

YESAB
Yukon Environmental and Socio-economic
Assessment Board

Project No.: 2006.0050

2007 January 12

Mr. Jonathan Clegg, Project Manager
Western Copper Corporation
#2050-1111 West Georgia Street
Vancouver, BC V6E 4M3

Dear Mr. Clegg:

Thank you for the submission of the Project Proposal – Revision No. 2 for Western Copper Corporation's proposed Carmacks Copper Project.

The Executive Committee has been conducting an adequacy review of the project proposal since it was submitted on November 16, 2006. As a result of our adequacy review it has been determined that supplementary information is required. The attached report entitled, "*Project No. 2006-0050 - Western Copper Corp. Carmacks Copper Project – Executive Committee Pre-Screening Supplementary Information Adequacy Review*" presents the details of our request for supplementary information.

Pursuant to the Executive Committee Screening Rules, the proponent is afforded 180 days to either submit the requested supplementary information or to advise the Executive Committee in writing, of when it will be submitting the supplementary information. Once the outlined information has been provided by the proponent it will be reviewed, and upon a determination of adequacy, a screening will commence in accordance with Executive Committee Screening Rules.

If you have any questions, comments, or concerns with regard to the request for supplementary information or any aspect of the assessment, please contact me or Travis Ritchie, the Senior Assessment Officer assigned to this project, at (867) 668-6420.

Thank you for your time and consideration in this matter. The Executive Committee looks forward to your response.

Sincerely,



Stephen J. Mills
Executive Committee

c. Dan Cornett, Environmental Assessment Manager, Access Consulting Group
Lindsay Dehart, Project Manager, Development Assessment Branch, Executive Council Office, YTG

Encl. Project No. 2006-0050 - Western Silver Corp. Carmacks Copper Project – Executive Committee Pre-Screening Supplemental Information Adequacy Review

Executive Committee Pre-Screening Supplementary Information Adequacy Review

Project No. 2006-0050

**Western Copper Corp.
Carmacks Copper Project**

January 12, 2007

YESAB
**Yukon Environmental and Socio-economic
Assessment Board**

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1.0 INTRODUCTION

This document synthesizes the results of an adequacy review conducted of the supplementary information (revised project proposal No. 2) received by the YESAB on November 16, 2006 as submitted by the Western Copper Corporation for the Carmacks Copper Project. The original project proposal was submitted on February 27, 2006, with the initial adequacy review report issued by the YESAB Executive Committee (EC) on April 28, 2006.

Subsequent to a detailed review of the revised project proposal the EC has determined that the project proposal is not yet adequate for the purposes of commencing the screening and requires that the proponent address the deficiencies as outlined in this report.

The document is organized to follow the initial adequacy review report and request for supplementary information to identify where the proponent has, and has not, met proposal adequacy. The requests are organized into two categories, editorial comments (e.g., structure, formatting, and readability) and content comments (e.g., requirements for addition information and analysis). For ease of review and address, a continuous numbering system for each request of additional information has been instituted throughout the document. As appropriate the individual information requests are prefaced with a discussion of what was requested initially and what was submitted to provide context for the supplementary information required.

If any of the information requested herein is already contained in the project proposal please excuse the oversight and simply provide direction to where it may be found in the proposal.

Pursuant to the Executive Committee Screening Rules, the proponent is afforded 180 days to either submit the requested supplementary information or to advise the Executive Committee in writing, of when it will be submitting the supplementary information.

The form and content of the submission of supplementary information should comply with all applicable rules and requirements of the Board, including the general filing requirements and any specific direction provided to the proponent herein.

The EC is willing to review this document with the proponent at a time of mutual convenience prior to the proponent submitting the supplementary information.

Please direct all questions, comments, or concerns regarding this adequacy review report or the project assessment in general to the YESAB Senior Assessment Officer for this project, Travis Ritchie, who may be reached by telephone at (867) 668-6420, by email at travis.ritchie@yesab.ca, by fax at (867) 668-6425, or in person at 3059-3rd Ave, Whitehorse, Yukon.

2.0 EDITORIAL COMMENTS ON REVISED PROJECT PROPOSAL

The proponent was asked to submit a limited number of copies (3) of the revised project proposal for the purposes of determining adequacy, subsequent to the original adequacy review. This request was made to save the proponent the effort and expense of submitting the full complement of project proposals prior to an adequacy determination being made. In light of the limited number of copies that the proponent had prepared it was felt that the following editorial changes should be made by the proponent.

1. Section 5.0 and particularly section 7.0 of Volume I contain a mixture of old information remnant from the original YEAA project proposal submission with some summary and stitching back to the more contemporary socio-economic effects assessment contained in Appendix P.

R1. The proponent should either integrate the findings contained in Appendix P into the relevant sections of the main body of the proposal or simply refer the reader to Appendix P and move the information in the associated sections of Volume I to the appropriate locations in Appendix P.

2. Not all of the text contained in Appendix P is searchable as is required by the Filing Requirements for Project Proposals Subject to Executive Committee Screening and as has been discussed previously.

