1 Introduction

This Environmental Assessment Report (EA Report) addresses the information requirements presented in the *Information Guidelines for the Preparation of an Environmental Assessment Report for Yukon Zinc Corporation's Proposed Wolverine Project* (EA Report Guidelines) (Yukon Executive Council Office (ECO) 2005).

This section provides a brief description of the Wolverine Project, including the proponent (Section 1.1), project history and key components (Section 1.2), and the regulations and laws governing project development (Section 1.3). Section 1.4 and 1.5 outline the general EA Report organization and report distribution.

1.1 Project Proponent

Yukon Zinc Corporation (YZC) is a public mining and exploration company with a primary focus in the Yukon. Formerly known as Expatriate Resources Ltd., YZC is a Vancouver-based company publicly traded on the Toronto Venture Exchange (YZC-TSX-V). The principle asset of YZC is the Wolverine underground zinc-silver-copper-lead-gold deposit located in the southern portion of the Yukon. Yukon Zinc's other main assets are its other base metal prospects in the Yukon including 100% of the Swift property, the Finlayson and Ice properties, and a 60% joint venture interest in the Logan deposit. The company also holds a 10% interest in Pacifica Resources Ltd., which holds a 100% interest in the Howard's Pass zinc-lead deposit in the Yukon and Northwest Territories, as well as properties in Nunavut, Ontario, California, and Chile. Key corporate information and contacts are summarized in Table 1.1-1.

Table 1.1-1 Corporate Information for Yukon Zinc Corporation

Office address:	475 Howe Street, Suite 701 Vancouver BC V6C 2B3 Tel: 604-682-5474 Fax 604-684-5404 Website: www.yukonzinc.com
Key contacts:	Harlan Meade, President & CEO hmeade@yukonzinc.com Tel: 604-682-5474 ext. 228 Bob McKnight, VP Corp. Development and CFO bmcknight@yukonzinc.com Tel: 604-682-5474 ext. 233
Legal counsel:	Lang Michener
Corporate secretary:	Barry Finlayson, Lang Michener
Bankers:	ScotiaBank

YZC has a strong management team with expertise in the exploration, development, financing and permitting of major mining projects. All team members have previous experience with large mining companies and all phases of mine development, from grass roots exploration to closure and reclamation.

1.2 Project Summary

The proposed Wolverine Project (project) site is be located in southeastern Yukon, approximately 280 km east of Whitehorse, 190 km northwest of Watson Lake and

135 km southeast of Ross River, near the headwaters of the Wolverine Lake watershed (Figures 1.2-1 and 1.2-2).

