



Faro Mine Closure

UPDATE

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Denison Environmental Services Elliot Lake Staff.

New Care and Maintenance Contract Awarded

Denison Environmental Services (DES) has been awarded the new contract to take over care and maintenance responsibilities at the Faro Mine Complex. DES was the successful bidder in an open and competitive public tender process overseen by Government of Yukon.

The three-year, \$7.2 million per annum contract will provide care and maintenance services at the Faro Mine Complex. This will include the ongoing collection and treatment of contaminated water, management of uncontaminated runoff, inspection and maintenance of dams and diversion channels, water quality monitoring, general maintenance, and site security. The contract also includes provisions for training and employment opportunities for Affected First Nations and Yukoners.

Canadian based Denison Environmental Services will take over care and maintenance responsibilities at the site beginning March 2009, after a transition period with Deloitte and Touche Inc., the court appointed Interim Receiver who managed care and maintenance at the site for the past 10 years.

Your input and ideas help to ensure that this newsletter continues to be a valuable source of information about the Faro Mine Closure.

Send your comments and ideas to us via e-mail or call any of our community offices. Contact information is listed on the reverse side.

Care and Maintenance Contract Award Process

In October 2007, a total of nine proposals were submitted to the Yukon government at the Request for Qualifications stage for the care and maintenance contract at the Faro Mine Complex.

The submissions were evaluated by a team that included representatives from Yukon government, Indian and Northern Affairs Canada's (INAC) Contaminated Sites Program and the Faro technical advisory team. A Yukon First Nation representative also provided independent technical advice to the evaluation team. The process was overseen by an Independent Fairness Monitor, who ensured that all interpretations of the evaluation committee were made in a non-partisan and unbiased manner.

The evaluation resulted in two successful respondents, Denison Environmental Services

and Alexco Resources Corp., who moved on to the next stage of the process and were eligible to bid on the Request for Proposals (RFP) for the care and maintenance contract at the Faro Mine Complex.

Key criteria used to evaluate the two proposals included technical competency and experience of the bidder, continued assurance of protection of human and environmental health, and plans to maximize Affected Yukon First Nations and Yukon benefits, including training, employment, and business opportunities.

Denison Environmental Services was the highest rated compliant bid from both the technical and financial evaluation stages of the RFP

Introducing Denison Environmental Services

Throughout the proposal period, Denison Environmental Services (DES) met with many people involved with the Faro project, but for some people, they may be a new name. Denison Environmental Services (DES) is a division of Denison Mines Inc., a wholly owned subsidiary of Denison Mines Corp. It traces its roots back to the operating phases of the Denison Mine in Elliot Lake, Ontario which closed in 1992 and underwent a massive decommissioning effort. Since then, DES has undertaken many successful mine demolition, decommissioning and care and maintenance projects in Ontario, Quebec, Newfoundland and Labrador, Saskatchewan and now the Yukon.

DES recognizes that closure work requires a team approach including expert consultants, government regulators, local stakeholders and contractors. In order to make sure care and maintenance activities are carried out in the most effective way possible, DES will ensure strong coordination at the site to bring priorities into focus and provide outcomes that will continue to meet the standards required to protect human and environmental health. Their experienced team has been involved in care and maintenance activities at all levels

and will work to provide a safe, cost effective solution to the care and maintenance requirements at the Faro Mine Complex. DES also recognizes the importance of maintaining local staff on site to provide knowledge and expertise.

CLOSURE OBJECTIVES FOR THE FARO MINE COMPLEX

In January of 2004, the Oversight Committee for the Faro Mine Closure project was created and included representatives from the Yukon government, the Government of Canada, Ross River Dena Council (representing the Kaska Nation) and Selkirk First Nation.

The Oversight Committee worked together to create closure objectives for the Faro Mine Complex. These objectives define the desired results of a closure and remediation plan and guide the entire closure planning process.

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 the mine site to an acceptable state of use that reflects pre-mining land use where practicable.
4. Maximize local and Yukon socio-economic benefits.
5. Manage long-term site risk in a cost-effective manner.



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