of Mayo. The majority of the Project site lies within the Dublin Gulch watershed and is proposed to be mined over approximately 10 years.

The Project is comprised of an open pit mine and associated mine features, improvements to the Haggart Creek Road, and a 45 kilometre, 69 kV transmission line. The project is planned to have a two-year construction phase, a 9.2-year active mining phase, a 10-year closure and reclamation phase, and a post-closure monitoring phase. The Project will involve open pit mining at a production rate of approximately 10.6 million tonnes per year. Gold extraction will utilize sodium cyanide heap leaching technology.

The Executive Committee issued the final Screening Report and Recommendation on February 19, 2013. Government of Yukon issued a Decision Document on April 6, 2013, accepting the recommendation. Various federal government departments including Fisheries and Oceans Canada, Natural Resources Canada, and Transport Canada, issued a consolidated Decision Document on April 19, 2013, accepting the recommendation.

Casino Mine Project - Casino Mining Corporation
(Project No. 2014-0002)

The Casino Mining Corporation (CMC) submitted a project proposal for the Casino Mine Project to the Executive Committee on January 3, 2014. The proposed mine is located approximately 150 km northwest of Carmacks and 300 km from Whitehorse. The Project is designed to process approximately 120,000 tonnes per day or 43.8 million tonnes per year of copper and gold ore over a 22-year mine life. During the life-of-mine operations, the Casino Mine Project will produce an estimated 5.72 million ounces of gold, 30.26 million ounces of silver, 3.58 billion pounds of copper, and 325 million pounds of molybdenum.

The main components of the Project include: an open pit covering an area approximately 300 hectares; a tailings management facility to contain approximately 947 million tonnes of tailings and 658 million tonnes of waste rock and overburden; processing facilities; a heap leach facility; temporary stockpiles; and associated mine infrastructure components. Access to the project site includes construction of a new airstrip and approximately 120 km of new all-weather gravel access road which will be an extension of the existing Freegold Road. CMC also proposes upgrades and re-routing of the existing Freegold Road and a bypass around the Village of Carmacks. Power for the Project will be supplied by on-site LNG power generation.

On March 13, 2014, the Executive Committee determined that CMC met their statutory requirement to consult under...
section 50(3) of YESAA. As a result, the Executive Committee began their adequacy review of the proposal.

**Mactung Mine - North American Tungsten Corporation**  
*(Project No. 2008-0304)*

North American Tungsten Corporation (NTC) submitted a Project proposal to the Executive Committee in December 2008 for the construction, operation, decommissioning, and closure of a tungsten mine and concentrating plant. The underground mine is predicted to produce tungsten concentrate over an 11-year mine life. The property is located in eastern-central Yukon, approximately eight kilometres northwest of MacMillan Pass. The principal project activities include extracting tungsten-bearing ore from Mt. Allan, concentrating the tungsten mineral at a milling rate of 2,000 tonnes-per-day and transporting the tungsten concentrate to market.

In October 2009, the project proposal was deemed adequate and the Executive Committee was able to commence the screening. Between January 2010 and August 2011, a number of Supplementary Information Requests were sent to the proponent and by November 2011, the Executive Committee was able to begin the Draft Screening Report (DSR). In 2012, the Executive Committee sought public comments on the DSR. As a result of the comments received, further information was requested from the proponent including, additional waste rock and tailings characterization, water management and heritage resources information. During 2013, NTC submitted an updated proposal and removed a proposed access road within Yukon, updated the water balance model to support their water management, and updated their waste rock and tailings characterization. The Executive Committee solicited comments on the completeness of the NTC response from Government of Yukon, Fisheries and Oceans Canada (DFO), Environment Canada and the Ross River Dena Council (RRDC). At the request of RRDC, the Executive Committee held a community meeting in Ross River to receive community feedback on the supplemental information response.

Based on the additional information provided by NTC and from comments received during the public meeting, the Executive Committee submitted the Screening Report and Recommendation for the Mactung Mine on March 10, 2014. The Executive Committee recommended that the Mactung Mine Project be allowed to proceed without a review, subject to terms and conditions.

