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A.20 – EFFECTS OF THE ENVIRONMENT ON THE PROJECT

A.20.1 INTRODUCTION

Section 20 of the Proposal characterized the likely extreme environmental conditions and long-term climate change scenarios that have the potential to affect the Casino Project and the predicted effects of those conditions and likely scenarios on the Project's components and activities. The potential effects to the Project considered the probability of occurrence as well as the potential consequences to the Project from occurrence of the event. In addition, potential sensitivities of the Project's components or activities, including the timing of operations and critical site conditions were discussed.

On January 27, 2015, the Executive Committee requested that Casino Mining Corporation (CMC) provide supplementary information to the proposed Casino Project (YESAB Project No. 2014-0002) to enable the Executive Committee to commence Screening. The Executive Committee considered comments from various First Nations, Decision Bodies and regulators on the adequacy of the Project Proposal in the preparation of the Adequacy Review Report (ARR). Casino Mining Corporation is providing this Supplementary Information Report (SIR) to comply with the Executive Committee's ARR; CMC anticipates that the information in the SIR and Proposal, when considered together, is adequate to commence Screening.

The Executive Committee has two requests related to information presented in Section 20 Effects of the Environment on the Project of the Project Proposal submitted on January 3, 2014. These requests are outlined in Table A.20.1-1 and responded to below.

Table A.20.1-1 Requests for Supplementary Information Related to Effects of the Environment on the Project

Request #	Request for Supplementary Information	Response
R429	Rationale for the statement in Section 20.3.4.4 that wildfire will not cause a shutdown of the mine for more than 24 hours.	Section A.20.2.1.1
R430	Implications to the Project if a wildfire results in a mine shutdown, or access road closure, for more than 24 hours.	Section A.20.2.1.2

Notes:

1. Request # refers to the assigned identification number in the YESAB Adequacy Review Report January 27, 2015 Prepared by the Executive Committee of the Yukon Environmental and Socio-economic Assessment Board.
2. Response refers to the location of CMC's response to the YESAB request for supplementary information.

A.20.2 WILDFIRE

A.20.2.1.1 R429

R429. Rationale for the statement in Section 20.3.4.4 that wildfire will not cause a shutdown of the mine for more than 24 hours.

The effects of the environment on the Project were assessed through determination of the overall risk of a possible environmental event. Risk is comprised of the combined likelihood of the potential event occurring and the consequences of the potential effect. The pre-established threshold levels for the consequences of the potential effects are described (in Table 20.2-2 of the Proposal) as:

- Negligible: no shutdown;
- Low: Complete shutdown for more than 24 hours;
- Moderate: Complete shutdown for more than one week;
- High: Complete shutdown for more than one month; and
- Extreme: Complete shutdown indefinitely.

The statement made in Section 20.3.4.4 that wildfire will not cause a shutdown of the mine for more than 24 hours alludes to the determination that the severity of the potential effect of a wildfire on the Project, while not negligible (i.e., no shutdown), would be unlikely to result in a shutdown for *more* than 24 hours but less than a complete shutdown of one week taking into consideration mitigation measures (including monitoring, early notification, and response).

Wildfires are managed by the Yukon Government (YG) through the Wildland Fire Management Program. The Wildland Fire Management Program “works to prevent personal injury and loss of life, and to minimize social and economic disruption resulting from wildfires” (Department of Community Services 2015). Casino Mining Corporation anticipates that wildfires will be detected and responded to prior to reaching the Project site. Fires in the Yukon are detected early through the USDA Forest Services via the Remote Sensing Application Centre. The Wildland Fire Management branch maintains fire crews in a state of readiness during fire season and has access to assistance from other provinces and territories as needed. The nearest fire department to the Project is in the Village of Mayo and is staffed by 15 – 20 volunteers.

Casino Mining Corporation will establish a procedure for contact with the Wildland Fire Management Program to ensure early notification of any wildfires in the area that have the potential to affect the Project. Typically wildfires are noticeable at great distances, and as the Project is located on a hilltop, the threat of fire will be identified well in advance of any risk to the Project. However, the consequence rating of “more than 24 hours” acknowledges that there is still some risk to the Project of minor damage or air quality concerns, which will be mitigated by the measures outlined in Table 20.3-15 of the Proposal.

Additionally, the approach for responding to wildfires will be incorporated into the Emergency Response Plan, and will detail the following procedures:

- Notification should a fire be detected in the area;
- Preparation details to minimize the impact of a wildfire;
- Actions to be taken should there be an immediate fire threat; and
- Actions to be taken during smoky conditions, and may include a reduction in outdoor activities.

Under the most likely scenario, wildfires in the area should not result in significant effects to the Project; CMC will protect the health of its workers, and should there be a risk of wildfire encroachment a decision will be made according to the assessment procedures outlined in the Emergency Response Plan to evacuate the mine site and temporarily shut down the Project.

A.20.2.1.2 R430

R430. Implications to the Project if a wildfire results in a mine shutdown, or access road closure, for more than 24 hours.

As discussed in Section 20.3.4, the likelihood of a wildfire event that has the potential of affect the Project during the life of the Project is moderate (i.e., it could happen), however the overall impact of wildfires on the Project is considered to be low, due to the measures that will be implemented to avoid, monitor, respond to and minimize the potential severity and consequences of a wildfire to the Project.

Under the worst case scenarios listed in Table 20.3-14, the access road and mine site could be closed for up to a month following an extremely destructive wildfire. In these scenarios essential operations at the mine could be serviced by aircraft, where possible; however, as there will only be 10 days of storage of LNG at site, power may not be available once the storage of LNG has been depleted and mining operations may have to be suspended.

Decision making processes involving the Freegold Road Upgrade and Freegold Road Extension, such as potential closures of the access road due to wildfires have the potential to affect multiple users; therefore CMC intends to work collaboratively with YG and First Nations Governments to develop a decision making and response process to incorporate into the Road Use Plan and Emergency Response Plan for the Project.

Casino Mining Corporation will always hold the health and safety of its employees and contractors in the highest regard and will temporarily shut down operations to protect worker health and ensure safety. The Emergency Response Plan will detail the procedures, decision process and mechanism in the event of a wildfire that has the potential to affect the mine site and/or access road.

Implications of a wildfire to the Project, substantial enough to result in a temporary shutdown of operations, could be:

- Temporary suspension of a portion or all employees;
- Temporary suspension of a portion or all active milling and mining;
- Minimal activities such as pumping of water to maintain basic mine operations – these activities would only be conducted assuming the site is safe for employees. Protective equipment such as ventilation masks may be required; and
- Normal activities would re-commence as soon as it is deemed safe for all employees and contractors.