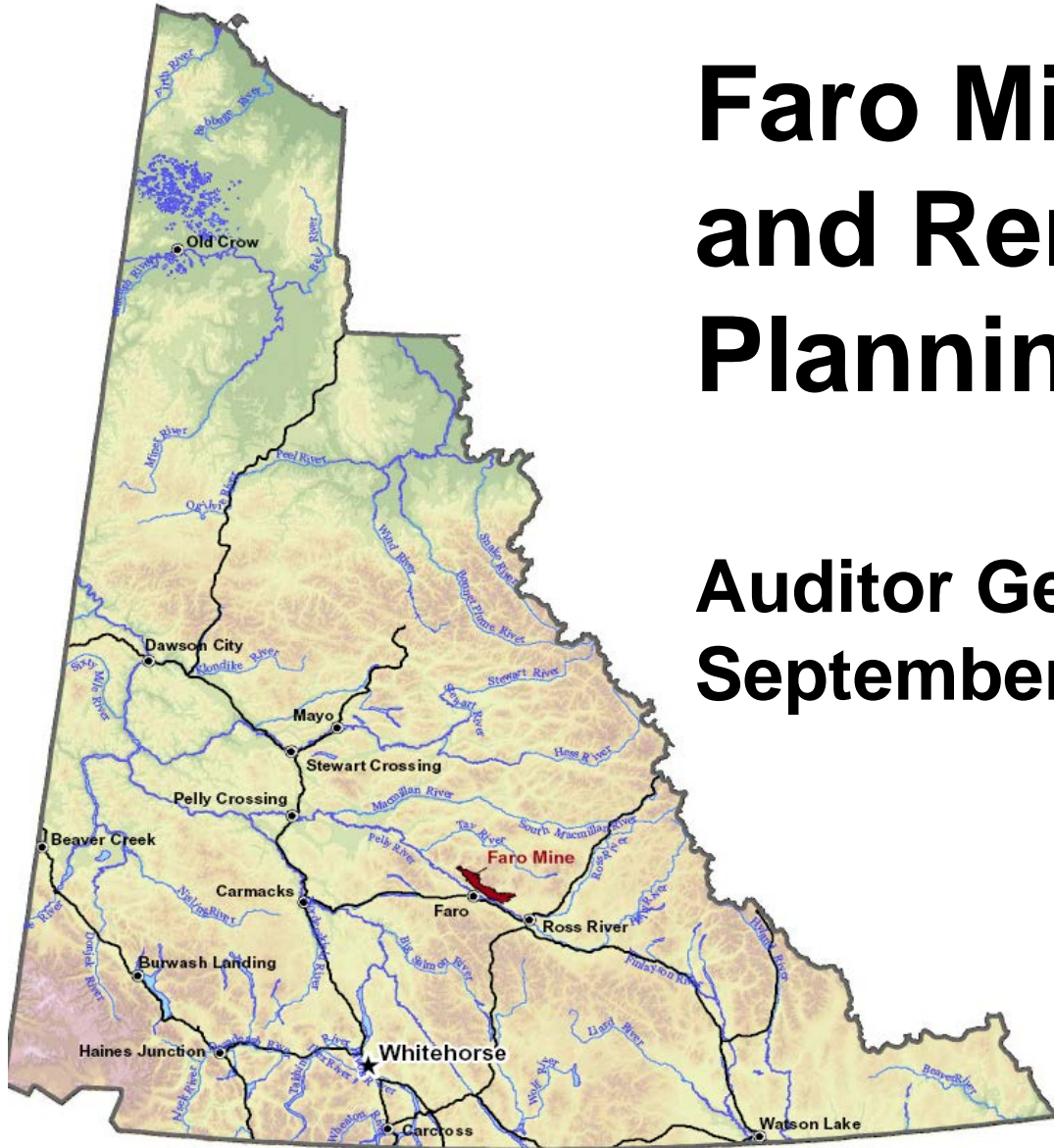


Faro Mine Closure and Remediation Planning

Auditor General's Office Tour -
September 2006



Progress since 2003

	Establishment of Management Structures	Site Understanding
2003	Canada-Yukon-First Nation Oversight Committee <i>- Senior level leadership & strategic direction</i>	Scoping of components and issues
2004	Canada-Yukon Joint Office/Steering Committee <i>- Project management of Type II Sites, including approval of budgets and work plans</i>	Establishment of Closure Objectives Technical studies <i>- Current and Future Conditions</i> <i>- Impacts and Effects</i>
2005	Faro Mine Closure Office (Whitehorse, Pelly Crossing, Ross River, Faro) <i>- Development and preparation of a Closure and Remediation Plan</i>	Closure methods <i>- Methodology</i> <i>- Costs</i> <i>- Practicality</i> <i>- Performance/Effectiveness</i>