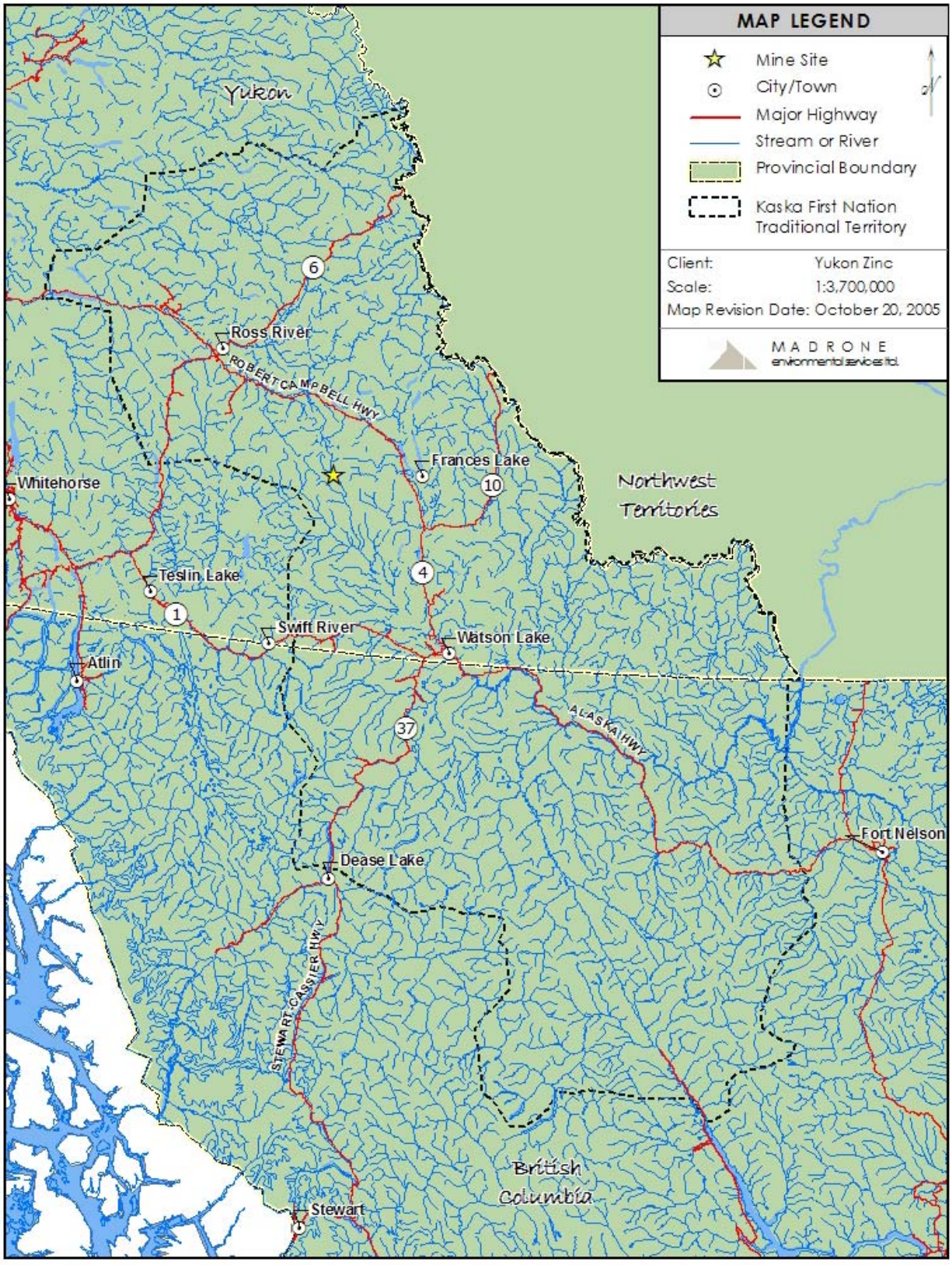

Figure 1.2-1 Wolverine Project Location Map

Figure 1.2-2 Wolverine Project Site Map (Vol. 2)

1.2.1 Regional Context

The project area is situated within the Finlayson District and is characteristic of montane glacially affected areas with rounded peaks and U-shaped valley within a discontinuous permafrost zone. Harsh physiographic conditions have resulted in little soil development and low-growing vegetation cover (Refer to Section 4: Project Setting).

The project is located within the Kaska Nation traditional territory. The Kaska Nation is comprised of three principle groups that include the umbrella Kaska Dena Council representing all Kaska communities in BC and the Yukon, the Liard First Nation located near Watson Lake in Southern Yukon, and the Ross River Dena Council based in Ross River. The traditional territory of the Kaska Nation is considered to be shared equally by all groups; however, the communities recognize the traditional use of portions of the territory by a particular group. The Wolverine Project area falls within the area recognized as the traditional territory of the Ross River Dena Council.

1.2.2 Project History

The property was originally staked as the Fetish claims in July 1973 and restaked as the Kink claims in September 1982. By July 1993, only one Kink claim remained and Atna Resources Ltd. (Atna) re-staked the rest of the property as the Foot claims. In 1995, the property was optioned by Westmin Resources Limited (Westmin) and conducted a drilling program that resulted in the discovery of the Wolverine deposit on the Kink Claims. By the end of 1995, Westmin entered into a 60/40 joint venture with Atna. An airstrip was constructed near the deposit in 1996, and drilling programs significantly expanded the known area of mineralization in 1996 and 1997. In 1998, all activities at the Wolverine property ceased with concerns that the zinc concentrate was less marketable with the high selenium levels, and with the acquisition of Westmin by Boliden Ltd.

In March 1999, a junior mining company known as Expatriate Resources Ltd. (now named Yukon Zinc Corporation) strategically added to its land position in the Finlayson District by acquiring a 60% interest in the Wolverine Joint Venture from Boliden Westmin (Canada) Limited. In 1999, joint venture partners Expatriate Resources (Expatriate) and Atna conducted metallurgical and marketing investigations on the Wolverine deposits.

In March 2000, Expatriate agreed to purchase the Kudz Ze Kayah exploration lands in the Finlayson District from Cominco Ltd. and initiated a pre-feasibility study (Hatch Associates 2000). This study assessed a single development plan known as the Finlayson Project, which included an open pit and milling operation at Kudz Ze Kayah and an underground mining operation at Wolverine. Pre-feasibility results were positive and Expatriate entered the environmental permitting process in September of 2000. However, in September 2001, Expatriate relinquished its acquisition agreement with Cominco Ltd. and the environmental permitting process for the Finlayson Project was suspended.

In May 2004, Expatriate purchased Atna's 39.4% interest in the Wolverine Joint Venture and now owns 100% of Wolverine. Atna retained a royalty interest on net precious metals revenues only. A portion of the Wolverine Project lands is also subject to two small royalties to the original claim holders. Subject only to these royalties, Expatriate

has a 100% interest in the mineral claims that comprise the Wolverine Project. Expatriate commenced the advancement of Wolverine as a stand-alone mine-mill complex in June 2004. In October 2004, Expatriate announced plans to move the development of the Wolverine deposit to bankable feasibility and a production decision.

