

CASINO

Building Our Future Together

Newsletter, Issue 2 Fall 2014



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Mike Thomas Photo

PRESIDENT'S MESSAGE

On behalf of Casino Mining Corporation and our entire project team, we hope you had a busy and enjoyable summer season.

We are pleased to present our second project newsletter to help keep you informed as the Casino Project moves forward through the environmental assessment and permitting process. Key to the success of the proposed Casino mine and to building sustainable benefits for Yukon communities is your involvement in the project's ongoing review and screening process through YESAB. We encourage your participation.

The Casino property was host to several project activities over the spring and summer months. Our team continues to engage local communities, spending considerable time in Carmacks, Pelly Crossing, Dawson City and Whitehorse, and is working to ensure that the Casino Project reflects the priorities of each community our proposed mine may affect.

We are committed to advancing Casino in a manner that respects and protects the environment, while enhancing overall benefits to all Yukon residents and communities, using sound and proven technologies and best industry standards and practices.

I encourage you to visit our web site at www.casinomining.com for regular project updates and to give us your feedback. I look forward to connecting with you in person as we come together at the many community events and industry conferences offered this fall and winter.

Sincerely,

Paul West-Sells
President
Casino Mining Corporation

OVERVIEW

The Casino Project is a large copper and gold deposit located 300 kilometres northwest of Whitehorse, Yukon.

The property lies within the traditional territories of the Selkirk and Little Salmon/Carmacks First Nations and Tr'ondëk Hwëch'in. Casino is directly engaging with these First Nation governments and their communities of Pelly Crossing, Carmacks and Dawson City.

Having completed its feasibility study in 2013, Casino is currently in the adequacy stage of the Yukon Environmental and Socio-economic Assessment Board (YESAB) review and screening process. This follows January's submission of the Project Proposal to the YESAB Executive Committee that formally initiated the project's environmental and permitting process to subsequently allow for the anticipated construction of the mine in 2016 and its operation in 2017.

We encourage the public to submit comments on the Casino Project via the YESAB Online Registry or our web site.

Since our proposal submission to YESAB, Casino has entered into two important formal agreements:

- An initial agreement with the Selkirk First Nation for cooperation in project assessment and other matters relating to the Casino Project; and,
- A Settlement agreement and consultation plan with the Little Salmon/Carmacks First Nation.

These agreements help to further support and establish strong partnerships built on cooperation and respect between Casino and First Nation governments. These are essential for the success of the Casino Project and to provide overall benefits to Yukon individuals and communities.

YESAB'S ENVIRONMENTAL ASSESSMENT PROCESS

Casino values your comments throughout the YESAB process. To participate visit the YESAB Online Registry or www.casinomining.com

Adequacy	Proposal Submitted by Casino	✓
	Proposal Deemed Adequate	
Screening	Publish Notice of Screening	
	Public and Other Comments on Proposal	
	Complete Draft Screening Report	
	Public and Other Comments on Draft Screening Report	
	Assess If Comments Need More Information	
Report	Recommendation Sent to Decision Bodies	
Decision	Decision Document Issued	



Field worker at Casino collecting baseline data



Location of the proposed Casino Mine

MILESTONES



YUKON BENEFITS THROUGH PARTNERSHIPS

During construction and operation, the proposed Casino Mine will provide substantial benefits to Yukon residents and communities and the territorial and First Nation governments. Opportunities at Casino will include taxes and royalties for governments and employment, training and contracts for individuals and businesses.

RESOURCE REVENUE SHARING

As the Casino Project moves through the territory's environmental assessment, permitting and licensing process toward the proposed mine's anticipated construction in 2016 and production in 2017, the company's priority to meet the needs and expectations of Yukon communities includes an examination of the territory's existing resource revenue sharing arrangement.

The taxes and royalties that will flow to the Yukon and First Nation governments will be significant. When in production, Casino anticipates providing \$130 million in taxes and \$60 million in royalties on average each year during its 22-year mine life.

In the Yukon, under the Quartz Mining Act (QMA), a royalty is a share of profits from a Yukon mine, reserved for the Yukon Government (YG) for the extraction of mineral resources. A mine operator pays it annually to YG on an escalating rate basis, for any mining profits that exceed \$10,000 and it is capped at 12 per cent for any profit in excess of \$35 million. As per the *Umbrella Final Agreement*, YG shares 50 per cent of a producing mine's first \$2 million in royalties and 10 per cent over that with First Nation governments.

