

## **Project Charter for the Assessment of the Proposed Casino Mine Project**

### **BACKGROUND**

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The Casino Mining Corporation ("CMC") is advancing the development of a copper, gold, molybdenum and silver deposit located about 300 km northwest of Whitehorse, in west-central Yukon, Canada. CMC proposes to bring the deposit into production and establish a mine using a conventional open-pit, truck and shovel operation. Proposed major mine components include an open-pit, mill and flotation circuit, heap leach facility, tailings management facility, liquefied natural gas electrical generating station, camp and a 120 km access road. It is proposed that the mine will process about 120,000 tonnes of ore per day over a 22-year mine life (the "Project"). CMC has forecasted that the Project will contribute significantly to the Yukon economy with an estimated total of \$6.4 billion to Yukon's gross domestic product ("GDP").

The Yukon government ("YG") has long recognized the importance of mining to the economic and social health and well-being of residents. YG is committed to working with CMC and others, including Yukon First Nations and Canada, to ensure that the assessment process to be carried out under the *Yukon Environmental and Socio-economic Assessment Act*, S.C. 2003, c. 7 ("YESAA") occurs in a timely and efficient manner with respect to the Project.

### **YUKON FIRST NATIONS**

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The proposed Project will be located on Commissioner's Land, which is controlled and administered by YG. Several Yukon First Nations may be directly or indirectly affected by the Project.

The proposed mine itself will be located within the Traditional Territory of the Selkirk First Nation ("SFN"). Infrastructure associated with the proposed Project includes an access road and water pipeline. Access to the proposed Project would be by road which crosses the Traditional Territories of the Little Salmon/ Carmacks First Nation ("LSCFN") and SFN, with some of the proposed route overlapping SFN and LSCFN Settlement Land. A proposed water pipeline serving the proposed Project would extend from the proposed mine to the Yukon River. This proposed pipeline would cross SFN Traditional Territory and as it approaches the Yukon River would extend into the Traditional Territory of the Tr'ondëk Hwëch'in.

The Traditional Territories of the Kluane First Nation and White River First Nation are located downstream of the proposed Project and at least three other Traditional Territories of Yukon First Nations would be crossed as supplies, including liquefied natural gas, are brought to the site and concentrate from the proposed mine is transported out of Yukon to port facilities in Skagway, Alaska.

## **SCOPE**

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The proposed Project must be assessed pursuant to the *Yukon Environmental and Socio-economic Assessment Act*, S.C. 2003, c. 7 ("YESAA") as a first step in the assessment and regulatory process that must be completed before the Project can be undertaken by CMC. This Project Charter addresses the assessment process, up to and including issuance of a Decision Document which is the final step in the assessment process under YESAA.

## **OTHER DECISION BODIES**

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YG is committed to working with Decision Bodies for the project including Selkirk First Nation, Little Salmon / Carmacks First Nation, Fisheries and Oceans Canada, Natural Resources Canada and Environment Canada with a view to making the YESAA decision documents conform.

## **PURPOSE**

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The purpose of this Project Charter is:

- a) to identify the roles and responsibilities of the various YG departments, branches and committees involved in the assessment process; and
- b) to establish the primary points of contact for CMC with YG officials during the assessment process.

It is acknowledged that such communication takes place within the overarching context of the statutory obligations of YG and CMC as set out in YESAA and YG's legal obligations to consult Yukon First Nations, as required, during the assessment process.

Both CMC and YG acknowledge that the other may enter into Project Charters or similar instruments with other parties, including Yukon First Nations, at their sole discretion.

## **KEY ROLES AND RESPONSIBILITIES**

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Below is a table which describes the linkages between various YG senior and project officials and various branches, committees and working groups and sets out how these bodies will work with all parties involved in the assessment, including Yukon First Nations, Canada, CMC and the assessors responsible for conducting the assessment under YESAA.

For reference, the YG departments, branches, committees and working groups include:

- the Deputy Ministers Oversight Committee;
- the Development Assessment Branch of the Executive Council Office;
- the Corporate Project Team;
- the Interdepartmental Working Group; and
- topic specific technical working groups ("TWG").

These YG committees and working groups will, for the purposes of all parties involved in the assessment:

- a) establish a clear and transparent process for coordinating YG's involvement in the assessment of the Project, led by the Development Assessment Branch of the Executive Council Office; and
- b) provide various forums for detailed and topic specific discussions related to the Project.

The table below sets out some of the roles and responsibilities of the YG Committees as well as CMC in the assessment process.