In November 2004, Expatriate submitted its *Wolverine Project Description Report* (Gartner Lee Ltd. 2004) to the Yukon Department of Energy, Mines and Resources and a Type A Water License application to the Yukon Water Board. In December 2004, Expatriate re-organized its assets to shift its non-core assets into a separate entity called Pacifica Resources Ltd. The Wolverine and surrounding Finlayson District claims were retained in Expatriate, which was renamed Yukon Zinc Corporation. YZC owns 100% of the claims within the areas that mine site infrastructure and access road location are proposed, except for the Money claims for which it has an option agreement that provides for access.

Ongoing Activities

Test mining of a representative block of ground was recommended in the pre-feasibility study by Hatch Associates (2000) to confirm geotechnical aspects and other details of the underground mining method. Following receipt of a Class B Water License and Mining Land Use Permit, YZC commenced with a test mining program and detailed infill diamond drill program in June 2005. The test mining program will provide 1) direct experience with ground conditions and different types of ground support; 2) information for refining planned stoping methods, the mining sequence and controlling dilution; and 3) direct experience of groundwater inflows to the mine. In fall 2005, a bulk sample of ore will be mined and subsequently used in process testwork to design the heavy media separation process and to provide sufficient tailings to test different paste backfill formulations. To date, tailings characterization, water treatment and ore processing testwork has been conducted on drill core; however, there is insufficient drill core available to carry out these tests.

The detailed diamond drilling campaign will form the basis for upgrading part of the resource classification to the "measured" category and for estimating a corresponding "proven" ore reserve. These categories are required for project approval and financing. In addition, the drilling will provide the close spaced data required for detailed planning and scheduling the first few years of production by tonnage and grade.

1.2.3 Project Proposal

Exploration activities that have been permitted during the previous exploration campaigns are not included in the scope of this EA Report. As such, the baseline condition for the proposed project includes the initial portal and underground development as well as the existing airstrip, exploration camp, portal laydown areas, water treatment sumps, temporary waste rock pad, explosives storage areas, and the exploration trails and roads (Figures 1.2-3 and 1.2-4).

Figure 1.2-3 Wolverine Site Existing Infrastructure (Vol. 2)

Figure 1.2-4 Existing Infrastructure at the Waste Rock Pad and Portal Areas (Vol. 2)

The proposed Wolverine Project includes an underground mine with surface ramp access that produces 1250 t/d of mill feed ore. Milling involves crushing, dense media separation, and two-stage grinding followed by differential flotation processes to produce zinc, copper and lead concentrates (Figure 1.2-5). The metal concentrates will be trucked via the Robert Campbell Highway to Watson Lake, for delivery to the existing Stewart Bulk Terminal at Stewart, BC for transportation via ocean freighters to smelters in Asia.