Some discussions have occurred between governments regarding a resource revenue-sharing model in the Yukon that would see Yukon First Nations' share increased. For example, in the Northwest Territories (NWT), as per the territory's Devolution from Canada this past April, the NWT Government is entitled to keep up to 50 per cent of the total resource revenues annually and has committed to share up to 25 per cent of its portion of resource revenues with participating Aboriginal governments.

Casino is committed to working with territorial and Yukon First Nation leaders to help ensure that the revenues generated by the proposed Casino Mine benefit all governments and communities.

REVENUES

- \$274 million increase in the Yukon's annual GDP
- \$130 million in taxes and an average of \$60 million in royalties to the Yukon Government each year
- Opportunity for resource revenue sharing agreements between the Yukon and First Nation governments
- Opportunity for existing local businesses to develop through partnerships and new ones to be created

PARTICIPATION

- 600 full-time jobs and on-site training and mentorship opportunities
- \$306 million in annual contracts for Yukon businesses

PROPOSED CASINO MINE

The proposed Casino mine site will be a community of 600 residents who will live and work in modern and comfortable conditions with state-of-the-art amenities.



LOCATION

- 300 km northwest of Whitehorse, 115 km west of Pelly Crossing, and 200 km northwest of Carmacks
- On crown land administered by Yukon Government
- Within the traditional territories of the Selkirk and Little Salmon/Carmacks First Nations and Tr'ondëk Hwëch'in'

ACCESS

- By plane for work crew rotations
- Along the Freegold Road for concentrate and supply shipments

OPERATION

- Open-pit, truck and shovel mining for 22 years
- Flotation mill will process 120,000 tonnes of ore per day
- Heap leach facility will process 150 million tonnes of gold ore in total
- Power source will be from liquefied natural gas that will be trucked in and gasified on-site

PRODUCT

- 3.7 billion pounds of copper
- 6.0 million ounces of gold
- 32 million ounces of silver
- 342 million pounds of molybdenum
- Concentrates will be trucked to Skagway, Alaska, and loaded for transport to overseas smelters

TAILINGS

- Ground rock and fluid waste from the heap leach and flotation facilities will be stored and managed in the Tailings Management Facility (TMF)
- Closed loop system will be used during operations, where no mine effluent is discharged to the environment during the operations period

CLOSURE

- Mine will be closed, decommissioned and reclaimed after a planned mine-life of 22 years
- Engineered wetlands in the TMF will be used as a passive and long-term treatment method of open pit water and tailings discharge
- Post-closure activities will include monitoring the effectiveness of the reclamation and ensuring the protection of the environment



Yukon College Field Worker Training Program students at Casino

SHARING STORIES

SPOTLIGHT ON KELSEY RUSSELL, LOCAL BIOLOGIST

Over the past three years, Whitehorse biologist Kelsey Russell has gained invaluable experience working on various wildlife projects at Environmental Dynamics Inc. (EDI), including terrestrial environment work for the Casino Project.

A born and raised Yukoner and a graduate of UBC's Natural Resource Conservation Program, Kelsey's primary role for Casino was analyzing survey data and in combination with existing literature, writing a wildlife baseline report to document an inventory of existing wildlife and key indicator species in the project area including moose, caribou and grizzly bear.

Kelsey cannot recall a time that she was not interested in biology and her natural surroundings.

"I grew up in the Yukon learning about wildlife and appreciating the outdoors. Anyone can learn the practical skills of being a biologist," advises Kelsey. "The key is being able to focus on the big picture as opposed to smaller details."

Entering a new phase of her career, Kelsey has headed to the University of Northern British Columbia in Prince George to pursue a Masters of Science in Biology with the support of Casino Mining Corp.

To read more about Kelsey's work and research goals, visit www.casinomining.com/community/sharing_stories/spotlight



Local Biologist
Kelsey Russell

"I grew up in the Yukon learning about wildlife and appreciating the outdoors. Anyone can learn the practical skills of being a biologist," advises Kelsey. "The key is being able to focus on the big picture as opposed to smaller details."