R2. Please re-file Appendix P in a PDF electronic format that is fully text searchable. Furthermore, please ensure that all electronic documents are text searchable. An allowance for this requirement to be disregarded for the scanned versions of the original IEE submitted in the mid-1990s (Volume IV) is granted.
3. The socio-economic effects assessment document contained in Appendix P does not contain a list of tables in its table of contents.

R3. Please include, in the table of contents of Appendix P, a list of tables for that document.
4. Table 22 referred to on page 56 of Appendix P is an erroneous reference to what is actually Table 24 in section 4.4.6.

R4. Please correct this reference.
5. Currently information regarding project closure and reclamation is contained in sections 3.3.5, 7.7 and 7.8 of Volume I, and in Appendix F in Volume III; the appearance of such information in section 7.0 appears erroneous. Regardless, it would be of benefit to the reader/reviewer to view this information in a consolidated manner.

R5. Please integrate these distributed discussions into a single location within the proposal. The section of the proposal containing the project description is the most suitable place to present this material as closure and reclamation are as integral to the project, and its assessment, as the construction and operational phases.
6. Pursuant to the YESAB filing requirements, and as previously discussed, the following files should be partitioned in order to ensure that file sizes are no greater than 5 MB and at no time greater than 10 MB. Please note that the allowance for a

maximum file size of 10 MB is for single page files such as a drawing that cannot otherwise be partitioned like other files.

R6. The following files need to be reduced in file size (partitioned) to no more than 5MB:

- a. Volume II - *appendix_a_drawings.pdf*
- b. Volume II - *appendix_d1_updated_detailed_design_hlp&eventspond_1997.pdf*
- c. Volume II - *appendix_e_beattie-leaching&decommissioning.pdf*
- d. Volume IV - 01. ACG - *Baseline Data Compilation Report.pdf*
- e. Volume IV - 03. AAC - *Arch. & Heritage Resource Assessment.pdf*
- f. Volume IV - 08. HKP - *Vol 2 of IEE - Community Profiles & Socioeconomic Impact Assessment.pdf*
- g. Volume IV - 10. HKP - *IEE Addendum.pdf*
- h. Volume IV - 15. Knight Piesold - *1996 Geotechnical and Hydrogeological Site Investigations.pdf*
- i. Volume IV - 17. P.A. Harder - *Biophysical Assessment - IEE Vol 1.pdf*
- j. Volume IV - 18. *carmacks-cu_consultation_summary_report.pdf*

3.0 CONTENT COMMENTS ON REVISED PROJECT PROPOSAL

3.1 PART I - PROJECT INTRODUCTION AND OVERVIEW

3.1.1 Project Scope

Pursuant to the outstanding issue presented in the initial adequacy review regarding the scope of the project and possible upgrades and improvements to the Freegold Road, the EC understands, from information submitted by both the proponent and the Government of Yukon, that no improvements or upgrades to the road infrastructure would be required or are inevitable if the project proceeds as proposed.

This section of the project proposal is adequate for the purposes of commencing the screening.

3.2 PART II - FIRST NATION/COMMUNITY CONSULTATION

Pursuant to subsection 50(3) of the *Yukon Environmental and Socio-economic Assessment Act*, before submitting a project proposal to the EC, a proponent is required to consult any first nation in whose traditional territory the project will be located or might have significant environmental or socio-economic effects, as well as the residents of any community in which the project will be located or might have significant environmental or socio-economic effects. This duty to consult is to be exercised in the manner described in section 3 of the *Act*.

Before commencing its screening of a project the EC must determine whether, in its opinion, a proponent has consulted first nations and the residents of communities in accordance with subsection 50(3). Based upon the information provided in the project proposal, the EC has determined that for the purposes of subsection 50(3), Western Copper Corporation was required to consult:

- the Little Salmon/Carmacks First Nation and the Selkirk First Nation, being the first nations in whose territory the project “will be located or might have significant environmental or socio-economic effects”;
- and,
- the residents of the communities of Carmacks and Pelly Crossing, being the communities in which the project “will be located or might have significant environmental or socio-economic effects”.

After fully considering the project proposal submitted on February 27, 2006, the revision to the project proposal submitted on November 16, 2006 and the supplementary information provided by the proponent (email from Western Copper Corporation dated November 28, 2006 and copy of SFN letter dated October 17, 2006), the EC has determined that, in its opinion, with respect to the *Carmacks Copper Project*, Western Copper Corporation has consulted the above-noted first nations and community residents in accordance with subsection 50(3) of the *Act*.

This section of the project proposal is adequate for the purposes of commencing the screening.

3.3 PART III - PROJECT LOCATION AND LAND TENURE

This section of the project proposal is adequate for the purposes of commencing the screening.

3.4 PART IV – EXISTING ENVIRONMENTAL & SOCIO-ECONOMIC CONDITIONS

This section of the project proposal is adequate for the purposes of commencing the screening.

3.5 PART V – PROJECT DESCRIPTION

3.5.1 Project Access & Road Use

7. The revised project proposal has included an updated socio-economic effects assessment which has included information on the use of local roadways for the project (section 4.4.5 of Appendix P). The inclusion of vehicle types, approximate weights, and traffic frequencies is relevant to the assessment. Some additional information is needed to complete a comprehensive understanding of the increased traffic loading that the project will create on local roadways.

