

**FOR IMMEDIATE RELEASE**

#2015-02

May 19, 2015

## **Executive Committee Completes Review of Supplementary Information and Issues Adequacy Review Report - Information Request No. 2 for the Casino Mine Project**

**Whitehorse, Yukon (May 19, 2015)** – The Executive Committee has completed the review of supplementary information provided by Casino Mining Corporation (CMC) in response to the Adequacy Review Report from January 27, 2015. The main concerns raised previously by the Executive Committee have not been fully addressed. The Executive Committee has determined that the supplementary information provided by the Proponent is still lacking important information and that the proposal remains inadequate for screening.

Additional information is still required in critical areas related to the tailings management facility and associated dam, the access road to the Project, Traditional Land Use, closure and reclamation. “The proponent has sufficiently answered about half of the questions presented in our Adequacy Review Report but there is still more work to be done before the screening can begin” states Ken McKinnon, Executive Committee member.

One of the most significant aspects of the Project is the tailings management facility (TMF) and dam and the risks associated with its scale, northern context and its requirement to remain stable in perpetuity.

While the Proponent has committed to establishing an Independent Geo-technical Review Panel (IGRP) sometime within the assessment and regulatory framework, the Executive Committee is of the opinion that the Proponent should initiate the IGRP now in order to provide oversight on a number of critical matters.

For more information on the Casino Mine Project visit our website at [www.yesabregistry.ca](http://www.yesabregistry.ca) and search for project number 2014-0002.

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## Backgrounder

**TITLE:** Casino Mine Project (2014-0002)

**PROPONENT:** Casino Mining Corporation (Paul West-Sells, President)

**DATE:** May 19, 2015

### INTRODUCTION

Casino Mining Corporation (CMC) proposes to construct, operate, decommission and remediate a copper, gold, silver and molybdenum mine. The Casino Mine (the Project) is located approximately 150 km northwest of Carmacks and 300 km from Whitehorse. The Project will process approximately 120 000 tonnes of ore per day, or 43.8 million tonnes per year, over a 22-year mine life. It would be the largest mine in Yukon history and one of the largest in Canada.

The main components of the Project include an open pit, a tailings management facility, a heap leach facility, processing facilities, temporary stockpiles, liquefied natural gas power generation, and associated mine infrastructure components. Access to the mine site requires the construction of approximately 120 km of new all-weather gravel access road. This will be an extension of the Freegold Road and will generally follow the historic Casino Trail. In addition, the existing Freegold Road will be upgraded, a bypass around Carmacks will be constructed, and a new bridge over the Nordenskiöld River will be constructed.

### CURRENT TIMELINE

January 3, 2014 - CMC submitted their project proposal to the Executive Committee

May 23, 2014 - Proponent and LSCFN requested that the adequacy review be placed on hold for 180 days to consult further with LSCFN as well as with other affected First Nations

November 20, 2014 - Proponent requested that the Executive Committee resume the adequacy review process

November 27, 2014 - Executive Committee resumed the Assessment Process

December 22, 2014 – Executive Committee’s deadline for input from LSCFN, WRFN, and KFN on the adequacy of the Project Proposal

January 27, 2015 - Adequacy Review Report issued

March 16, 2015 – Proponent submits response to the Adequacy Review Report

May 15, 2015 – The Executive Committee releases second information request

## **ADEQUACY REVIEW**

- On March 16, 2015 the Proponent provided additional proposal information in response to the January 27, 2015 Adequacy Review Report.
- After reviewing the additional information provided by CMC and considering the feedback submitted by decision bodies, regulators, consultants and affected First Nations, the Executive Committee has determined that more information is still required before the Casino Mine Project screening can commence.
- This is the second information request in the Adequacy Review and includes 224 questions that remain outstanding or are a follow up to the original Adequacy Review Report released January 27, 2015.