UNEARTHING YUKON'S PAST AT CASINO

Casino's project area is the site of a highly significant archaeological discovery made last summer by Margarita de Guzman and her team from Altamira Consulting Ltd. Referred to as KfVi-3, the archaeological site comprises an assemblage of stone tools and debitage that was recovered from three distinct soil layers, the oldest of which returned radiocarbon dates of 13,000 years before present.

The find represents some of the oldest archaeological remains in the Yukon and further supports the theory of early man's east-to-west migration over the Beringia land bridge. According to Yukon Government Senior Archaeologist Ruth Gotthardt and her team, it is rare in the Yukon to find ancient organic materials that can be radiocarbon dated.

Casino President Paul West-Sells shares his enthusiasm of the discovery, which complements earlier excavations in the area that had been characterized as ethno-historic. "This find reflects Casino's obligation to rigorous baseline work and our commitment to protecting the past for future generations in the Yukon."

A Casino Heritage Resources Protection Plan will be in place to protect and manage KfVi-3 and any other archaeological sites discovered during the construction and operation of the proposed Casino mine.

Located within the traditional territories of the Selkirk First Nation and Tr'ondëk Hwëch'in, the find is a significant contribution to their cultural history.

To read the entire story and more articles on this discovery, visit www.casinomining.com/community/sharing_stories/excavation

"This find reflects Casino's obligation to rigorous baseline work and our commitment to protecting the past for future generations in the Yukon," said Casino President Paul West-Sells.



Altamira Consulting Ltd

Excavation of KfVi-3 at Casino

INVESTING IN PEOPLE

Casino believes in people who want the best for their communities. For that reason, we take community engagement, one individual at a time, very seriously.

The company is actively supporting local initiatives that help open dialogue and strengthen trust and relationships. This helps Casino better understand the needs and expectations of Yukon communities, identify grass-roots opportunities for collaboration, and co-manage how the Casino Project will affect Yukoners today and well into the future.

For more information on the following and other stories, visit www.casinomining.com/community/people

STUDENT ACHIEVEMENT

This past June, Casino was proud to acknowledge student achievement and present its newly established Casino Student Achievement Awards to three elementary school and three high school students in Carmacks, Pelly Crossing and Dawson City.

Nansen Tricker

Grade 5, Tantalus School, Carmacks

Tristan Unterschute

Grade 12, Tantalus School, Carmacks

Emma Tom Tom

Grade 6, Robert Service School, Dawson City

Jelene Panaligan

Grade 12, Robert Service School, Dawson City

Kylie Williams

Grade 7, Eliza Van Bibber School, Pelly Crossing

Brandon Brown

Grade 11, Eliza Van Bibber School, Pelly Crossing

Selected by the students' teachers, the award recipients were recognized for their high academic standing, positive attitude, significant efforts and leadership among their peers.

"Our entire Casino team extends its sincere congratulations to this year's student award recipients," said Casino President Paul West-Sells. "Our company strongly believes in the potential of the Yukon's youth and in supporting their success in school and in life."

COMMUNITY EVENTS

Throughout the spring and across the territory, the Casino team was pleased to participate in several student career fairs, community events, and conferences.

A dedicated champion of career and life-skills development and mentorship, Casino's information booth was well attended at both the Haines Junction and Dawson City career fairs, hosted by Champagne and Aishihik First Nations and Tr'ondëk Hwëch'in respectively.

Casino also participated in several conferences and events held in Whitehorse and in the communities that further foster our understanding of community priorities and help build public awareness about the project, from the First Nation Governance and Capacity Development Conference, Yukon First Nations Resource Conference, and Yukon Chamber of Mines' Mining Procurement Forum, to the 15th North American Caribou Workshop, Yukon Education for the 2014 Labour Market Summit, and Yukon Passive Water Treatment Workshop.

Looking forward, Casino will participate in the 42nd Annual Yukon Geoscience Forum and Trade Show and sponsor the Victoria Gold Yukon Student Encouragement Society Every Student, Every Day initiative to help address student attendance in the territory and the Yukon Hospital Foundation's Northwestel Festival of Trees to help ensure we have the very best health care right here at home.