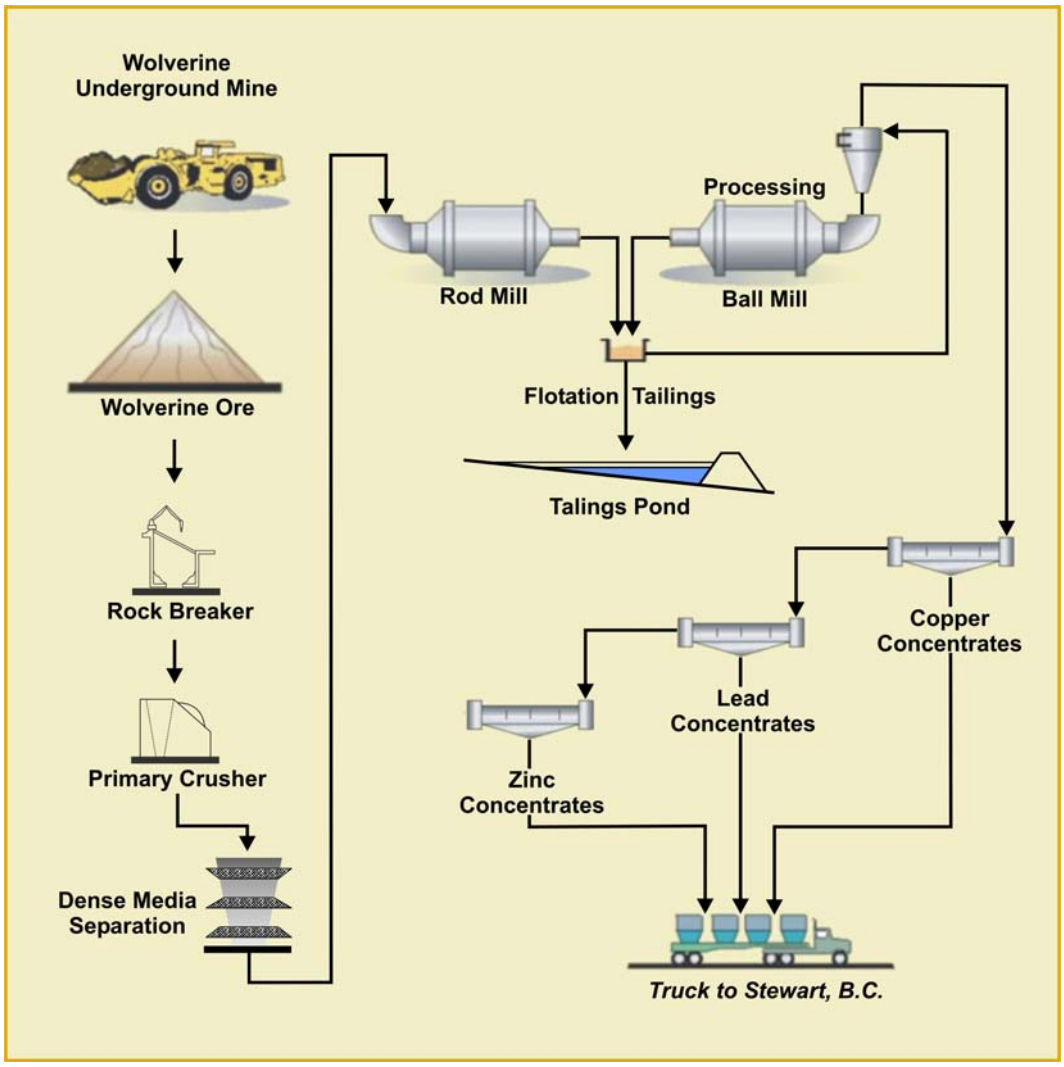

Figure 1.2-5 Conceptual Mining and Process Diagram

In addition to the plant site, surface facilities will also include the existing airstrip, an all-weather access road to the Robert Campbell Highway, a tailings storage facility, the existing temporary waste rock storage pad, camp accommodations and ancillary buildings and equipment. A diesel power plant located near the mill will power the operations.

Subject to the completion of the Feasibility Study, project financing and receipt of the necessary approvals, construction would commence in summer 2006. Initial construction activities would include the establishment of quarries for construction materials, construction of the access road, and site grading and construction of the plant, camp, and tailings facility sites. Construction activities would largely be completed within the first 1 to 2 years. Following the construction of the tailing facility starter dam, dam raises would be added in phases during the mine operation.

Underground development commenced in May 2005, and the extraction and processing of ore would begin in fall 2007 assuming the current permitting, financing and construction schedule is met. Once at full production, approximately 456,250 t/y of undiluted ore will be mined and processed and an annual production (as contained metal in concentrates) of approximately 50,000 t of zinc, 4900 t of copper and 3300 t of lead, 110 Mg of silver and 0.4 Mg of gold is expected. Based on the assumed resource of 5 Mt, mining would be completed in 2019 with closure shortly after. The extent of the mineable reserves is not fully known and an extended mine life is possible as additional mining testwork should enable all current mineral resources to be brought into the mineable reserve category. There is also considerable exploration potential in the immediate mine area to expand the resource.

The mill operations and mine will employ approximately 120 people and crews will work on a two-week rotation. Charter flights from Whitehorse (approximately 40 minutes away by air), Watson Lake and Ross River will be used to bring workers to the site. Additional employment benefits to the Yukon during the life of the mine, including contracting and service opportunities, are estimated to be about 970 jobs.

It should be noted that project development and design is an iterative process. Planning and design will continue into the construction phase once permits are received. The outcomes of the ongoing test mining, detailed diamond drilling and additional process test work using the bulk sample will be used to fill information gaps, provide the basis for detailed design, optimize designs and reduce project economic risks. It is unlikely that the results of these programs will result in qualitative changes to the project description.

1.2.3.1 Project Rationale

At present, the world demand for zinc is exceeding the available supply as a result of concentrate shortage. This is primarily a result of China's switch from being a significant exporter to a modest importer over the past 12-18 months. Demand in steel production for infrastructure and automobile manufacturing are the primary drivers of zinc demand (zinc is used to increase the corrosion resistance of steel). The increasing demand for zinc is expected to continue to outpace the forecasted production and there are no major world zinc projects scheduled for development over the next three years that could make up the market shortfall.

The timing for the development of a low cost zinc producer is excellent. The market for zinc concentrates is strong, bringing favourable purchase terms and providing long-term security to project economics. Yukon Zinc Corporation intends to take advantage of this excellent market opportunity and the exceptional ore resource of the Wolverine Project to create profits for its shareholders.

