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A.1 – INTRODUCTION

A.1.1 PROJECT OVERVIEW

Casino Mining Corporation (CMC) proposes to develop the Casino Project (the Project) 150 km northwest of Carmacks and 300 km from Whitehorse. The Project is designed to process approximately 120,000 t/d or 43.8 million t/y of copper and gold ore over a 22 year mine life. During the life-of-mine operations, the Casino Project will produce an anticipated 5.72 million ounces of gold, 30.26 million ounces of silver, 3.58 billion pounds of copper, and 325 million pounds of molybdenum.

Access to the project area is gained from Whitehorse via a network of existing paved highways linking Northern British Columbia and the Port of Skagway in Alaska. From Whitehorse, the paved Klondike Highway (Yukon Highway 2) affords access to the Village of Carmacks. From Carmacks, the access will follow for approximately 83 km on the existing gravel Freegold Road, which will be upgraded to accommodate Project requirements, referenced herein as the Freegold Road Upgrade. At the terminus of the Freegold Road, an extension (referenced as the Freegold Road Extension) will be constructed to provide all-weather gravel access over the approximate 120 km to the Project, generally following the existing and historic Casino Trail alignment.

Ore will be removed from the Open Pit and will then be hauled by truck and delivered to one of two ore processing facilities at the Casino mine site, one for sulphide ore and one for oxide ore. The sulphide ore processing facility will produce mineral concentrates of copper (which also contains gold) and molybdenum using conventional flotation technology. The oxide ore processing facility will produce gold and silver doré bars via heap leaching and carbon adsorption technology.

Located southeast of the Open Pit within the valley formed by the headwaters of Casino Creek, the tailings management facility will act as storage for all waste rock, process tailings, and process water from the operations. Storage for up to 947 Mt of tailings and 658 Mt of potentially reactive waste rock and overburden materials is considered in the design of the TMF.

A.1.2 LEGISLATIVE REQUIREMENTS

CMC submitted a Project Proposal under the *Yukon Environmental and Socio-economic Assessment Act* (YESAA) to the Yukon Environmental and Socio-economic Assessment Board (YESAB) on January 3, 2014. The Project Proposal contained five volumes and 25 chapters of documentation to support the assessment of the Project under the YESAA regulations. As production capacity of the proposed Project is greater than 300 t/day, the Project is subject to an Executive Committee Screening for the proposed construction, decommissioning and closure activities.

Following submission of the Project Proposal, on March 13, 2014 the YESAB Executive Committee determined that for the purposes of s. 50(3) of the YESAA, CMC's statutory requirement for consultation with the Selkirk First Nation (SFN), Little Salmon / Carmacks First Nation (LSCFN) and Tr'ondëk Hwëch'in (TH) First Nation, and the residents of the communities of Carmacks and Pelly Crossing was deemed to have been met. Consequently, the Project entered the pre-screening adequacy review phase of the YESAA process.

Subsequently, on May 23, 2014, CMC requested that the Executive Committee place the review of the Project on hold for all parties for an up to 180 day period to enable Casino to continue engagement with affected First Nations. YESAB subsequently granted the request on June 2, 2014, and, under the understanding that supplementary information may result from the continued engagement, did not issue an adequacy review report

or information request during the hold period. The hold period was lifted on November 27, 2014, and issuance of an *Adequacy Review Report: Project Assessment 2014-0002, Casino Mine* occurred on January 27, 2015.

The Executive Committee considers a proposal to be adequate if, in the opinion of the Executive Committee, the proponent “has in its proposal taken into account the matters referred to in paragraphs 42(1)(b),(c) and (e) to (h) of the Act; and the proposal contains sufficient information to enable the Executive Committee to prepare a statement of the scope of the project under section 34; contains sufficient information to enable the Executive Committee to commence the screening; and complies with the applicable rules” (YESAB, 2005). If the Executive Committee determines that the proposal is not adequate, then it provides a request for supplementary information required, which, as discussed above, was provided to CMC on January 27, 2015.