## **KEY ASPECTS OF THE INFORMATION REQUEST**

- There is broad support from affected First Nations, the Executive Committee and consultants hired by the Executive Committee that the proponent should utilize an Independent Geotechnical Review Panel (IGRP) at an early stage to provide oversight for the geotechnical aspects of their proposal to inform the adequacy review.
- The Executive Committee asked for significantly more information on alternatives or alternative ways of managing tailings and waste rock.
- The Executive Committee asked the proponent to conduct a risk assessment of the tailings management facility (TMF), a tailings dam breach study and analysis of down-stream effects.
- In addition to these critical areas, the Executive Committee identified four key areas that require further information and detail. These areas include:
  - Tailings management facility and associated dam
  - Access road to the Project
  - Traditional Land Use
  - Closure and reclamation
- Specifically, more information and detail is required in relation to the following areas:
  1. the tailings management facility and associated dam
    - a more robust alternatives analysis;
    - a risk assessment and related dam breach and inundation study (i.e. impacts to downstream environment);
    - updated dam hazard classification (i.e. design standard);
    - demonstration that the TMF dam can transition from active to passive care
    - demonstration that the TMF dam can remain stable throughout its existence in perpetuity;
    - more detailed site characterization and updated design; and
    - details for the establishment of an IGRP to provide oversight on these matters prior to screening.

Supporting comments from Dr. Norbert Morgenstern, Chair of the Mount Polley Review Panel and senior advisor to the Executive Committee in response to the Executive Committee's review of the tailings management facility and dam:

*"I have reviewed the material sent to me and I am favourably impressed by the breadth of your consultation in formulating the next round of SIR's [supplementary information requests]. While I do not necessarily agree with all of the comments that have been summarized, the differences are not material with respect to your objectives of framing a comprehensive assessment process."*

2. the access road to the Project
  - Reiterated requests for information on upgrades to the Freegold Road and the construction of the Carmacks by-pass including details on:
    - Construction and traffic schedules, camps, traffic, clear span bridges, Nordenskiöld River bridge and pier, alignments and authorization for crossing LSCFN settlement land and access management.
  - Reiterated requests on closure and reclamation for the entire road access to the mine site.
  - Reiterated requests on the effects of the road on wildlife (particularly the Klaza caribou herd) including mitigations, monitoring, management, and indirect effects associated with hunting.
3. Traditional Land Use
  - Reiterated request for CMC to conduct a Traditional Land Use (TLU) study for the Project including traditional knowledge.
  - Reiterated request for information on the effects of the Project on TLU and traditional economies.
4. the conceptual closure and reclamation plan
  - In the absence of examples for northern environments, demonstration that the proposed wetland treatment system will achieve water treatment objectives
  - Requested an updated Conceptual Closure and Reclamation Plan and security estimates based on new information required such as consideration of accidents and malfunctions (i.e. security estimates provided to date are general in nature and do not seem to account for all phases of the Project).

#### **WHEN IS A PROJECT PROPOSAL CONSIDERED ADEQUATE**

- A proposal is deemed adequate if the Executive Committee determines the proposal:
  - has taken into account the matters referred to in paragraphs 42(1)(b),(c) and (e) to (h) of the *Yukon Environmental and Socio-economic Assessment Act* (Act);
  - contains sufficient information to enable the Executive Committee to prepare a statement of the scope of the Project under s. 34 of the *Executive Committee Screening Rules*;
  - contains sufficient information to enable the Executive Committee to commence the screening; and
  - complies with the Rules for Screenings Conducted by the Executive Committee

### **CONSULTANTS RETAINED BY THE EXECUTIVE COMMITTEE**

- The Executive Committee retained seven independent consultant teams to undertake a technical review of select components of the project proposal. These included:
  1. **EcoMetrix** to review hydrology and aquatic resources and engineering design and geotechnical considerations
  2. **SLR Consulting** to review wildlife and wildlife habitat
  3. **Morrison Hershfield** to review socio-economic considerations
  4. **SENES Consultants** to review use of liquefied natural gas
  5. **Dr. Norbert Morgenstern** to provide expert advice related to the proposed tailings management facility and dam
  6. **SNC-Lavalin Inc.** to review geohazards and permafrost
  7. **Artifex Engineering Hydrology Inc.** to review water and aquatic resources
- Consultants were requested to review relevant sections and appendices of the proposal and the supplementary information response from the Proponent and to provide a technical memorandum reflecting their expert technical review.

