



**Faro Mine Rehabilitation –
A Project Charter**

prepared for:

**Government of Yukon:
Energy, Mines and Resources**

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Table of Contents

Letter of Transmittal

	Page
1. Introduction.....	1
2. Context for Project Planning.....	1
3. The Objective	2
3.1 A Comprehensive Approach to Planning.....	3
3.2 Managing the Planning Process	3
3.3 Costs and Schedules.....	4
3.4 Communications	4
3.5 Next Steps	5

1. Introduction

The purpose of this document is to provide general information about how planning for the remediation of the Faro property is being conducted. This Project Charter consolidates agreements and undertakings that are contained in a number of documents and provides a clear record of intent. It also serves as an overview for the managers involved in the work and is primarily written to inform others within government of how the public obligations of remediation and orderly closure are being addressed. The document identifies the general approach to remediation planning, outlines the key management processes and presents important information about schedules and communications. The responsibilities of governments for the Faro property and accountability for the planning process are included in the description of the management processes thus the Charter also fulfills a duty of openness and transparency.

The Project Charter deals broadly with the planning process being utilized for preparation of a remediation plan suitable for submission to the appropriate review and regulatory authorities. Finalizing the remediation plan and its implementation are separate from and follow this process.

2. Context for Project Planning

The remediation of the pits, mill, tailings ponds and supporting infrastructure and the closure of the Faro mine are major undertakings, the responsibility for which has fallen to government. The work must be very carefully planned, as the challenges are significant. The options examined must not only address the central issue of public health and safety and environmental integrity but must also consider a number of other difficult issues.

Remediation of this major industrial site must be thoroughly examined from the point of view of current and future risk. Assessing risk is a difficult but critical exercise and involves the weighing of a range of considerations such as engineering and design standards, environmental and community values, potential harm, and may also include the strategy of accepting a higher level of risk for a period of time as other objectives are achieved.

There are not unlimited funds to deal with the remediation of the Faro property. Costs will certainly have a bearing on the options considered and must be carefully balanced against remediation standards set for the site and the results desired, the selection of the preferred approach, the timing of implementation and the nature of assumed risk. All of these involve being clear about the values that underpin the remediation work and prioritizing these against what can realistically be done at a site that has been so fundamentally

altered by past industrial activity. Managing budgets to maximize local economic benefits is also a goal that must be pursued in the context of cost containment and competitive opportunity.

The planning process must provide equal access and influence for diverse voices and treat all opinions with respect. Above all, the work must be done in a way that secures public support and confidence in the undertakings.

There are clear expectations that the legacy of environmental damage present at the Faro mine site will be dealt with in a manner that provides Yukoners and in particular nearby First Nations, with the confidence that all major issues have been reasonably addressed. They want assurance that the water leaving the property is clean and will support a healthy aquatic ecosystem. They want to be satisfied that unacceptable levels of minerals are not entering the environment. And they want to know that significant problems will not re-emerge sometime in the future.

This document records how the parties with responsibilities for the property are responding to these expectations and how they are meeting their obligations through a comprehensive planning process.

3. The Objective

The objective is to prepare a comprehensive remediation plan for submission to the appropriate assessment and regulatory authorities as well as final decision makers and, if approved, for securing funding and carrying out the remediation work at the site.

The complexity of issues involved in the remediation of the Faro property cannot be understated. In terms of costs alone there is an imperative to invest in proper planning and to take the time to be as thorough as possible. The plan will provide the details of how the Faro property is to be brought into a condition that will ensure the environmental integrity of the site and surrounding lands and waters. It will also account for such matters as First Nations and public involvement, and managing economic opportunity.

Remediation planning is being undertaken in parallel with ongoing care and maintenance work being conducted on the property by the court appointed Interim Receiver. These and other relevant activities will be incorporated into the process.

3.1 A Comprehensive Approach to Planning

Securing the long-term environmental integrity of the Faro property is the goal of remediation. To ensure that the difficult choices to be made are founded on reliable data detailing the current conditions of the site, research on topics that range from ground water regimes to chemistry and slope stability are fundamental. Such studies are a central stage in the planning process.

The plan is to be framed around clear objectives that will set the goals for remediation work. These in turn will help shape the development of options and an analysis of the options will lead to preferred courses of action around which the plan can be prepared. Agreeing to objectives, the identification of options and the development of the plan will require extensive consultation with First Nations, within governments and with the public.