Project Role	Participant(s)	Responsibilities
<b>Casino Mining Corporation</b>		
<b>CMC - Proponent</b>	Paul West-Sells, President and Chief Executive Officer; Cameron Brown, Vice President Engineering; Mary Mioska, Senior Environmental Manager	<ul style="list-style-type: none"> <li>• Participates in mine planning and design required for the assessment</li> <li>• Ensures that a complete and high quality ESE Statement for review is submitted consistent with YESAA and rules and guidelines established by the Yukon Environmental and Socio-economic Assessment Board ("YESAB")</li> <li>• Adheres to the timelines as established under YESAA and rules made by YESAB</li> <li>• Provides sufficient information to First Nations to enable their participation in the assessment process and continues to build relationships with First Nations</li> <li>• Communicates with the public and meets the requirements of advertising, meetings and other methods in order to enable the public to fully participate in the assessment process</li> <li>• Collects and distributes information</li> <li>• Communicates regularly with YG DAP Manager and the Corporate Project Team as the primary points of contact for the Project within YG</li> <li>• Works with DAP Manager to identify issues and appropriate method for resolution</li> <li>• Forms or supports topic-specific Technical Working Groups to resolve issues as they arise</li> </ul>

Project Role	Participant(s)	Responsibilities
<b>Yukon Government</b>		
<b>Deputy Ministers' Oversight Committee</b>	Stephen Mills DM, EMR (Chair of Deputy Ministers' Oversight Committee) Deputy Ministers of: Energy Mines and Resources, Executive Council Office, Environment, Highways and Public Works, and Economic Development	<ul style="list-style-type: none"> <li>• Oversees and directs YG project management as led by the Executive Council Office Development Assessment Branch and the Corporate Project Team</li> <li>• Supports YG review of Project assessment to meet agreed upon timelines.</li> <li>• Advocates for resolving project specific barriers and managing risks</li> <li>• Approves Project Charter</li> </ul>
<b>Senior Level Contact</b>	John Fox ADM, EMR	<ul style="list-style-type: none"> <li>• Senior level contact for CMC</li> <li>• Communicates with CMC senior management and YG elected officials</li> <li>• Communicates with YG DAP Manager</li> <li>• Full participant of DMOC</li> <li>• Communicates with DMOC</li> </ul>
<b>Development Assessment Process Manager</b>	Julie Stinson, DAP Manager , ECO-DAB	<ul style="list-style-type: none"> <li>• Responsible for project oversight and project management</li> <li>• Point of contact for all activities within the project review</li> <li>• Primary CMC contact at working and technical level</li> <li>• Chair of the Corporate Project Team</li> <li>• Coordinates the activities of the Corporate Project Team and Interdepartmental Working Group</li> <li>• Ensures that all timelines are met within assessment</li> <li>• Forms or supports topic specific TWGs, as needed or requested</li> <li>• Coordinates YG participation in TWGs</li> <li>• Proactively identifies risks and issues that may impact Project review</li> <li>• Facilitates discussions between YG and CMC to resolve issues</li> <li>• Maintains interagency communications</li> <li>• Provides project updates to ECO-DAB Director and Deputy Ministers Oversight Committee</li> <li>• Manages day to day administration of process including SharePoint, issue tracking, meeting coordination, information exchange</li> </ul>

Project Role	Participant(s)	Responsibilities
		<ul style="list-style-type: none"> <li>• Assists Proponent and Corporate Project Team participants with access to materials and information exchange.</li> <li>• Identifies the need for consultants/technical experts as required</li> <li>• Coordinates hiring process for consultants/technical experts when required</li> </ul>
<b>QML/WUL Advisors</b>	Andrea Kenward, Mining Technologist, EMR, John Ryder, Manager Environmental Assessment, ENV	<ul style="list-style-type: none"> <li>• Member of Corporate Project Team</li> <li>• Works with DAP Manager and Interdepartmental Working Group to ensure appropriate technical information is considered in assessment</li> <li>• Proactively identifies risks and issues that may impact Project review</li> <li>• Identifies the need for consultants or technical experts as required</li> <li>• Supports and advises the hiring process for consultants or technical experts as required.</li> <li>• Supports and advises on the transition from the environmental assessment to QML and WUL permitting processes</li> </ul>
<b>Director, ECO-DAB</b>	Lindsay DeHart, Director, ECO-DAB	<ul style="list-style-type: none"> <li>• Senior level project accountability to Deputy Ministers Oversight Committee</li> <li>• Provides project updates and elevates issues to the Deputy Ministers Oversight Committee for decision and direction as required</li> <li>• Primary contact to CMC for discussions related to YG's role in the YESAA Panel Review process.</li> </ul>
<b>Aboriginal Relations Advisor</b>	Angus Cathcart, Senior Consultation Advisor, ECO-AR	<ul style="list-style-type: none"> <li>• Supports the coordination of First Nations consultation throughout the assessment</li> <li>• Participates on the Corporate Project Team</li> <li>• Works with DAP Manager to ensure efficient and effective communication between proponent and First Nations</li> <li>• Assists in the development of recommendations to be considered by the Deputy Ministers Oversight Committee as it pertains to First Nations related issues</li> </ul>