In accordance with the *Yukon Government's Commitment to Sustainable Development* and the *Yukon MINE Plan* (refer to Section 1.3.4), YZC is committed to the development of an environmentally and socially responsible project, which optimizes benefits to the

Yukon Territory and its people. The Wolverine Project will provide a much-needed boost to the Yukon economy that has experienced a serious downturn in recent years, particularly in the mining sector. The project will provide many employment opportunities, a solid tax base, support for infrastructure development, and workforce development opportunities for local communities.

1.2.3.2 Capital Cost Summary

The capital cost of developing the project is estimated to be approximately $127 million (CDN$). Based on estimates provided in the *Pre-Feasibility Study for the Wolverine Project* draft report prepared by Hatch (2004), the estimated preliminary capital costs (excluding working capital) include direct, indirect, and contingency estimates as summarized in Table 1.2-1.

Table 1.2-1 Summary of Capital Costs for Project Development

Development Capital Costs	CDN$ (millions)
Direct costs	**$82.1**
Site & general	$17.6
Buildings & services	$21.7
Process systems	$28.4
Mine	$14.4
Indirect costs	**$28.3**
Contingency	**$16.6**
TOTAL CAPITAL COST	**$127.0**

Direct costs include all the equipment, materials and labour associated with the physical construction of the mill facility, tailings facility and camp facilities, and the access road.

1.2.4 Environmental Commitment

Yukon Zinc Corporation has designed and plans to develop the Wolverine Mine using the following principles:

- minimize the geographic extent, duration, and magnitude of effects of project development and operations on valued ecosystem and cultural components
- mitigate impacts where economically and technically feasible
- design for eventual permanent, passive closure
- minimize risk of potentially harmful incidents

Yukon Zinc Corporation has adopted a ten point environmental policy, adapted largely from the environmental policy of the Mining Association of Canada.

1. Integrated Management - Integrate environmental policies, programs, and practices into all activities of the organization.
2. Environmental Management - Monitor the performance of environmental programs and management systems to ensure compliance with company and legislative requirements.

3. Continual Improvement - Establish an ongoing program of review and improvement of environmental performance.
4. Risk Management - Identify, assess, and manage environmental risks.
5. Incident Management - Develop, maintain, and test emergency preparedness plans to ensure protection of the environment, workers, and the public.
6. Public Policy - Work with government and the public to develop effective, efficient, and equitable measures to protect the environment based on sound science.
7. Contractors and Suppliers - Require contractors to comply with company environmental policies and work co-operatively to improve environmental performance.
8. Communications - Encourage dialogue on environmental issues with employees and public and be responsive to concerns.
9. Employees - Ensure that all employees understand and are able to fulfill their environmental responsibilities.
10. Closure - Reclaim sites in accordance with site-specific criteria in a planned and timely manner.

These policies will be applied in the development of the Wolverine Project and in the day-to-day operation of the company. Section 7.12: First Nations and Traditional Use, Section 7.14: Socio Economic Conditions and Section 9.1: YZC Environmental Management Plan provide details on proposed mechanisms to implement these policies.

1.2.5 First Nations Commitment

The Wolverine Project is within the traditional territory of the Ross River Dena Council (RRDC). The RRDC is part of the Kaska Nation that also includes the Liard Kaska and Kaska Dena Council in north-central British Columbia. In July 2005, YZC signed a Socio-Economic Participation Agreement (SEPA) with the RRDC that provides a basis for participation by all Kaska in project exploration and development activities, including the review of environmental, social and economic matters related to these activities and the environmental assessment and permitting of the Wolverine Project. As a result of the agreement, the Kaska have become shareholders of YZC and support the development of the project.

YZC has entered into a Traditional Knowledge Protocol Agreement with the RRDC to ensure that traditional knowledge is not compromised in any way by project activities (Refer to Section 7.12: First Nations and Traditional Use).

1.3 Project Regulatory and Planning Context

In November 2004, Expatriate Resources Ltd., now YZC, applied for a Type A Water Use License pursuant to the *Yukon Waters Act* and a Yukon Quartz Mining License pursuant to the *Quartz Mining Act* for the Wolverine Project. Accordingly the project triggered an environmental assessment under the Yukon Environmental Assessment Act (EAA).

1.3.1 Yukon Environmental Assessment Act

Before Devolution in April 2003 (the transfer of responsibility for public lands, water, forestry, mineral resources from the Federal government to the Yukon Territorial Government (YTG)), the federal *Canadian Environmental Assessment Act* (CEAA) applied to projects proposed in the Yukon. Upon Devolution, YTG created "mirror" CEAA legislation called the (Yukon) *Environmental Assessment Act* (EAA).