### **EXTERNAL PARTIES PARTICIPATING IN THE ADEQUACY REVIEW**

- The Executive Committee invited comments on the adequacy of the project proposal from First Nations, Decision Bodies, and regulators.
- Comments were received from ten different parties including:
  1. Carcross/Tagish First Nation
  2. Environment Canada
  3. Fisheries and Oceans Canada
  4. Government of Yukon
  5. Little Salmon/Carmacks First Nation
  6. Natural Resources Canada
  7. Selkirk First Nation
  8. Transport Canada
  9. Tr'ondëk Hwëch'in
  10. White River First Nation

## **ACCESS TO PROPOSAL**

- An electronic copy of the Project Proposal is available through the YESAB Online Registry (YOR) at [www.yesab.ca/registry](http://www.yesab.ca/registry) (search Project No. 2014-0002).
- The Project Proposal is also available for viewing at the YESAB Head Office.
- YESAB Head Office Suite 200-309 Strickland Street, Whitehorse, Yukon, Y1A 2J9, Telephone 867-668-6420 or toll free 1-866-322-4040, E-Mail [yesab@yesab.ca](mailto:yesab@yesab.ca)

## **NEXT STEPS**

- The Executive Committee will now wait for the proponent (CMC) to respond to the Adequacy Review Report - Information Request No. 2.
- Once they respond, the Executive Committee will review the new information to see if CMC has adequately responded to the information request and determine if there is sufficient information to deem the proposal adequate for screening.
- External parties participating in the Adequacy Review will also have the opportunity to review and comment on any new information provided.
- The Screening Rules provide the proponent with up to 180 days to either submit the requested supplementary information or to advise the Executive Committee, in writing, when they will submit the supplementary information.
- All supplementary information must be provided to the Executive Committee within two years from the date the proposal was submitted.

## **PROJECT DESCRIPTION**

- The Project is located 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 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.
- Faro Mine operated at a rate of up to 10 000 tonnes per day. Power requirement was approximately 22 MW.
- Tailings Management Facility
  - The dam would be one of the world's highest dams and the highest tailings dam. As such, the proposed dam would be unique on a global scale.
    - In a northern environment and climate.
    - Built in an area with discontinuous permafrost conditions.
    - Earth/rock fill dam constructed primarily of cyclone sand (desulphurized tailings from the mining operations so that they are non-acid generating).

- The main dam (or embankment) will have a final height about 286 m and a width about 2.5 km along its crest.
- There will also be a smaller dam (west embankment, separated from the main embankment by a height of land) with a height about 21 m and a length about 300 m along its crest.
- The tailings management facility will retain 956 million tonnes of tailings and 658 million tonnes of waste rock.
- The tailings management facility will cover an area approximately 1 120 hectares.
- The other main components of the Project include the open pit, the processing facilities, the heap leach facility (HLF), temporary stockpiles, and associated mine infrastructure components.
  - Open pit will cover an area approximately 300 hectares and have a maximum depth approximately 600 m.
  - The HLF will cover an area approximately 158.7 hectares and contain approximately 157.5 million tonnes of crushed ore.
- Access to the Project site includes:
  - Construction of approximately 120 km of new all-weather gravel access road. This will be an extension of the Freegold Road and will generally follow the historic Casino Trail.
  - Upgrade of the existing Freegold Road including a bypass around the Village of Carmacks and a new bridge over the Nordenskiöld River.
  - Traffic volumes are uncertain at this time but expected to be approximately 125 trucks per day (including inbound and outbound traffic) during operations.
  - Construction of a new 1 600 m airstrip and 14 km airstrip access road.
  - Use and upgrading of the existing barge landing on the Yukon River
- The Project includes on-site LNG storage, regasification, and power generation.
  - The main power plant will have a total nominal capacity of 150 MW. During normal operations the plant will supply approximately 130 MW.
  - LNG will be stored in a 10 000 m<sup>3</sup> storage tank at the mine site.
  - LNG will be trucked from Fort Nelson, British Columbia. 11 trucks per day during the operations phase.
- The Project is located within three First Nations Traditional Territories:
  - The mine site and a portion of the access road are located within Selkirk First Nation Traditional Territory.
  - The access road is located within Little Salmon/Carmacks First Nation Traditional Territory and is proposed to cross their settlement land.
  - The barge access road and water withdrawal point on the Yukon River are located within Tr'ondëk Hwëch'in Traditional Territory.

For more detailed information please see the Adequacy Review Report - Information Request No. 2 on the YESAB Online Registry (YOR) at [www.yesab.ca/registry](http://www.yesab.ca/registry) (search Project No. 2014-0002).

Media inquiries can be directed to Rob Yeomans, Communications and Information Manager at the Yukon Environmental and Socio-economic Assessment Board, [Rob.yeomans@yesab.ca](mailto:Rob.yeomans@yesab.ca).