Project Role	Participant(s)	Responsibilities
<b>Corporate Project Team (CPT)</b>	DAP Manager, QML/WUL Advisors, AR Advisor	<ul style="list-style-type: none"> <li>• Accountable for timely and successful coordination of YG's participation throughout the assessment</li> <li>• Oversees or undertakes consultation as required with First Nations on decisions related to the Project to meet Yukon Government's legislative and common law consultation requirements.</li> <li>• Provides CMC with an understanding of YG's positions and activities with respect to the Project during the assessment</li> <li>• Reports to the ECO-DAB Director and Deputy Ministers Oversight Committee Chair via the DAP Manager</li> <li>• Attends Deputy Ministers Oversight Committee meetings and advises as necessary</li> </ul>
<b>Interdepartmental Working Group (IWG)</b>	ECO, ENV, EMR, HPW, HSS, EcDev, T&C, CS, YWBS and other departments as required  IWG technical advisors and consultants (internal and external)	<ul style="list-style-type: none"> <li>• Participates at key stages of the Panel Review process including, but not limited to, the review of the panel terms of reference, the technical analysis of the ESE Statement, public hearings, review of the Panel Report and Recommendation, and development of the decision document.</li> <li>• Participates in specific interdepartmental review committee meetings when requested</li> <li>• Participates in site visits when requested</li> <li>• Provides DAP Manager timely input and recommendations to be considered by assessors</li> </ul>

## **TECHNICAL WORKING GROUPS**

Topic specific technical working groups will be established as required. These groups may be led by either YG or CMC or other parties, as appropriate given the subject of the working group. Participation in TWGs will depend on the nature of the specific topic and could potentially include officials and/or consultants from YG, CMC, assessors, First Nations, Canada and others.

## **CRITICAL SUCCESS FACTORS**

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For the Project Charter to successfully assist in supporting the assessment process for the Project, the following factors must be realized.

For CMC:

- a) CMC will participate fully in the assessment process as set out in YESAA and rules made pursuant to YESAA.
- b) CMC will submit a complete, high quality ESE Statement for review.
- c) CMC will, within applicable timelines, submit any additional information deemed necessary by the assessors and any TWGs that may be established.
- d) CMC will maintain regular communications with the DAP Manager and other YG bodies as required.

For YG:

- a) The DAP Manager will have the authority and accountability to lead a multi-departmental project review.
- b) The Interdepartmental Working Group will undertake timely reviews of the ESE Statement in accordance with timelines established under YESAA.
- c) The Interdepartmental Working Group will provide a list of project information requirements to assessors as necessary throughout the review process.
- d) Technical review participants (internal to YG or external consultant led) will conduct a full technical review of the ESE Statement and outline additional information requirements, if any, including an indication of the type and level of further data, information and/or analyses required to address questions raised in the review.
- e) YG officials and committees responsible for communication with CMC will maintain regular communications with CMC.

## **YG INVOLVEMENT IN THE PANEL REVIEW STAGES**

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YG will participate in various roles (technical experts, regulators, Decision Body) at key points in the Panel Review process. The stages of involvement include, but are not limited to, the review of the Panel terms of reference, the technical analysis of the ESE Statement, the public hearings, the review of the Panel Report and Recommendation, and issuing the decision document. Prior to submitting final documents, each YG Department will have gone through appropriate senior management review and approval. First Nation consultation will also occur at key points in the process.

## **FACTORS**

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The following will or may have an impact on the assessment of the Project. This is not an exhaustive list.

- YESAA requirements, rules, processes
- First Nation consultation

## **LEGAL EFFECT OF CHARTER**

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Consistent with the purposes of this Project Charter, this Charter is intended to identify roles and responsibilities and establish communication points for CMC with YG officials. All actions of YG and CMC will be carried out to facilitate the assessment of the Project, recognizing the statutory obligations and responsibilities of YG and CMC under YESAA. Further, this Charter is not intended to have any legal effect and is not to be construed to limit, fulfill or alter in any way any statutory or other legal obligation or duty of YG or CMC.

## **PROJECT CHARTER REVIEW AND AMENDMENTS**

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The Project Charter may be amended by CMC and YG at the request of either party. All amendments require the consent of both parties and are to be in writing.

For greater certainty, any changes in personnel identified in this Charter by YG or CMC is not an amendment to this Charter but CMC or YG, as the case may be, will promptly notify the other of any changes to identified personnel.

CMC and YG will review the Charter upon request of either party and will review it six months after the Charter is signed.

## **APPROVAL SIGNATURES**

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**Proponent**

**Deputy Ministers' Oversight Committee**



Date: 28/06/16

Paul West-Sells

President & CEO, Western Copper and Gold



Date: 28/06/16

Stephen Mills

Deputy Minister, Energy Mines and Resources

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## **Appendix 1 Illustration of Project Charter**