A Yukon environmental assessment process has been developing for some time, arising out of Chapter 12 of the Yukon First Nations *Umbrella Final Agreement* (UHF). The new legislation, the *Yukon Environmental and Socioeconomic Assessment Act* (YESSA), will come into operation over the May 2003 to November 2005 period. The Wolverine Project triggered an environmental assessment under EAA as YZC made application for the required licenses in November 2004 prior to implementation of Part 2 of YESSA.

Based on a projected ore processing rate of 1250 t/d, the project will be subject to a screening level assessment under the EAA. The Wolverine Project triggered an environmental assessment pursuant to the EAA because it:

- constitutes a “project” under the EAA Inclusion List Regulation (2003)
- requires permits and approvals from the territorial government (EAA Law List Regulation)
- is not excluded from assessment under the Exclusion List Regulation

The YTG’s Executive Council Office through the Development Assessment Process Branch will administer the assessment. Based on the Coordination of Environmental Assessment Procedures and Requirements Regulation under EAA, the Yukon departments of Energy, Mines and Resources and the Executive Council Office identified themselves as Responsible Authorities (RAs). The Wolverine Project Description Report also underwent a broad public and government review with comments forwarded to YZC.

The Executive Council Office coordinated the development of Guidelines (Executive Council Office 2005), based on generic information guidelines (Department of Energy, Mines and Resources 2004) and incorporating, where appropriate, the comments received during the review of the Project Description Report. Stakeholders were also invited to comment on the draft Guidelines and their comments were considered and incorporated in the final Guidelines, as appropriate.

In light of the interim measures provision of the UFA and utilizing the discretion under 12(1)e of EAA, the RAs have required the consideration of social and economic effects of this project in the EA Report, as well as a consideration of alternatives to the project and alternative means of carrying out the project. The need for, and the requirements of a follow-up program are discretionary for a screening level of assessment under EAA. It is the RAs discretion to require a follow-up program for this project.

1.3.2 Yukon Territorial Permits and Approvals

The current underground exploration program is approved under a Type B Water License issued by the Yukon Water Board (YWB) and a Mining Land Use Permit issued by YTG Department of Energy, Mines and Resources (EMR). The permits and approvals required for the Wolverine Project include:

- A Type A Water License under the *Yukon Waters Act* issued by the Yukon Water Board and approved by the territorial Minister of the Executive Council Office.
- A Quartz Mining License under the *Yukon Quartz Mining Act* issued by the Mining Land Use Branch of the YTG Department of Energy, Mines and Resources (EMR) and approved by the territorial Minister responsible.
- Additional surface leases under the *Territorial Lands Act* administered by Lands Branch of EMR, as required. A security deposit will be required as part of the obligations for restoration of the site.

There are a number of other lesser permits required to construct and operate the project, but these will not affect the critical path or proposed schedule for project development. YZC will comply with the requirements of all relevant territorial environmental acts and associated regulations. Table 1.3-1 summarizes the territorial acts and regulations that may apply to the project.

Table 1.3-1 Territorial Acts and Regulations that may Apply to the Project

Territorial Act	Regulation
Environment Act	Air Emissions Regulation Ozone Depleting Substance Regulation Storage Tank Regulation Solid Waste Regulation Special Waste Regulation
Territorial Lands Act	Land Use Regulation Quarry Regulation
Public Health and Safety Act	Sewage Disposal System Regulation Eating and Drinking Places Regulation
Building Standards Act	N/A*
Highways Act	Highways Regulation
Fire Protection Act	N/A
Electrical Protection Act	N/A
Gas Burning Devices Act	N/A
Fire Protection Act	N/A

Notes: * N/A = Not Applicable, i.e., there is no applicable regulation for the Act

1.3.3 Federal Acts and Regulations

Upon receipt of the *Wolverine Project Description Report*, the YTG undertook a coordination exercise to determine which federal departments were Responsible Authorities (RAs). No federal agencies were identified as RAs. Federal laws of general application and their applicability with respect to the project are summarized below.

- *The Navigable Waters Protection Act* (Canadian Coast Guard) – Coast Guard representatives have confirmed that no stream crossings on the proposed access road will affect navigable waters.
- *The Fisheries Act* (Fisheries and Oceans, Canada) – Fisheries and Oceans has determined that the harmful alteration, disruption or destruction of fish habitat potentially associated with project activities can be avoided through project planning and mitigation. YZC will comply with relevant regulations pursuant to the *Fisheries Act*, such as the Metal Mine Effluent Regulations.