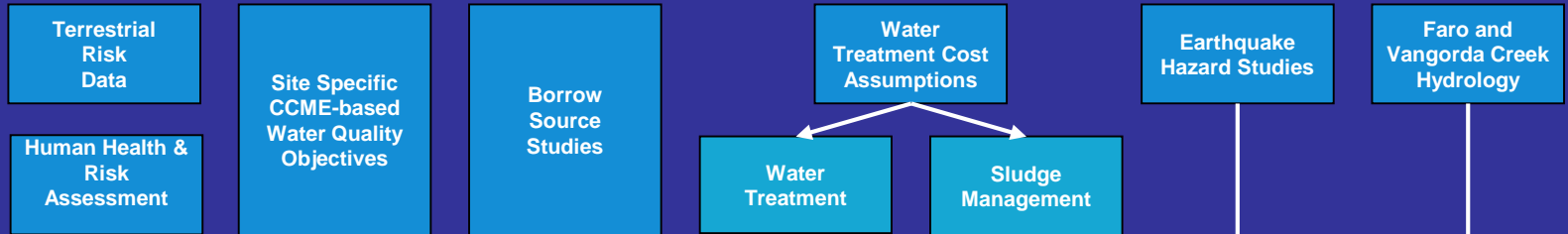
Overarching Closure Objectives

1. Protect human health and safety
2. Protect and to the extent practicable restore the environment, including land, air, water, fish and wildlife
3. Return mine site to an acceptable state of use, that reflects pre-mine land use where possible
4. Maximize local and Yukon socio-economic benefits
5. Manage long term site risk in a cost effective manner

