

# **BRIEFING NOTE TO BOARD MEMBERS**

## **CASINO MINE**



### **BACKGROUND**

Casino Mining Corporation, a subsidiary of Western Copper and Gold, is proposing the development of a large open-pit mine on Crown Land in the Yukon Plateau. The proposed mine site is located approximately 150 kilometres northwest of Carmacks, due west of Pelly Crossing and less than 20 kilometres away from the Yukon River. Casino aims to mine a deposit of gold, copper, molybdenum and silver. If developed, Casino will be the largest mine in Yukon.

The proposed mine site falls within the traditional territory of the Selkirk First Nation. The proposed access roads will cross the traditional territories of both the Selkirk First Nation and Little Salmon First Nation. The traditional territory of the Tr'ondëk Hwëch'in First Nation also intersects the mine site at the Yukon River.

### **ISSUES**

Since baseline studies began in 2007, there have been a number of issues raised regarding the long-term impacts Casino Mine will have on both the environment and wildlife. Special concern is directed towards the storage of contaminated tailings, and a new access road that will intersect critical wildlife corridors.

In 2016, YESAB sent the Casino Mine project proposal to a Panel Review. This is the first time YESAB has sent a proposal to a Panel Review. In 2018, Western Copper and Gold decided to delay its submission for the review, in order to re-evaluate its proposed tailings plan.

### **CURRENT STATUS**

Western Copper and Gold claims it will submit its Environmental and Socioeconomic Statement to YESAB by the end of 2019. Paul West-Sells, CEO of Western Copper and Gold, says the company doesn't expect construction to begin for at least three years. Construction will take four to five years, and operation of the mine is expected to last 22 years.

### **KEY CONSIDERATIONS**

The key issues for the Board to consider at this time are the type and quality of tailings that will be produced, and whether the proposed tailings dam is capable of indefinitely containing a large quantity of hazardous waste.

#### **1. WASTE MANAGEMENT AND TAILINGS**

The proposed Tailings Management Facility (TMF) for Casino Mine is to be an earth-filled dam. The tailings pond will span 11 square kilometres, storing 947 million tonnes of tailings, and 658 million tonnes of potentially reactive waste. The proposed dam will be the second highest dam in the world, and the world's highest tailings dam.

The type of TMF featured in the Casino Mine proposal is similar to the tailings dam that collapsed at Mount Polley B.C., leading to 24 million cubic metres of contaminated waste draining into the Quesnel Lake watershed. If the tailings dam fails at Casino Mine, it will release tailings into the Donjek, White and Yukon Rivers.

## 2. ACCESS ROADS AND KLAZA CARIBOU HERD

To access the Casino property, 120 kilometres of new roadway will need to be added to the existing Freegold Road. The proposed road will run through the wintering range of the Klaza caribou herd. It is expected that over 100 trucks will utilize this road every day.

Such all-season haul roads are known to disturb vital caribou habitat and even increase predation; both by wildlife and human hunting.

In 2012, the population of the Klaza herd was estimated at 1,180 caribou. In 2016, the Klaza Caribou Herd Range Assessment noted four key habitat objectives that will contribute to maintaining or increasing the herd size, all of which focused “on mitigating or reducing potential impacts to the winter range, and during the winter season”.

## 3. ENERGY USAGE AND GREENHOUSE GAS EMISSIONS

Casino Mine will double Yukon’s greenhouse gas emissions. LNG will have to be trucked to the site and gasified to generate power for the 150-megawatt plant.

Freshwater will also need to be brought in from the Yukon River, via a 17-kilometre-long pipeline.

## 4. ECONOMIC IMPACTS

The total capital expenditures for the project are estimated at \$2.5 billion. Casino Mine is expected to employ 1,000 people during construction and another 600 during operation, generating roughly \$274 million in economic activity each year.

## CONCLUSION

Wet tailings dams must be monitored and maintained for years after a mine closes. This type of dam has been used in Yukon historically. Mines such as Faro, Keno, and Wolverine all featured a wet tailings dam.

The Faro Mine tailings spill occurred in 1975, the mine was officially abandoned in 1998. Remediation of Faro Mine is now entering the planning stage and will cost the Government of Canada \$1 billion. It is expected to take 400 years for the site to be fully remediated.

The proposed Casino Mine, as it stands, poses a high level of risk to the integrity of Yukon’s freshwater systems and wildlife habitat.

Should the Casino Mine tailings dam ever fail, local fish and wildlife will be directly impacted, including the Mainstem Yukon chinook salmon and the Klaza caribou herd.

## RECOMMENDATIONS

Further engagement with Selkirk First Nation, Selkirk RRC, Little Salmon Carmacks First Nation, Carmacks RRC, Tr’ondëk Hwëch’in First Nation, and the Dawson District RRC is recommended.

Under 16.7.12.1 of the Umbrella Final Agreement, the Board may recommend to the Minister a new policy which aims to protect fish, wildlife and habitats from future mining practices that will negatively affect local renewable resources.