Government of Yukon, a Decision Body for the project, referred the project back to the Executive Committee for reconsideration. This is the first time a project has been referred back to the Executive Committee. At the end of the fiscal year, the Executive Committee was seeking public comment on the Screening Report and Recommendation. Based on the information received, the Executive Committee may revise the Screening Report and re-issue the Report.

**Whitehorse Diesel - Natural Gas Conversion Project - Yukon Energy Corporation**  
*(Project No. 2013-0115)*

On August 8, 2013, the Executive Committee received a proposal from Yukon Energy Corporation (YEC) for the installation of three 4.4 MW natural gas fired generating units and the decommissioning of two diesel generating units. The Project includes storage tanks and related infrastructure for transport, offloading, storage and vapourization of liquefied natural gas (LNG).

The Project is located adjacent to the YEC Whitehorse property approximately two kilometers south of downtown Whitehorse and lies within the traditional territories of the Kwanlin Dün First Nation (KDFN) and the Ta’an Kwäch’an Council (TKC).

The Public Comment period for the Project was from November 5, 2013 to January 10, 2014. The Executive Committee received over 130 comments and over 100 people attended a public meeting held on December 11, 2013. During the public comment period the Executive Committee received many requests to consider activities related to hydraulic fracturing as part of the Project. The Executive Committee determined that the possibility of hydraulic fracturing as an activity connected to this Project is simply too remote and speculative for the Executive Committee to include in the assessment. The Executive Committee also received many requests to consider activities related to natural gas extraction, liquefaction and transportation process in jurisdictions outside Yukon as part of the Project. The Executive Committee clarified that the Act does not provide YESAB the authority to assess activities outside of Yukon and that these activities are subject to assessment requirements within those other jurisdictions.

In the Draft Screening Report (DSR) the Executive Committee identified five valued environmental and socio-economic components (VESECs) for the Project including; air quality, safety, economics, wildlife and aesthetics. The DSR and Recommendation for the Whitehorse Diesel-Natural Gas Conversion Project was released to the public for review on March 20, 2014.

Within the DSR the Executive Committee has recommended to the Government of Yukon, that the Whitehorse Diesel - Natural Gas Conversion Project be allowed to proceed without a review, subject to terms and conditions identified in the report. The deadline for public comment on the DSR is April 22, 2014.
The Year Ahead

YESAB anticipates that legislative changes to YESAA will be proposed in the next fiscal year. YESAB will review the operational requirements to implement the proposed changes and participate in the legislative process accordingly.

The Executive Committee will review comments gathered on the Draft Screening Report and Recommendation for Yukon Energy’s Diesel-Natural Gas Conversion Project and determine if more information is required or move towards finalising and submitting the Screening Report and Recommendation to the Decision Bodies. Controversy surrounding the use of LNG within the project proposal will likely continue and could carry over to other projects involving LNG.

Completing a new report and recommendation in response to the recent Mactung Mine referral will be a focus of the Executive Committee. The new report and recommendation should be available early in the fiscal year.

After determining that the Casino Mine Project proponent had adequately consulted with three First Nations, the Executive Committee will move into the Adequacy Review stage of the screening. While not within the reporting timeframe of this annual report, the Executive Committee was served with a petition from the Little Salmon Carmacks First Nation (LSCFN) on April 14, 2014. The petition is related to the Executive Committee’s determination that the proponent adequately consulted with LSCFN. While the screening will continue, our Legal Counsel and the Executive Committee will focus on this Judicial Review. The outcome will provide greater certainty with respect to the proponent’s requirement to consult under section 50(3) of YESAA and inform the consultation requirements under YESAA.

Work related to the advancement of our public participation and engagement approach will also be a focus for YESAB in the coming year. We hope to increase participation rates and improve the type and depth of information that we receive during an assessment. Input from stakeholders, the public, First Nation and other governments are an integral part of the YESAA process and any improvements in this area will help make our assessments better. YESAB will continue to work with First Nations, governments, proponents, communities and the general public to improve the effectiveness and efficiency of the assessment process.
Financials

Following is the audited financial report for the period of April 1, 2013 - March 31, 2014.