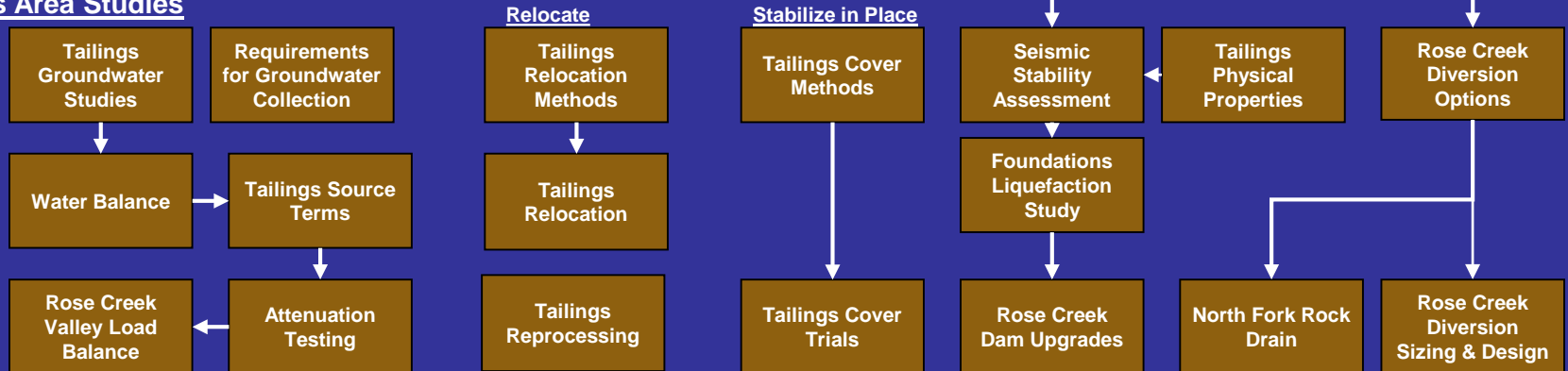


Technical Studies 2003-2006

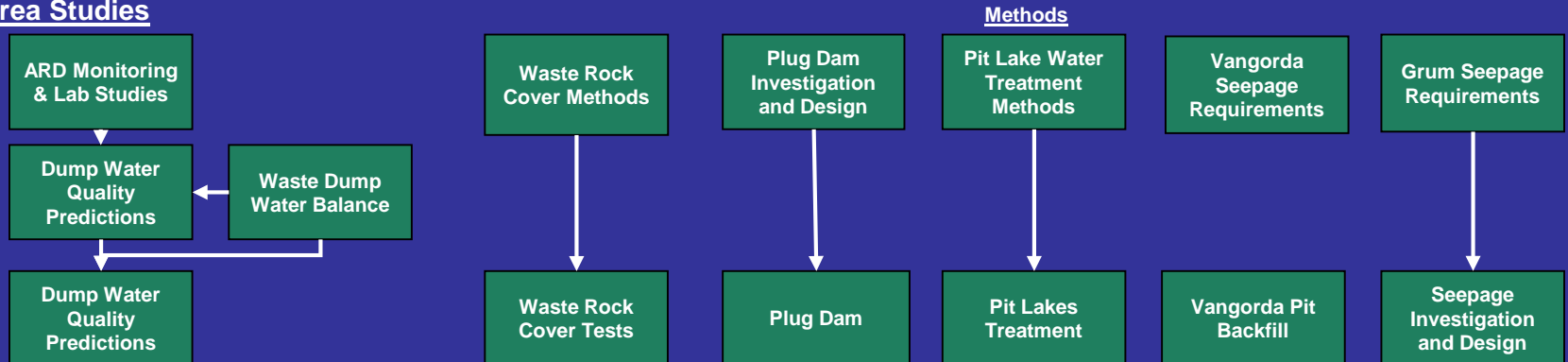
Basic Technical Studies



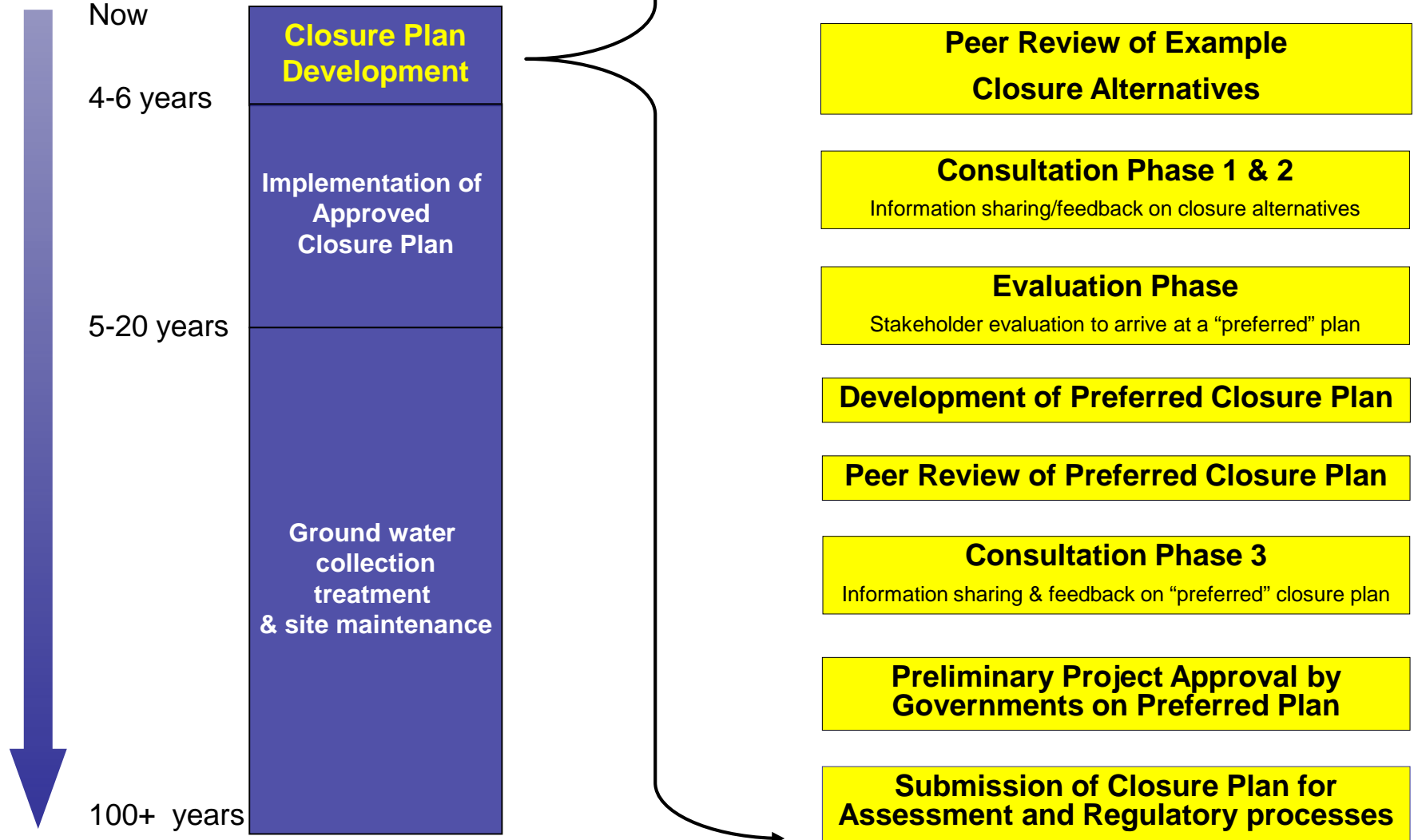
Tailings Area Studies



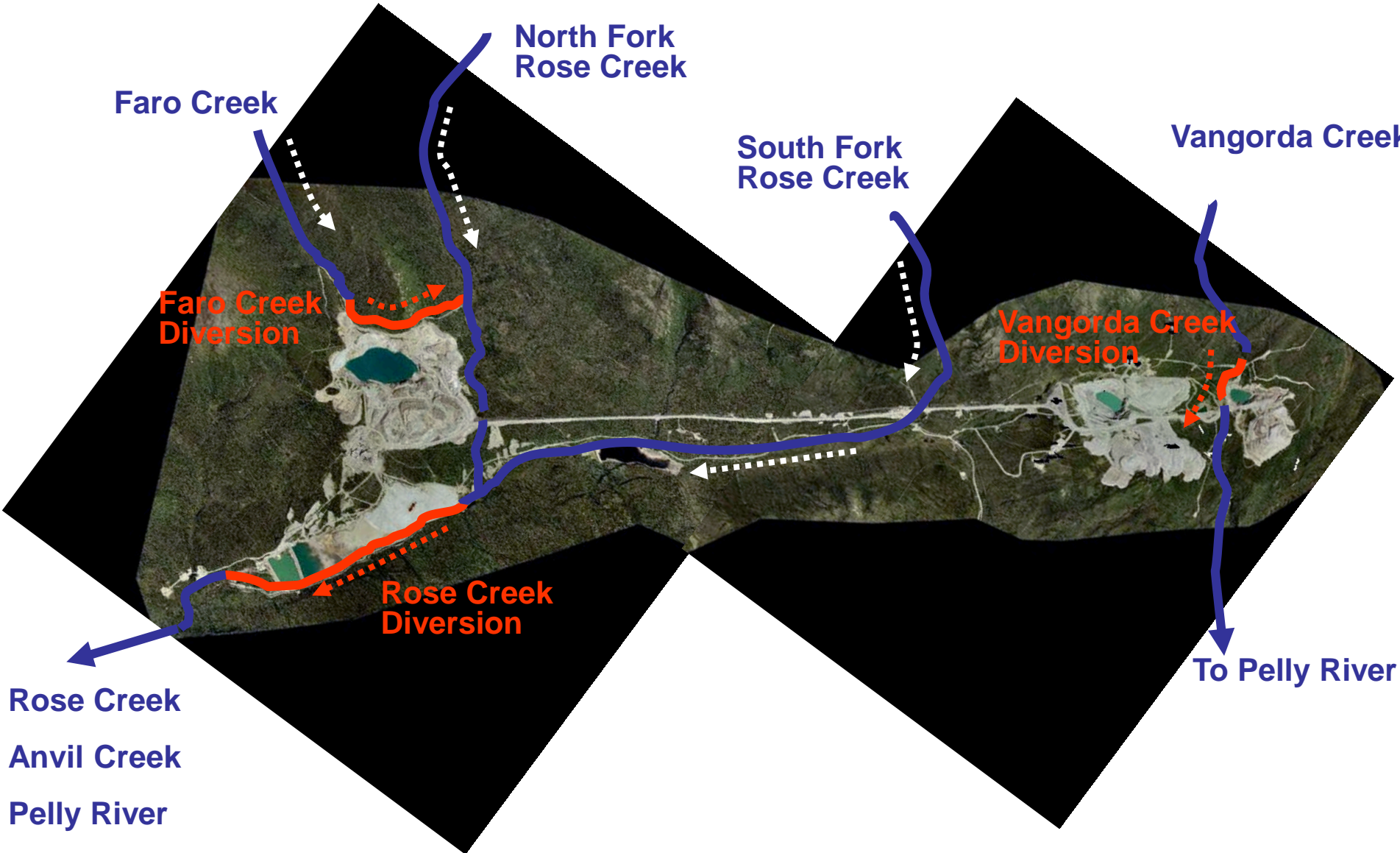
Mine Area Studies



Closure Planning



Faro Mine Complex Overview



Faro Mine Complex Site Inventory

Faro Mine Area



Vangorda Plateau



Components

- 70 million MT tailings (3 dams)
- 1 open pit – Faro Pit
- 2 stream diversions
- 250 million MT waste rock