Following submission of the supplementary information from CMC, within 30 days (and a possible extension of a further 30 days) the Executive Committee will determine if the supplementary information provided meets the requirements, listed below, of YESAA (2005) for an adequate proposal:

42. (1) *In conducting an assessment of a project or existing project, a designated office, the executive committee or a panel of the Board shall take the following matters into consideration:*

(b) all stages of the project or existing project;

(c) the significance of any environmental or socio-economic effects of the project or existing project that have occurred or might occur in or outside Yukon, including the effects of malfunctions or accidents;

(e) alternatives to the project or existing project, or alternative ways of undertaking or operating it, that would avoid or minimize any significant adverse environmental or socio-economic effects;

(f) mitigative measures and measures to compensate for any significant adverse environmental or socio-economic effects;

(g) the need to protect the rights of Yukon Indian persons under final agreements, the special relationship between Yukon Indian persons and the wilderness environment of Yukon, and the cultures, traditions, health and lifestyles of Yukon Indian persons and other residents of Yukon; and

(h) the interests of residents of Yukon and of Canadian residents outside Yukon.

The supplementary information report (SIR) provided herein is in response to the request for supplementary information received from YESAB on January 27, 2015, and aims to meet the requirements of YESAA summarized above. The purpose of the SIR, and the organization of the SIR are outlined below.

A.1.3 PURPOSE OF THE SIR

This Supplementary Information Report (SIR) has been written to respond to the *Adequacy Review Report: Project Assessment 2014-0002, Casino Mine* (the ARR) received from YESAB on January 27, 2015. The information contained in the SIR should be used to supplement the information presented in the Project Proposal, but does not change the conclusion of potential effects and determinations of significance presented in the Proposal. A table of concordance outlining the individual requests in the ARR and where the responses can be found in the SIR is provided in Appendix A.1A.

Following submission of the SIR, the legislated YESAA process allows for 30 days (with a possible 30 day extension) for YESAB to review the SIR and to provide notice of adequacy to CMC and identified decision bodies, or to request further information. The determination of adequacy will trigger the commencement of the screening

and recommendation phase of the YESAA Executive Committee assessment process. CMC may be requested to submit further information following public review and prior to the preparation of the draft screening report by YESAB.

A.1.4 ORGANIZATION OF THE SIR

The SIR consists of five volumes of information, 25 sections and numerous detailed technical appendices. As much as possible, the SIR has been laid out to follow the same structure as the Project Proposal, to simplify the review process. To avoid confusion between the Proposal and the SIR, while section names have remained consistent (e.g., Section 7 – Water Quality), in the SIR a prefix of the letter “A” has been added to all Section numbers and Appendices. This will allow for all future supplementary information responses to be sequentially lettered, (e.g., Section B.7 - Water Quality, Appendix B.7A), and it will be immediately clear to the reader if they are reading a document from the original Proposal (no prefix, e.g., Section 7), of the SIR (prefix “A”, e.g., Section A.7). This is illustrated for Sections 1 through 5 in Figure A.1.4-1.

For additional clarity, Figure A.1.4-2 provides a Document Map of the SIR, which offers an “at a glance” directory of the material found in each section, within each volume, with their appurtenant appendices. The purpose of the SIR is to provide supplementary information to support the initial risk assessment, and not to re-conduct the risk assessment process. During the adequacy review period, some appendices have been updated to reflect reviewer comments. Appendices of the Project Proposal replaced by appendices in the SIR are indicated in Figure A.1.4-3.

Some appendices provided herein to support the SIR are feasibility level reports, or reports generated prior to the submission of the Project Proposal. These documents are meant to provide support to responses outlined in the SIR; however, it should be understood that where details in the feasibility level documents differ from the Project Proposal and/or SIR, the Project Proposal and SIR should be taken to be correct. This is due to the iterative nature of the engineering design, which results in project refinements subsequent to the submission of the feasibility study to minimize adverse effects and maximize project benefits. Engineering details will continue to be refined throughout the permitting and detailed engineering phases of the Project.