Management Responsibility Statement

The management of Yukon Environmental and Socio-economic Assessment Board is responsible for preparing the financial statements, the notes to the financial statements and other financial information contained in this annual report.

Management prepares the financial statements in accordance with Canadian Public Sector Accounting Standards. The financial statements are considered by management to present fairly the Board's financial position and results of operations.

The Board, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the financial statements.

The financial statements have been reported on by Crowe MacKay LLP, Chartered Accountants, the Board's auditors. Their report outlines the scope of their examination and their opinion on the financial statements.

Finance and Administration Manager
June 10, 2014
Independent Auditors’ Report

To the Members of Yukon Environmental and Socio-economic Assessment Board

We have audited the accompanying financial statements of Yukon Environmental and Socio-economic Assessment Board, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Board’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Yukon Environmental and Socio-economic Assessment Board as at March 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Whitehorse, Canada
June 10, 2014

Crowe MacKay LLP
Chartered Accountants
## Statement of Operations

For the year ended March 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>2014 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government of Canada contribution</td>
<td>$5,200,000</td>
<td>$5,200,000</td>
<td>$5,190,672</td>
</tr>
<tr>
<td>Contribution to cover prior year deficit (note 7)</td>
<td>-</td>
<td>-</td>
<td>74,043</td>
</tr>
<tr>
<td>Surplus repayable to Government of Canada (note 4)</td>
<td>-</td>
<td>-</td>
<td>(94,739)</td>
</tr>
<tr>
<td>Cost recovery (note 8)</td>
<td>-</td>
<td>-</td>
<td>49,704</td>
</tr>
<tr>
<td></td>
<td>5,200,000</td>
<td>5,200,000</td>
<td>5,219,680</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Expenditures</strong></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Amortization</td>
<td>-</td>
<td>129,921</td>
<td>210,449</td>
</tr>
<tr>
<td>Board Honoraria (schedule 1)</td>
<td>340,877</td>
<td>367,038</td>
<td>314,363</td>
</tr>
<tr>
<td>Board/Staff Travel and Course Fees (schedule 2)</td>
<td>362,090</td>
<td>257,898</td>
<td>243,868</td>
</tr>
<tr>
<td>Communications</td>
<td>86,525</td>
<td>65,065</td>
<td>78,617</td>
</tr>
<tr>
<td>Contractual Services (schedule 3)</td>
<td>542,334</td>
<td>789,084</td>
<td>615,245</td>
</tr>
<tr>
<td>Freight</td>
<td>25,450</td>
<td>24,470</td>
<td>7,977</td>
</tr>
<tr>
<td>Insurance</td>
<td>14,375</td>
<td>14,779</td>
<td>11,227</td>
</tr>
<tr>
<td>Interest and bank charges</td>
<td>3,500</td>
<td>3,593</td>
<td>2,832</td>
</tr>
<tr>
<td>Internet and e-mail</td>
<td>16,300</td>
<td>15,351</td>
<td>12,796</td>
</tr>
<tr>
<td>Office</td>
<td>41,385</td>
<td>37,829</td>
<td>49,176</td>
</tr>
<tr>
<td>Personnel (schedule 4)</td>
<td>3,267,464</td>
<td>3,096,939</td>
<td>3,023,428</td>
</tr>
<tr>
<td>Postage and courier</td>
<td>7,200</td>
<td>6,037</td>
<td>7,162</td>
</tr>
<tr>
<td>Reference materials</td>
<td>7,225</td>
<td>10,111</td>
<td>6,863</td>
</tr>
<tr>
<td>Occupancy costs</td>
<td>482,986</td>
<td>485,900</td>
<td>477,890</td>
</tr>
<tr>
<td>Security</td>
<td>2,550</td>
<td>1,494</td>
<td>2,159</td>
</tr>
<tr>
<td>Telephone</td>
<td>64,800</td>
<td>65,916</td>
<td>65,575</td>
</tr>
<tr>
<td>Vehicle</td>
<td>33,008</td>
<td>17,922</td>
<td>28,059</td>
</tr>
<tr>
<td>Vehicle lease</td>
<td>33,600</td>
<td>33,619</td>
<td>33,655</td>
</tr>
<tr>
<td></td>
<td>5,331,669</td>
<td>5,422,966</td>
<td>5,191,341</td>
</tr>
</tbody>
</table>