The final stage in the development of a remediation plan involves regulatory review and approval. The plan must be assessed under YESSA for environmental impacts and must also receive approval for land and water licences and permits. These processes, which follow the activities described in the Project Charter, will help to determine the final shape and content of the remediation plan, including the strategies for its implementation and monitoring. A well-developed plan will allow the regulatory process to focus on the details relevant to its mandate.

3.2 Managing the Planning Process

The coordination of government activities related to residual problems on mineral properties for which there is no responsible owner is one of the challenges of mine site remediation in Yukon. Broadly stated, the Government of Yukon, working closely with the Government of Canada through a joint process, and with affected First Nations, is responsible for planning and site management; the federal government is accountable for funding. A DIAND-GY Joint Steering Committee provides direction and budget and work plan approval for government action on all mineral properties requiring significant remediation, known as Type II Mines. The specific undertakings are managed under a working group known as the Joint DIAND-GY Type II Office, located in Whitehorse.

Given the complexity of the Faro property special processes have been established to manage and oversee the planning project. A Faro Mine Oversight Committee, comprised of senior staff of the territorial and federal governments and the affected First Nations, provides leadership and general direction on studies, budgets and administrative matters to a working group called the Faro Mine Remediation Project Office (FMRPO). This later group has been specifically charged with the responsibility of developing a remediation plan for submission to the regulatory process. This includes managing the appropriate studies and coordination with all other groups with an interest in the Faro property. The FMRPO, located in Whitehorse, is also active in seeking the views of the public and communities, including liaison with

the Town of Faro. Community based First Nation offices have been established in Pelly Crossing and Ross River to facilitate the provision of information to the FMRPO and to inform the communities about the remediation planning. Interim arrangements were put in place, including the hiring of an interim project director, pending the establishment of the FMRPO. The experience and expertise of the Type II Office is also being used to inform and assist the work of the FMRPO.

Members of the DIAND-GY Joint Steering Committee carry the accountability for their governments for the development of the Faro remediation plan. While this duty is exercised through a number of groups, how this work is done and results achieved are ultimately under the direction and approval of the Steering Committee.

3.3 Costs and Schedules

The federal government provides the bulk of the funding for the Faro project but some planning costs are shared with the territorial government. A general three-year work plan and budget have been developed and the costs for each of the major activities have been estimated. This multi-year overview is supported by the development of detailed annual plans and budgets by the FMRPO, which are then submitted to the Oversight Committee for review and general approval.

It is anticipated that the baseline work will be completed by the fall of 2005 including identifying the objectives and options for remediation and recommendation of the preferred option. Following this, a final plan will be developed and tested. This will be complex work involving additional studies and preparing material for the regulatory process. It also includes securing government support for the preferred option and commitments to budgets for the implementation phase. Most of this work is to be undertaken during 2006. The current target for the completion of the Faro remediation plan is to be ready for submission to the regulatory process early in 2007, although every effort is being made to move this forward and achieve plan completion by the end of 2006.

3.4 Communications

There is a commitment to ensure effective communications with all Yukoners during the development of the Faro remediation plan. The plan must enjoy wide public support to be successfully implemented. The planning process has been specifically designed to support strong communications with the affected communities and stakeholders.

To this end a communications strategy has been prepared and approved by the Oversight Committee. The strategy is supported by detailed annual communication plans, which are also submitted to the committee by the FMRPO for approval.

These plans include specific activities to ensure communities, special interest groups, regulatory boards and advisory committees, government departments, the media and the public are all well informed about the planning initiative. The process has been established on the principles of transparency, sharing information, and securing community understanding and involvement. The FMRPO is responsible for coordinating public consultation and stakeholder involvement. The community-based offices established in Ross River and Pelly Crossing are responsible for planning and securing First Nation community contributions to remediation planning.

3.5 Next Steps

This Project Charter deals with the work and process leading to the filing of a remediation plan with the review and regulatory agencies. However, the results of the assessment and regulatory processes as well as government decisions for financial and other approvals will influence the shape and content of the final remediation project description. One of the objectives of the planning process is therefore to develop an approach that will, to the extent possible, anticipate the needs and expectations of the review and regulatory agencies. If this is successfully done, the next step will be to incorporate the findings of the assessment and permit and licence conditions into a final implementation plan. Given the complexity of issues involved it will be a number of years before the process is complete. In addition, implementation will undoubtedly present some unique challenges and a new project charter may be required for this last stage.