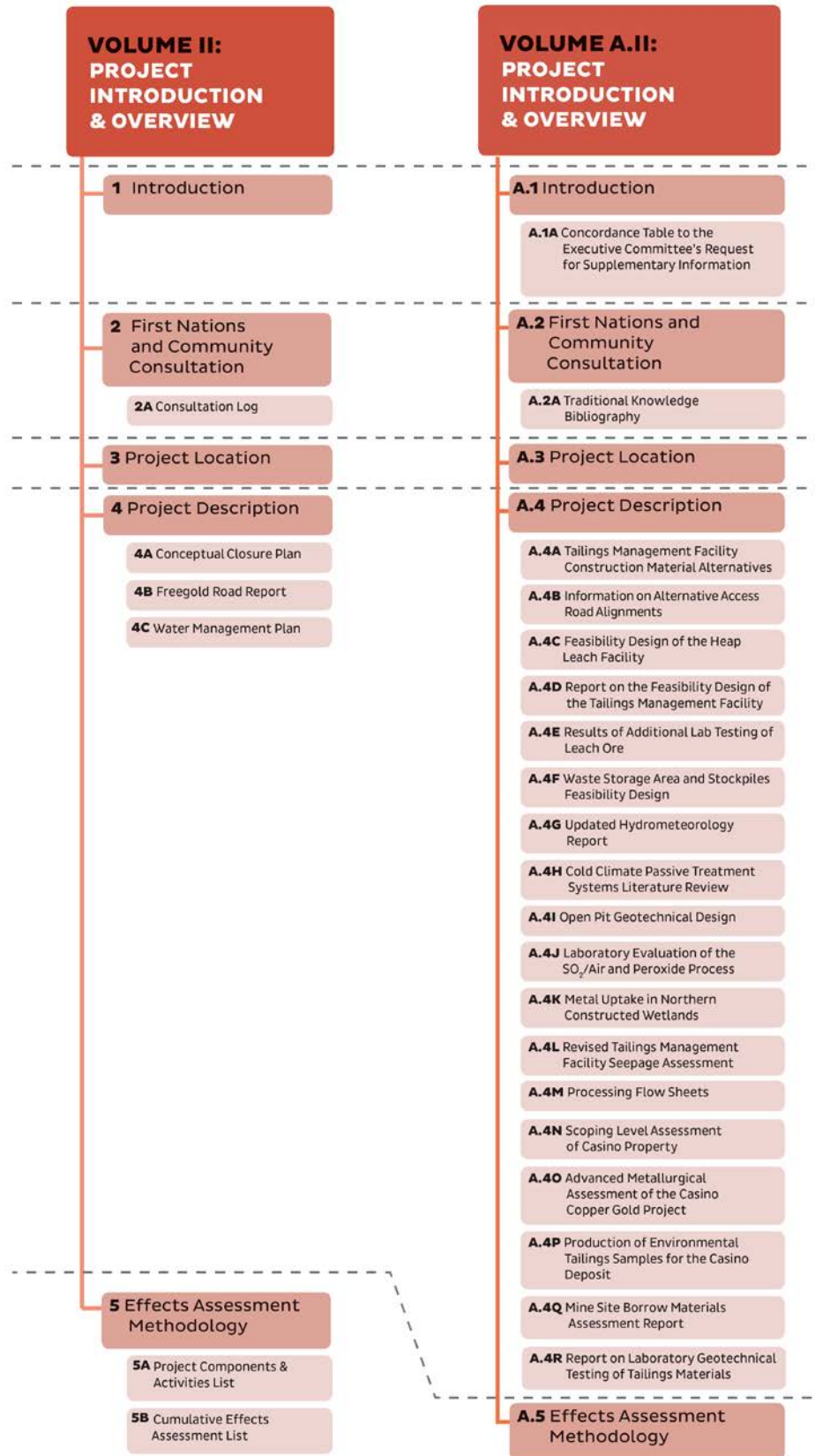


Figure A.1.4-1 Document Organization for Proposal and SIR A

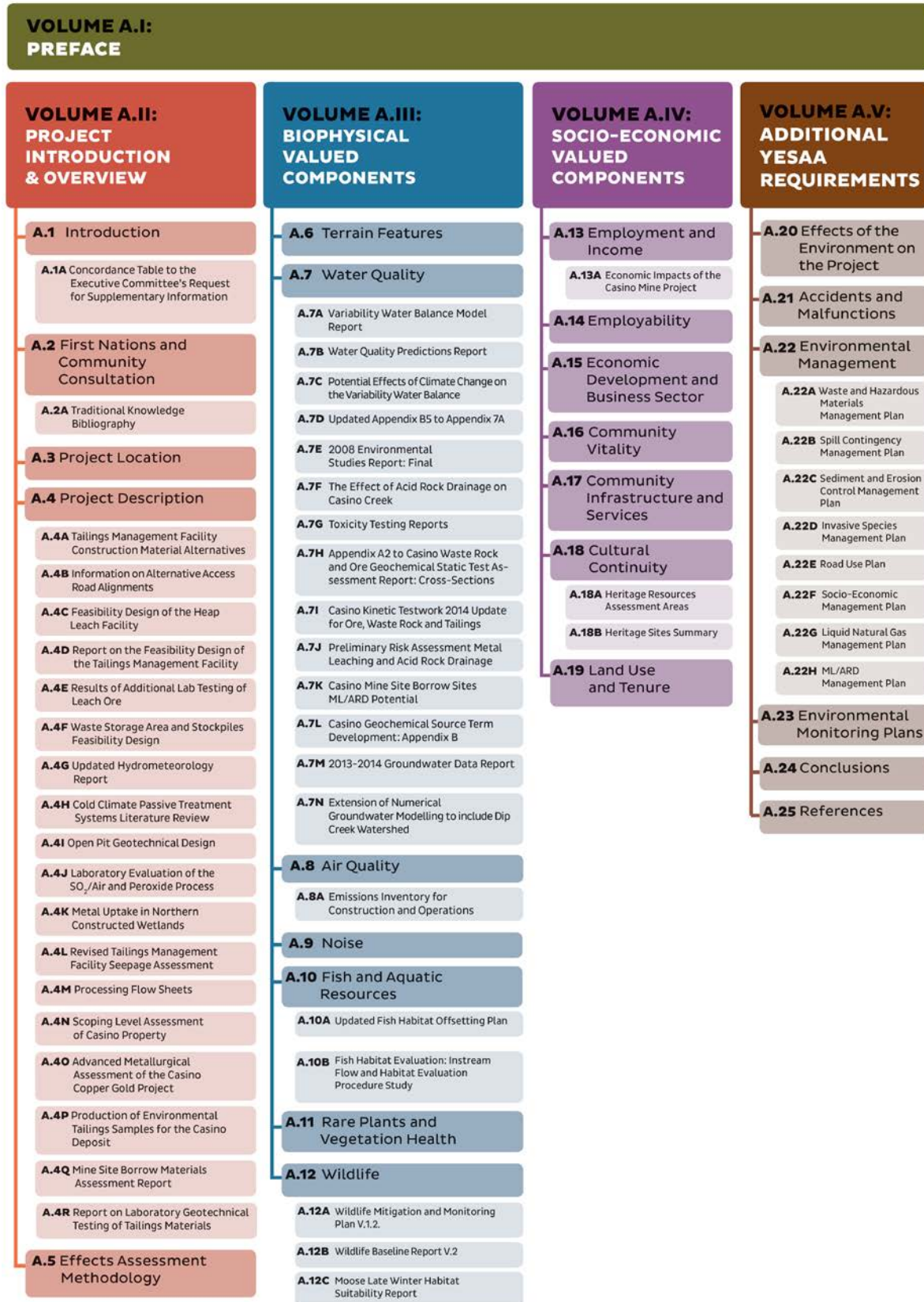


Figure A.1.4-2 SIR Document Map

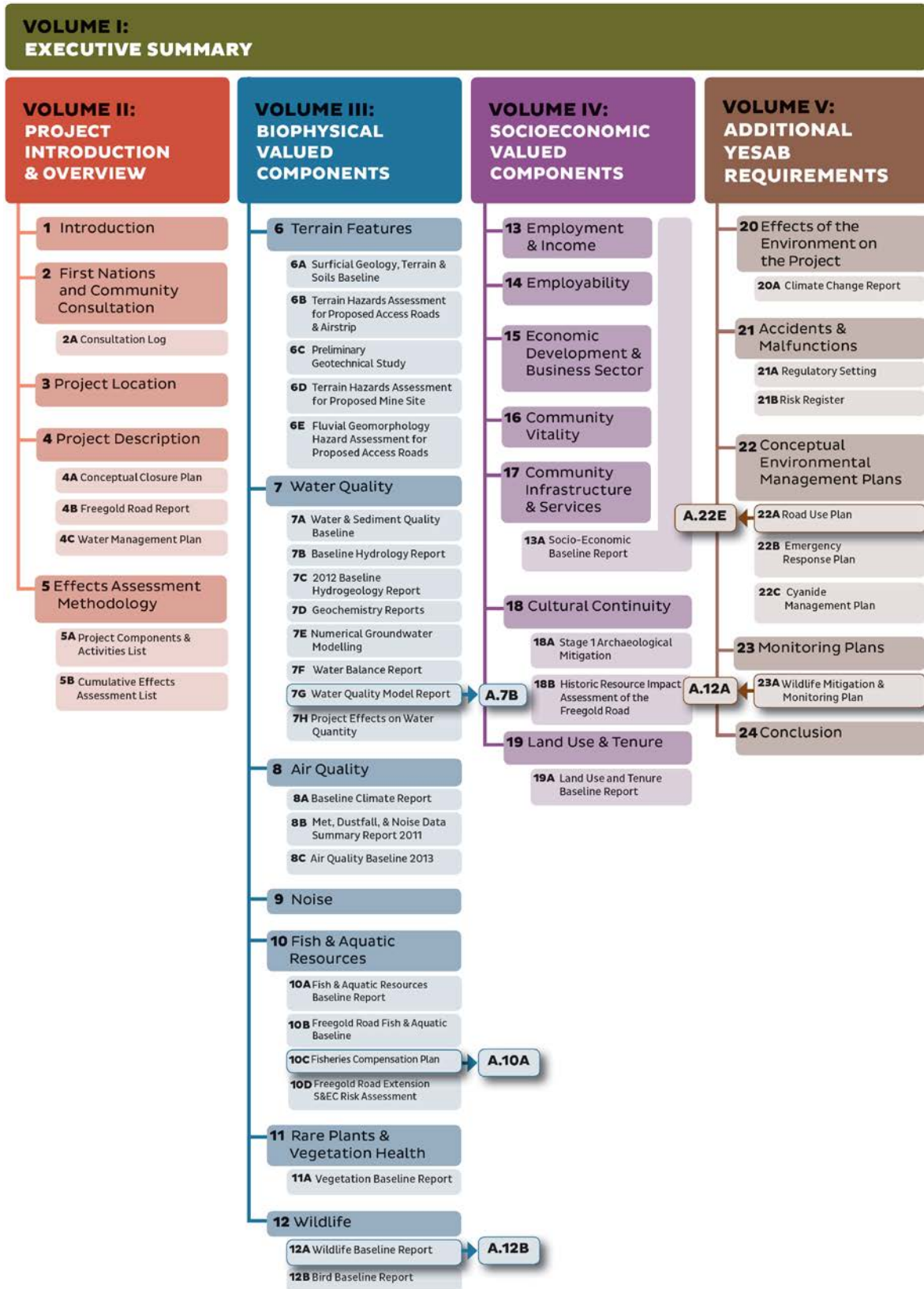


Figure A.1.4-3 Proposal Document Map with Replacement Sections

A.1.5 SUMMARY OF CHANGES TO THE PROJECT PROPOSAL

Following submission of the Proposal, and receipt of reviewer's comments during the adequacy review period, CMC has made only one change to the Proposal, which is to incorporate the Winter Seepage Mitigation Pond at the beginning of operations, instead of during the closure period. There is now a single water management pond that will be installed throughout the life of the Project, and will be labelled the Water Management Pond (WMP) throughout this document. Consistent with the Project Proposal, water in the WMP will be pumped back to the TMF during operations and closure Phase I, and will only be allowed to discharge to the environment during the May – October period in conjunction with TMF spillway overflow. See Section A.7 for details.

All other details provided in the Proposal remain valid, including the determinations of significance of potential project effects.