- *The Explosives Act* (Natural Resources Canada) – There will be no explosives manufacturing at the Wolverine Project. An Explosive Magazine Permit has been obtained for explosives storage for the test mining program.
- *Transportation of Dangerous Goods Act* (Transport Canada) – This Act applies to the handling and transporting of dangerous goods such as explosives, gases, flammable liquids and solids, etc. YZC will continue to train employees who receive, package or ship dangerous goods and will ensure that trained personnel following proper procedures.
- *The Species at Risk Act* (SARA) – Endangered species, as listed in Schedule 1 in SARA, have not been observed in the project area. Plants and plant communities, and fish and wildlife species listed under COSEWIC have been identified and assessed and mitigation measures identified as appropriate (Refer to Section 7.8: Fish Resources, Section 7.9: Vegetation, and Section 7.10: Wildlife).
- *Migratory Birds Convention Act* – Migratory waterfowl and habitat for migratory songbirds have been observed in the project area. Effects on migratory birds have been assessed and mitigation measures identified as appropriate (Refer to Section 7.10: Wildlife).

1.3.4 Other Applicable Policies and Strategies

A number of additional federal and territorial environmental and social strategies and policies that have guided project design and mitigation are as discussed below.

Canadian Biodiversity Strategy

The Canadian Biodiversity Strategy was developed to guide implementation of the United Nation's Biodiversity Convention, signed by Canada and 160 other countries at Rio de Janeiro in 1992. The objectives of the Convention are to conserve ecosystems, species and genetic diversity; ensure the wise use of the earth's resources; and ensure that the economic benefits from these resources are shared fairly and equitably. The project assessment examines the potential for effects on listed species and provides mitigation measures as appropriate (Refer to Section 7.8: Fish Resources, Section 7.9: Vegetation, and Section 7.10: Wildlife).

Kyoto Protocol

The purpose of the Kyoto Protocol is to achieve quantified limitations and reductions in the emission of greenhouse gases and other air pollutants and to promote the objectives of sustainable development. In keeping with these objectives, specifications for project power generation and fuel were selected to optimize energy efficiency and minimize air emissions, and the air quality management plan provides measures to control fugitive dust and particulates from ore processing and transport. An assessment of the project contribution to greenhouse gas emissions is provided (Refer to Section 7.2: Air Quality).

Montreal Protocol

Canada was a participant in the Montreal Protocol on Substances that Deplete the Ozone Layer in 1987, and has continued to be involved in initiating programs and initiatives in reducing air pollutants. In subsequent agreements with the United States, Canada has made specific commitments on the reductions of nitrogen oxides and sulphur dioxides, in

an effort to curb transboundary air pollution. Project air emissions have been assessed and appropriate mitigation measures identified (Refer to Section 7.2: Air Quality).

Pollution Prevention – Federal Strategies for Action

The federal government defines Pollution Prevention as, "…the use of processes, practices, materials, products or energy that avoid or minimize the creation of pollutants and waste, and reduce overall risk to human health or the environment". This strategy was developed to ensure that processes or products that avoid or minimize the creation of pollution and waste are developed and implemented. The project assessment examines effects on air, land and water pollution and identifies mitigation measures. It also details pollution prevention and contingency measures (emergency response, spill clean-up) in the event of accidental pollutant releases (Refer to Section 8: Accidents and Malfunctions).

Yukon Government's Commitment to Sustainable Development

The objective of the *Yukon Environment Act* sets a legislative context for the principles of sustainable development and integrated resource management in the Yukon, as follows:

- to ensure the maintenance of essential ecological processes and the preservation of biological diversity
- to ensure the wise management of the environment of the Yukon
- to promote sustainable development in the Yukon
- to ensure comprehensive and integrated consideration of environmental and socioeconomic effects in public policy making in the Yukon
- to recognize the interests of Yukon residents in regional, national, and global environmental well-being
- to fully use the knowledge and experience of Yukon residents in formulating public policy on the environment
- to facilitate effective participation by Yukon residents in the making of decisions that will affect the environment

YZC will comply with all requirements of the *Environment Act* and the EAA and as a result will support these objectives. In addition, YZC is working closely with local stakeholders, First Nations and regulators to integrate local knowledge and concerns in the environmental assessment (Refer to Section 5: Project Consultation and Section 7.12: First Nations and Traditional Use).

The Yukon MINE Plan

This MINE Plan outlines the government's commitment to the mining industry, and again restates the commitments to sustainable development and wise management of resources in a manner respectful of the environment. Its objectives are to restore the Yukon mining industry so it can once again provide an important contribution to the Yukon economy, while ensuring the minerals industry conducts its activities in an environmentally and socially responsible manner.

1.3.5 Land Use Plans and Tenures

The Finlayson District is not currently part of any formal land use planning process. Land use stakeholders in this area include mining companies, guide outfitters and local First Nations (Refer to Section 7.11: Land Use and Tenure). The Wolverine Project presents no direct conflicts with activities of other tenure holders in the vicinity of the project. The Money Claims Option Agreement provides for use of surface of mineral claims for road access.