Components

- No tailings
- 2 open pits: Vangorda & Grum
- 1 stream diversion
- 70 million MT waste rock

Environmental Issues - Tailings



Acid generation & release of metals

(continue to increase 400-600 yrs)

Stability of dams/diversion

(Probable Maximum Flood & Maximum Credible Earthquake)

Dust transport

(from tailings and mill area)



Ground & Surface Water Contamination

(Groundwater “breakthrough” expected in 10-20 years)



Mass tailings release to aquatic environment after extreme event

(Rose Creek, Anvil Creek, Pelly River)



Contamination of terrestrial environment

(ongoing – currently no risk to human and ecological health)

Environmental Issues - Waste Rock



Exposed Waste Rock Piles

(320 million MT in total across whole site)

Acid generation & release of metals

(continue to increase 400-600 yrs)



Direct contact by human/animals

&

Future land use and aesthetics

(mine complex in traditional territory of Ross River Dena)



Ground & Surface Water Contamination

(waste rock varies in composition & potential to release metals)

Environmental Issues - Diversions

Three main stream diversions currently keep clean surface water away from areas of contamination.

If these structures are needed for the long-term, they will need to be upgraded to withstand severe floods and earthquakes



Example Alternatives



- **Alternatives created from technical studies**
 - provide focus for community feedback
- **Show a range of what's possible.**
 - changes, combinations and substitutions are still possible

- **Alternatives in each area**
 - Tailings Area
 - Faro Mine Area
 - Vangorda/Grum Area





Addressing the Tailings Issues

1. Move the Tailings

1. Pump tailings slurry to Faro Pit (8-12 yrs)
2. Excavate remaining contaminated soil (2 yrs)
3. Collect contaminated water under valley bottom (10-20 yrs)
4. Remove dams and diversions; restore Rose Creek

2. Stabilize and Leave in place

1. Upgrade dams and diversions
2. Install cover over tailings
3. Collect and treat contaminated water (100 + years)

3. Partial Relocation (Move Some and Leave Some)

1. Uses a combo of 1 and 2
2. Avoids most expensive and technically challenging part of diversion upgrade

Addressing the Faro Mine Area Issues

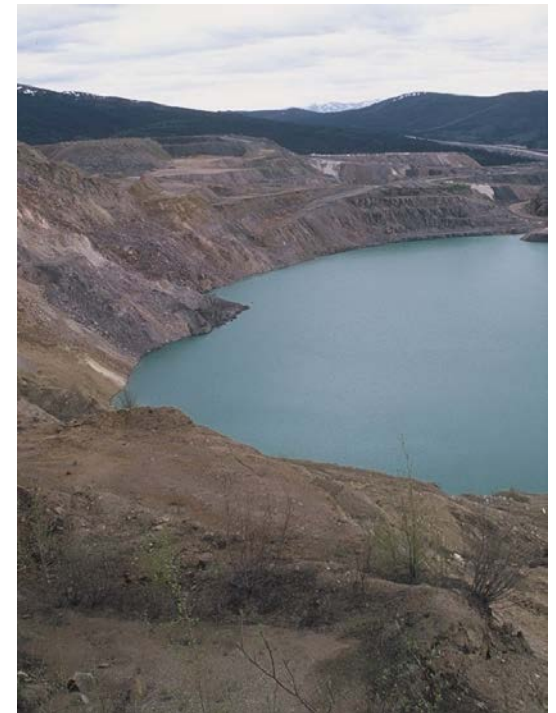
Divert Faro Creek into Faro Pit
OR
Divert Faro Creek around Faro Pit

AND

Moving towards Biological Water Treatment
AND/OR
Water Treatment in a Treatment Plant

AND

Cover and/or Move Waste Rock



Addressing the Vangorda/Grum Mine Area Issues

1. Move Vangorda Waste into Vangorda Pit
WITH
Biological Treatment in Grum Pit

OR

2. Leave Vangorda Waste in Place
WITH
Biological Treatment (Grum Pit) and Water
Treatment in a Treatment Plant

AND

Cover and/or Move Waste Rock



Uncertainties and Assumptions

Uncertainties

Future Rock Chemistry
“what will happen to the
rock over time”

and

- Groundwater Collection Efficiency (*load release*)
- Cover Effectiveness (*infiltration*)
- Movement of contamination through ground (*timing*)

Assumptions

All alternatives include:

- Soil covers on waste rock and/or tailings
- Long-term collection & treatment of contaminated water
- Long-term, ongoing site activities, monitoring and maintenance