| **Excess (deficiency) of revenues over expenditures before other item** | (131,669) | (222,966) | 28,339 |

**Other expense**

| Loss on retirement or sale of property and equipment | - | - | 69,315 |

| **Deficiency of revenues over expenditures** | $ (131,669) | $ (222,966) | $ (40,976) |
## Statement of Changes in Net Assets

For the year ended March 31, 2014

<table>
<thead>
<tr>
<th></th>
<th>Invested in capital assets</th>
<th>Unrestricted net assets</th>
<th>Total 2014</th>
<th>Total 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance, beginning of year</strong></td>
<td>$ 600,727</td>
<td>$ -</td>
<td>$ 600,727</td>
<td>$ 641,703</td>
</tr>
<tr>
<td>Deficiency of revenues over expenditures</td>
<td>-</td>
<td>(222,966)</td>
<td>(222,966)</td>
<td>(40,976)</td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>68,682</td>
<td>(68,682)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Amortization</td>
<td>(129,921)</td>
<td>129,921</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Balance, end of year</strong></td>
<td>$ 539,488</td>
<td>$ (161,727)</td>
<td>$ 377,761</td>
<td>$ 600,727</td>
</tr>
</tbody>
</table>
# Statement of Financial Position

March 31, 2014 2013

## Assets

**Current**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$237,681</td>
<td>$299,059</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>40,865</td>
<td>40,613</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>8,062</td>
<td>6,918</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>286,608</td>
<td>346,590</td>
</tr>
</tbody>
</table>

**Property and equipment (note 3)**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td>539,488</td>
<td>600,728</td>
</tr>
</tbody>
</table>

**Total Assets**

|                      | $826,096| $947,318|

## Liabilities

**Current**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>$259,634</td>
<td>$88,302</td>
</tr>
<tr>
<td>Salaries payable (note 6)</td>
<td>188,701</td>
<td>163,550</td>
</tr>
<tr>
<td>Due to Government of Canada (note 4)</td>
<td>-</td>
<td>94,739</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>448,335</td>
<td>346,591</td>
</tr>
</tbody>
</table>

## Net assets

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>539,488</td>
<td>600,727</td>
</tr>
<tr>
<td>Unrestricted net assets</td>
<td>(161,727)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>377,761</td>
<td>600,727</td>
</tr>
</tbody>
</table>

**Total Net Assets**

|                      | $826,096| $947,318|

## Contingent liabilities (note 5)

Approved on behalf of the board:

[Signatures]

**Board**

[Signatures]

**Board**
Statement of Cash Flows

For the year ended March 31, 2014  2013

<table>
<thead>
<tr>
<th>Cash provided by (used for)</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deficiency of revenues over expenditures</td>
<td>$ (222,966)</td>
<td>$ (40,976)</td>
</tr>
<tr>
<td>Items not affecting cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization</td>
<td>129,921</td>
<td>210,449</td>
</tr>
<tr>
<td>Loss on retirement or sale of property and equipment</td>
<td>-</td>
<td>69,315</td>
</tr>
<tr>
<td></td>
<td>(93,045)</td>
<td>238,788</td>
</tr>
<tr>
<td><strong>Change in non-cash working capital items</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(252)</td>
<td>26,310</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(1,144)</td>
<td>(1,085)</td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>171,333</td>
<td>(137,140)</td>
</tr>
<tr>
<td>Salaries payable</td>
<td>25,151</td>
<td>(39,737)</td>
</tr>
<tr>
<td>Due to Government of Canada</td>
<td>(94,739)</td>
<td>94,739</td>
</tr>
<tr>
<td></td>
<td>7,304</td>
<td>181,875</td>
</tr>
<tr>
<td><strong>Investing activity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment</td>
<td>(68,682)</td>
<td>(164,745)</td>
</tr>
<tr>
<td><strong>Increase (decrease) in cash</strong></td>
<td>(61,378)</td>
<td>17,130</td>
</tr>
<tr>
<td><strong>Cash, beginning of year</strong></td>
<td>299,059</td>
<td>281,929</td>
</tr>
<tr>
<td><strong>Cash, end of year</strong></td>
<td>$237,681</td>
<td>$299,059</td>
</tr>
</tbody>
</table>
1. **Nature of operations**