To learn more about Casino's commitment to engaging with our communities, visit www.casinomining.com/community/people

"Our entire Casino team extends its sincere congratulations to this year's student award recipients," said Casino President Paul West-Sells. "Our company strongly believes in the potential of the Yukon's youth and in supporting their success in school and in life."

HELPING TO KEEP SELKIRK FISH CAMP TRADITIONS ACTIVE

Two reefer truckloads of Skeena River Sockeye arrived in Pelly Crossing this July, to welcoming and excited members of the Selkirk First Nation, for distribution to its fish camps.

Due to the 2014 Chinook fishing closure along the Pelly River, Casino partnered with Capstone Mining Corp. and Selkirk First Nation to bring in the fish from BC to help keep the First Nation's fish camp traditions active and alive.

In their fish camps, Selkirk First Nation people come together as families every summer to process salmon and teach younger family members their traditional ways of living on the land, such as harvesting, smoking, drying and sharing fish.

"We are pleased to be part of this joint initiative that provided Sockeye salmon to Selkirk First Nation to help maintain the First Nation's cultural values and traditional way of life," said Casino President Paul West-Sells.

Selkirk First Nation's Dean Gill prepares Sockeye salmon for delivery to fish camps



Selkirk First Nation

PELLY CANCER WARRIORS RELAY FOR LIFE

Casino was pleased to support Pelly Crossing's 12 member team that participated in the annual 12-hour Relay for Life fundraising event in Whitehorse this past May.

"The Pelly Cancer Warriors team has four survivors who continue to have the courage and strength to fight back against cancer," said team captain Lori Sims.

The highlight of the event for the team was the Survivor Victory Lap, where participants celebrated their success in their battles with cancer as they walked the first lap, and offered inspiration to those facing the disease. The rest of the team then walked for the cause from noon to midnight.

The team was busy fundraising with a variety of local events over the month of May. "We are very pleased of Casino's generous donation that helped assist our team to travel to Whitehorse to take part in the event," said Sims.

The team looks forward to doing this event again next May, which will be held in Dawson City.

"We are very pleased of Casino's generous donation that helped assist our team to travel to Whitehorse to take part in the event," said Lori Sims.

Selkirk First Nation drummer Charlene Baker at the 2014 Moosehide Gathering



IMMERSED IN CULTURE AT THE 2014 MOOSEHIDE GATHERING

Casino representatives were welcomed at the 12th Biennial Moosehide Gathering event this summer, at Moosehide Village near Dawson City.

"We were thrilled to be involved in the sharing of such diverse cultures from the Yukon and elsewhere," said Casino's Vice President of Environmental Affairs, Jesse Duke.

Founded in 1993 by a dedicated group of Tr'ondëk Hwëch'in, the event continues to be a summer highlight for people from throughout the Yukon, Alaska, NWT and the world, in celebrating the Hän and other indigenous cultures.

"We had almost every dance troop from the Yukon perform and connect with each other," said Event Coordinator Tyla Crowe. "In addition to drum dancing, songs, and traditional workshops, the evening feasts were also a highlight and enjoyed by all, with moose meat, salmon and local produce from Klondike Valley farmers."

Casino provided financial as well as in-kind support by joining the 220 volunteers who 'rolled-up their sleeves' to make the event a success. We look forward to the next gathering in 2016.



Yukon Research Centre

Yukon College student checks plants at the Yukon Research Centre greenhouse

FOOD FOR THOUGHT AT TANTALUS SCHOOL

"Happy, well-fed children at school are more focused and engaged learners," according to Carmacks' Tantalus School Principal Morgan Douglas-Alexander.

Therefore, Casino continues to support the school staff and community in delivering the Tantalus School Breakfast and Lunch Program to all its students during this school year.

In addition to providing nutritious breakfasts and lunches, the program also enables students to learn to cook.

Educational Assistant Gisella Larkin will help lead the program and teach a group of male students ages 14 to 17 in the high school home economics class how to prepare the luncheon meals.

"We are very excited and as always grateful for the support from Yukon Food For Learning and Casino," said Morgan Douglas-Alexander.

"Happy, well-fed children are more focused and engaged learners," said Morgan Douglas-Alexander.