R7. Indicate the approximate round trip durations for the variety of vehicles that will travel the 46 km route between the mine site and the Village of Carmacks, considering both winter and summer conditions.

8. The proponent has presented some information regarding the use of the road for the construction and operational phases of the project.

R8. Please include information regarding road use for the closure and post-closure phases of the project.

9. To provide context for your assessment of potentially significant effects to local roads (as indicated in Appendix P, section 4.4.3) additional information is required respecting where exactly the project related traffic should be expected to travel.

R9. Please identify exactly where mine related road traffic is proposed to pass through the Village of Carmacks from the North Klondike Highway to the Freegold Road.

3.5.2 Workforce Accommodation Options

10. In order to support a public review and EC assessment of the single status accommodation housing option the Company has proposed it would be useful to have an idea of potential suitable locations for such a facility in the Village of Carmacks.

R10. Understanding that a specific location may not have been identified as yet, please present either a preferred location for the single status accommodation option, or a map of the OCP (Official Community Plan) zoning that specifically identifies what sites would be considered appropriate given current municipal zoning.

11. Further support for the assessment of potential effects of the single status housing option includes a need to understand the details of this housing option as it relates to the basic resources required for the facility and wastes that may be produced.

R11. Please provide a description of likely domestic water requirements and domestic wastewater production (volumes per unit time). Discuss both the potential water source(s) and the destination of the wastes produced. Please also provide details regarding the likely solid waste production volumes, nature of that waste, and options for disposal.

3.5.3 Closure Planning

12. The proponent was requested to provide a comprehensive and detailed timeline for the proposed heap detoxification methodology. A Gantt chart has been included in

Appendix F and is adequate. What is unclear, however, is the reason for the disparity between the narrative of section 7.1-Closure Schedule regarding the heap rinsing and neutralization period being three (3) years and the Gantt chart indicating that the period is 4.5 years.

R12. Please confirm the accuracy of the Gantt chart with respect to the narrative of section 7.1 of Appendix F and the various other narrative elements it is supposed to represent.

13. It is unclear from the proposal what the source and quantity of the cover material proposed for the heap leach facility will be.

R13. Please indicate in the project proposal what the source and quantity of the cover material proposed for the heap leach facility will be.

14. Updated costs for closure have not been included in the project proposal as was completed for several aspects of the economic elements addressed in Appendix P.

R14. Please provide an updated summary of closure costs to 2006 dollars. This is in reference to Table 7-17 presently contained in section 7.8 of Volume I.

3.6 PART VI – ENVIRONMENTAL & SOCIO-ECONOMIC EFFECTS ASSESSMENT

3.6.1 Effects Assessment of Project Access & Road Use

15. Section 4.4.3 of Appendix P speaks to anticipated damage to River Road within the Village of Carmacks as a result of the project. Section 4.4.5 of Appendix P of the proposal also identifies potential effects to the roads in the study area (i.e. River Road, Freegold Road). Specifically, the proponent indicates that, “Exactly how much the expected increase in traffic on River Road within Carmacks and on the Freegold Road itself will affect the road beds is not known.”. The EC can appreciate how effect predictions like this may be challenging. It is possible, however, that discussions with the appropriate representatives in the Yukon Government and the Village of Carmacks may be useful in this matter.

- R15.** Please include a preliminary assessment of the potential effects of the project with respect to the anticipated physical effects the proposal anticipates/identifies to local road beds. Please also include an assessment of the potential effects of the road use to other valued components (e.g., commercial or recreational users, adjacent land users, wildlife, pedestrians).

For any significant effects that could occur discuss and describe proposed mitigation measures, such as any increased maintenance and/or any considerations that must be made to accommodate any wide or heavy loads, transit timing windows or restrictions, special signage, road closures, other traffic control measures, and turn-around and/or pull-out requirements along the route. Include also an evaluation of how these constraints may affect the project and/or other users of the roadways.

As in other sections describing the potential effects of the project, be sure to clearly define or describe the potential effects and utilize typical effect attributes (e.g., duration and frequency, magnitude, extent, reversibility, context, probability, uncertainty) in order to set the context for testing of whether any described effects would be significant or whether the mitigation proposed would be suitable for such potential effects. Clearly describe/define the assumptions and criteria used to determine whether the effect is significant or not.

16. The project proposal indicates, in various sections of the proposal and specifically the revised section 4.11 of Appendix P, that the proponent will undertake measures to prevent public access to the site.

- R16.** Please describe, specifically, what measures will be undertaken to prevent public access to the site as indicated.

3.6.2 Effects Assessment of Workforce Accommodation Options

17. An assessment of the potential effects of the single status housing option is required.

- R17.** Please present an analysis of the potential environmental and socio-economic effects of the single status housing option. This analysis should examine, for example, any implications for services and/or infrastructure in the Village of Carmacks (e.g., implications for local landfill, wastewater storage, treatment, and disposal systems, drinking water sources/services).

3.7 PART VII – CUMULATIVE EFFECTS ASSESSMENT

This section of the project proposal is adequate for the purposes of commencing the screening.