Yukon Environmental and Socio-economic Assessment Board was established in 2004, under the auspices of the Yukon Environmental and Socio-economic Assessment Act, which is a requirement of Chapter 12 of the Umbrella Final Agreement and Yukon First Nation Final Agreements. The Board's purpose is to assess the environmental and socio-economic effects of projects and other activities in Yukon, or that might have effects in Yukon, and make recommendations to decision bodies and is exempt from income tax. Funding for the Board is provided by the Government of Canada, Aboriginal Affairs and Northern Development Canada ("AANDC"), through an annual Comprehensive Funding Arrangement.

2. **Significant accounting policies**

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards. The significant policies are detailed as follows:

(a) **Basis of accounting**

The Board follows Public Sector Accounting Standards, section PS4200, Government Not for Profit Organizations.

(b) **Financial instruments**

(i) **Measurement of financial instruments**

The Board initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the parties.

The Board subsequently measures its financial assets and financial liabilities at amortized cost, except for the derivatives and equity securities quoted in an active market which are subsequently measured at fair value. Changes in fair value are recognized in net income. The Board currently does not have any investments in derivatives or equity securities.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and salaries payable.

(ii) **Impairment**

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.
2. Significant accounting policies (continued)

(c) Revenue recognition

The Board follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Property and equipment

Property and equipment are recorded at original cost plus any costs of betterment less accumulated amortization and excludes any assets not in current use. Amortization is calculated by the declining balance method or the straight-line method at the annual rates set out in note 3.

Amortization of leasehold improvements is recorded over the remaining term of the lease plus the first renewal option.

Amortization in the first year of an addition to the assets is recorded at 1/2 of the annual rate.

(e) Impairment of long-lived assets

The Board tests for impairment whenever events or changes in circumstances indicate that a capital asset no longer has any long term service potential to the organization. The impairment loss is measured as the net carrying amount over any residual value and is recognized as an expense in the statement of operations. Write downs are not reversed.

(f) Management estimates

The preparation of financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.
Notes to the Financial Statements