As part of the land claims negotiation process between the governments of Canada and the Kaska Nation, land selections designated as "R-Blocks" have been set aside for future consideration in the land claims process. There are three such R-Blocks (LFNR – 142A, RRDC R –15A, and RRDC R 17B) proximal to the project area (Figure 1.2-2). These lands are withdrawn from any future land use plans until such time as they are selected or released by the First Nation during the land claims negotiation process. Although these blocks are in the vicinity of the project and access corridor, they will not directly affect, or be affected by, the development of the project.

1.4 Report Organization

The Environmental Assessment Report is provided in three Volumes:

- Volume 1: The report text with embedded photographs, tables and figures.
- Volume 2: Oversize figures and tables in 11x17 format, for clear presentation and convenient reference in conjunction with the EA Report text.
- Volume 3: Appendices with detailed supporting data that have been referenced in Volume 1. All historic and recent baseline data collected during exploration and planning for the project are compiled and contained in the appendices for convenient reference in conjunction with the EA Report text.

Due to the timing of the EA Report submission in relation to field data collection and analysis and ongoing process and test work, additional supporting documentation will be prepared and submitted in an EA Report Addendum in December 2005, or made available to interested reviewers, as requested. These supporting documents will include the results of benthic invertebrate and periphyton sample analysis from the summer 2005 sampling program. In addition, a companion document on Traditional Knowledge pertaining to the project area is in preparation by the RRDC Traditional Knowledge Oversight Committee (refer to Section 7.12: First Nations and Traditional Use).

This EA Report addresses the information requirements laid out in the Guidelines prepared by the Executive Council Office (2005). A comprehensive Table of Conformance (Volume 2: Oversize Figures and Tables) indicates the EA Report section where information required by the Guidelines can be found.

The general structure of this report and brief description of the section content is as follows:

The Project

- Section 1: An introduction to YZC and the Wolverine Project and a statement of YZC's commitment to environmental, social and cultural sustainability.

- Section 2: A detailed description of all project components, including the mine and ore processing facilities; water management, effluent treatment and mine and processing waste management system design; camp facilities, and supporting infrastructure including power supply, water supply, sewage treatment, air transport facilities and road access.
- Section 3: The project schedule and description of activities during project construction, operation and decommissioning and closure.

The Project Context

- Section 4: An overview of the biophysical, social and cultural context of the project.
- Sections 5: A summary of YZC's regulatory, First Nations and public consultation activities.

The Environmental Effects Assessment

- Section 6: A description of the general methodology used to conduct the project effects assessment.
- Section 7: An assessment of effects of project operations on the environment. For each biophysical, socio-economic and cultural component of the environment, a description of baseline or existing conditions in the project area is followed by a detailed analysis of project effects on those components. Mitigation measures to avoid or minimize project effects are identified. Any residual adverse project effects remaining after mitigation are fully characterized, along with a determination of the likelihood of occurrence and the significance of effects to the sustainability of affected resources. The potential for adverse project effects to act cumulatively with other adverse effects on the resource is also analyzed and characterized with respect to likelihood and significance. Finally, follow-up programs are identified as required to check the accuracy of effects predictions and improve resource protection and management approaches if unexpected effects occur. A summary table of residual project and cumulative effects for each environmental, socio-economic and cultural component and a summary table of YZC's commitments to impact mitigation are also provided.

Accidents and Malfunctions

- Section 8: An assessment of effects of project-related accidents and malfunctions on the environment. Potential risks of accidents or malfunctions such as accidental spills, process upsets, a tailings impoundment failure, are characterized along with prevention measures and contingency response measures should they occur. Selected accident and malfunction scenarios are described to illustrate the response procedures and results and the predicted effects of these accidents on the environment. Potential adverse effects are characterized, along with a determination of the likelihood of occurrence and the significance of environmental effects.

Environmental Management Plans

- Section 9: A description of YZC's accountability framework and mechanisms for implementing their commitments through environmental management and protection plans.

Conclusion

- Section 10: Concluding statements on the effects of the Wolverine Project on the bio-physical, socio-economic and cultural environment.

All reference materials and personnel communications used to support the description of baseline conditions and the impact assessment are listed (Section 11). As much as possible, the EA Report uses everyday language. A list of abbreviations and glossary is provided at the end to assist, where acronyms or technical terms have been difficult to avoid.

1.5 Report Distribution

YZC has delivered several print and digital copies of the three volumes of this report to the Development Assessment Process Branch. Copies are also available to the public at the libraries located in Whitehorse, Watson Lake, Ross River and Faro. Copies of the EA Report Addendum will be distributed in the same format. The report can be accessed electronically at http://www.gov.yk.ca/depts/eco/dap/.