HAPPY 30TH CARMACKS

In early September, Casino representatives were delighted to attend the Village of Carmacks' 30th Anniversary celebrations at the community's recreation centre and chip in behind the barbeque to help keep the burgers and hot dogs in ample supply for the hundreds of enthusiastic event attendees from Carmacks and beyond.

Carmacks Mayor Elaine Wyatt and the Village Council and staff were gracious hosts and the well-organized event truly offered something for everyone – from a live band and balloons to children's games run by the Canadian Rangers and an enormous celebratory cake.

Casino extends its sincere congratulations to the Village of Carmacks and the entire community on this significant milestone.



Village of Carmacks Mayor and Council

METAL UPTAKE IN MAN-MADE WETLANDS

This past spring, Casino partnered with the Yukon College and Yukon Research Centre on an applied research project that will evaluate potential uptake of heavy metals in selected northern wetland plant species.

Research results will help to mitigate concerns of heavy metal uptake by plants in the Casino project area and the spreading of contaminants into the environment through wildlife.

The research will also inform the Closure and Reclamation Plan of the proposed Casino Mine's Tailings Management Facility. It aims to use constructed wetlands as a passive, long-term care solution for the treatment of open pit water overflow and tailings effluent.

"This project further reflects our commitment to using the highest possible standards and supporting innovation in mine remediation technologies in the north," said Casino President Paul West-Sells.

For more information on this wetlands project, visit www.casinomining.com/community/sharing_stories/wetlands

YUKON TEAM

Jesse Duke

VP Environmental Affairs

Over the past six years, Jesse has led the environmental programs at Casino and previously held senior management positions within the territorial government and the private sector. A long-time Yukoner, he was originally attracted to the territory seeking outdoor adventure and spent his first years in the Yukon as a trapper and guide prior to becoming a geologist.

Jesse is excited to be part of the Casino Project's commitment to responsible development and the modern approach to mining, and its provision of so many long-term benefits to the Yukon. His work with Yukon First Nations has been particularly gratifying as understanding First Nation perspectives is integral to his role with Casino.

Claudia Riveros

Communications & Logistics

Since the spring of 2013, Claudia has overseen the project's Yukon communications and logistics by collaborating with Casino staff to inform Yukoners about the project. She is also responsible for Casino's outreach initiatives to strengthen the company's social responsibility and support individuals and programs that help make a difference in their communities.

Originally from Chile and with a geology and diverse project management background, Claudia has moved from coast to coast in Canada, settling with her family in Whitehorse seven years ago. She welcomes the challenge of building a strong cultural awareness and healthy dialogue about Casino.

Amanda Leslie

Communications & Media Relations

With over a decade of experience working in the Yukon and Alaska, Amanda joined Casino in September 2013 as the communications and media relations specialist, guiding the project's communication strategy in the Yukon.

As the Principal of Mosaic Communications, she primarily serves the mineral development industry and First Nation development corporations and is also committed to creating awareness and raising funds within the Yukon's mining industry to support literacy and student attendance challenges in the territory.

Currently working on her Master's of Art Degree in Intercultural and International Communication from Royal Roads University, Amanda lives in Whitehorse with her husband and son.

CASINO

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Please contact us for more information about the Casino Project

Paul West-Sells
President

Cameron Brown
VP Engineering

Jesse Duke
VP Environmental Affairs

Mary Mioska
Senior Environmental Manager

Claudia Riveros
Communications & Logistics

Amanda Leslie
Communications & Media Relations

Email: info@casinomining.com

Web: www.casinomining.com

Toll Free: 1.888.966.9995

Fax: 1.604.669.2926

Mailing Address:

Casino Mining Corporation
18th Floor, 570 Granville Street
Vancouver, BC Canada V6C 3P1

Casino Mining Corp. is a fully owned subsidiary of Western Copper and Gold Corp.

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STAY CONNECTED

We invite you to visit our website at www.casinomining.com for more information about the stories contained in this newsletter and the Casino Project. We also encourage you to give us your feedback and stay connected by signing up for our regular project updates.

Front Cover: Casino at the Champagne and Aishihik First Nations Career Fair, Spring 2014

Back Cover: Casino Deposit on Patton Hill

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