March 31, 2014

3. Property and equipment

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rate</strong></td>
<td><strong>Cost</strong></td>
<td><strong>Accumulated amortization</strong></td>
</tr>
<tr>
<td>Office equipment</td>
<td>$1,736</td>
<td>$173</td>
</tr>
<tr>
<td>Leasehold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improvements</td>
<td>1/10 SL</td>
<td>579,852</td>
</tr>
<tr>
<td>Computer software</td>
<td>100%</td>
<td>216,254</td>
</tr>
<tr>
<td>Kitchen equipment</td>
<td>20%</td>
<td>5,269</td>
</tr>
<tr>
<td>Photo equipment</td>
<td>20%</td>
<td>8,825</td>
</tr>
<tr>
<td>Postage meter</td>
<td>20%</td>
<td>11,902</td>
</tr>
<tr>
<td>Trade show booth</td>
<td>20%</td>
<td>16,517</td>
</tr>
<tr>
<td>Projectors &amp; screens</td>
<td>20%</td>
<td>17,007</td>
</tr>
<tr>
<td>Telephone systems</td>
<td>20%</td>
<td>34,356</td>
</tr>
<tr>
<td>Filing systems</td>
<td>20%</td>
<td>46,774</td>
</tr>
<tr>
<td>Workstations</td>
<td>20%</td>
<td>46,812</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>20%</td>
<td>126,806</td>
</tr>
<tr>
<td>Flatbed scanners</td>
<td>30%</td>
<td>2,287</td>
</tr>
<tr>
<td>Public registry server</td>
<td>30%</td>
<td>3,631</td>
</tr>
<tr>
<td>Switches &amp; sonic walls</td>
<td>30%</td>
<td>13,715</td>
</tr>
<tr>
<td>Map plotter</td>
<td>30%</td>
<td>14,789</td>
</tr>
<tr>
<td>Laser Printers</td>
<td>30%</td>
<td>15,095</td>
</tr>
<tr>
<td>Computer cables</td>
<td>30%</td>
<td>15,419</td>
</tr>
<tr>
<td>Main server</td>
<td>30%</td>
<td>26,265</td>
</tr>
<tr>
<td>Computers - desktop</td>
<td>30%</td>
<td>36,180</td>
</tr>
<tr>
<td>Lap top computers</td>
<td>30%</td>
<td>47,221</td>
</tr>
<tr>
<td>Designated office</td>
<td></td>
<td></td>
</tr>
<tr>
<td>servers</td>
<td>30%</td>
<td>45,575</td>
</tr>
<tr>
<td>Copiers &amp; scanners</td>
<td>30%</td>
<td>161,076</td>
</tr>
</tbody>
</table>

$1,493,363 $953,875 $539,488 $600,728

4. Due to Government of Canada

The prior year operations resulted in an excess of revenues over expenditures of $94,739. Per the funding agreement with AANDC, surplus amounts are repayable at the fiscal year end.

5. Contingent liabilities

Subsequent to year end, a lawsuit was filed against YESAB (as well as the Casino Mining Corp). The likelihood of the contingent loss and the amounts involved are not determinable. It is the opinion of management that final determination of these proceedings will not materially affect the financial position or the results of the Board.
6. Government remittances payable

Included in salaries payable is $29,052 (2012 - $35,414) in payroll taxes payable to Canada Revenue Agency.

7. Contribution to cover prior year deficit

In the 2012 year the Board incurred an operating deficit of $74,043. The Board applied to AANDC in 2013 requesting additional funding to cover the deficit. AANDC increased the Board’s funding to cover the 2012 deficit.

8. Cost recovery

Consists of funds received from private funders and other government bodies as reimbursements for expenditures on environmental and socio-economic activities in the Yukon.

9. Financial instruments

Fair value

The Board’s financial instruments include cash, accounts receivable, accounts payable and accrued liabilities, and salaries payable. The carrying value of these instruments approximates their fair value due to their short-term maturities.

Concentration risk

The Board’s cash is on deposit with one financial institution. However, the Board maintains deposits with a Schedule I chartered bank to minimize the concentration risk.

10. Lease Commitments

The Board has committed to leases of vehicles and office space. Future lease payments are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Vehicles</th>
<th>Office space</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$33,717</td>
<td>$403,156</td>
<td>$436,873</td>
</tr>
<tr>
<td>2016</td>
<td>33,717</td>
<td>310,100</td>
<td>343,816</td>
</tr>
<tr>
<td>2017</td>
<td>-</td>
<td>302,939</td>
<td>302,939</td>
</tr>
<tr>
<td>2018</td>
<td>-</td>
<td>308,368</td>
<td>308,368</td>
</tr>
<tr>
<td>2019</td>
<td>-</td>
<td>313,906</td>
<td>313,906</td>
</tr>
<tr>
<td>Subsequent years</td>
<td>-</td>
<td>123,630</td>
<td>123,630</td>
</tr>
</tbody>
</table>

$67,434 $1,762,099 $1,829,532
11. Economic dependence

Substantially all of the Board's funding is provided by Government of Canada, Department of Aboriginal Affairs and Northern Development Canada.

12. Budget amounts

The 2014 budget amounts on the Statement of Revenue and Expenditures and the Schedules to the Financial Statements, are presented for information purposes only, are unaudited and not covered by the audit report of Crowe MacKay LLP, Chartered Accountants dated June 10, 2014.
Schedules to the Financial Statements

For the year ended March 31,

### Schedule of Board Honoraria

<table>
<thead>
<tr>
<th></th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board meetings and preparation</td>
<td>$41,300</td>
<td>$27,113</td>
<td>$25,300</td>
</tr>
<tr>
<td>General office and other</td>
<td>299,577</td>
<td>339,925</td>
<td>289,063</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$340,877</strong></td>
<td><strong>$367,038</strong></td>
<td><strong>$314,363</strong></td>
</tr>
</tbody>
</table>

### Schedule of Board/Staff Travel and Course Fees

<table>
<thead>
<tr>
<th></th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board training</td>
<td>$16,500</td>
<td>$21,370</td>
<td>$1,142</td>
</tr>
<tr>
<td>Board travel</td>
<td>88,596</td>
<td>65,131</td>
<td>45,576</td>
</tr>
<tr>
<td>Conference fees</td>
<td>18,000</td>
<td>24,108</td>
<td>51,105</td>
</tr>
<tr>
<td>Employee health &amp; wellness</td>
<td>4,500</td>
<td>6,273</td>
<td>5,744</td>
</tr>
<tr>
<td>Hospitality</td>
<td>7,500</td>
<td>2,791</td>
<td>2,311</td>
</tr>
<tr>
<td>Staff training</td>
<td>53,460</td>
<td>51,918</td>
<td>42,560</td>
</tr>
<tr>
<td>Staff travel</td>
<td>173,534</td>
<td>86,307</td>
<td>95,430</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$362,090</strong></td>
<td><strong>$257,898</strong></td>
<td><strong>$243,868</strong></td>
</tr>
</tbody>
</table>

### Schedule of Contractual Services

<table>
<thead>
<tr>
<th></th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment support - administration</td>
<td>$10,400</td>
<td>$7,503</td>
<td>$16,064</td>
</tr>
<tr>
<td>Assessment support - technical</td>
<td>301,999</td>
<td>520,660</td>
<td>280,705</td>
</tr>
<tr>
<td>Professional services</td>
<td>69,095</td>
<td>76,148</td>
<td>190,850</td>
</tr>
<tr>
<td>Online registry support</td>
<td>119,840</td>
<td>142,895</td>
<td>79,678</td>
</tr>
<tr>
<td>IT support services</td>
<td>41,000</td>
<td>41,878</td>
<td>47,948</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$542,334</strong></td>
<td><strong>$789,084</strong></td>
<td><strong>$615,245</strong></td>
</tr>
</tbody>
</table>

### Schedule of Personnel

<table>
<thead>
<tr>
<th></th>
<th>2014 Budget</th>
<th>2014 Actual</th>
<th>2013 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>$1,224,289</td>
<td>$1,139,111</td>
<td>$1,005,433</td>
</tr>
<tr>
<td>Assessment</td>
<td>1,498,262</td>
<td>1,444,725</td>
<td>1,510,882</td>
</tr>
<tr>
<td>Benefits</td>
<td>544,913</td>
<td>513,103</td>
<td>507,113</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$3,267,464</strong></td>
<td><strong>$3,096,939</strong></td>
<td><strong>$3,023,428</strong></td>
</tr>
</tbody>
</table>
YESAB Head Office
Suite 200-309 Strickland Street
Whitehorse, Yukon, Y1A 2J9
Telephone: 867-668-6420
Fax: 867-668-6425
Email: yesab@yesab.ca

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Bag 6050, Dawson City, Y0B 1G0
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Fax: 867-993-4049

Haines Junction Designated Office
PO Box 2126, Haines Junction, Y0B 1L0
Telephone: 867-634-4040
Fax: 867-634-4049

Mayo Designated Office
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Fax: 867-996-4049

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