

Faro community members and the closure team discuss projected timelines for final closure and remediation on June 16.

Getting Your Input

In June, the closure team visited the key communities of Ross River, Pelly Crossing and Faro to update community members on the Faro project. A public meeting was also held in Whitehorse. Many community members were there; copies of the presentation materials were left for those who were unable to attend. The meetings took all day, and lunch was provided by the community. Many thanks to the cooks who made such good food!

Stephen Mead, the Senior Project Manager for the Faro Mine Project, and Bill Slater, a technical advisor to the Project, presented the five closure options that are being considered. These are the options that the Independent Peer Review Panel, a group of internationally recognized mine closure specialists, determined to be technically



Rachel Tom Tom, with Dan Cornett, providing translation at Pelly Crossing on June 14.



Talking closure: Norman Sterriah, Gordon Peter, Yvonne Moon and Kathlene Suza at Ross River on June 13.

sound to address the environmental risks on site: in the tailings impoundment, the Faro pit and mill area, and the Vangorda Plateau. Estimated design and management cost, along with estimated labour requirements were given for each option.

A timeline showing the stages of the closure and remediation processes – from assessing the options to recommending a plan into the regulatory process to final funding support from the federal government to finally doing the plan – was also presented, along with timelines for Care & Maintenance and Implementation Planning.

More meetings with your community are planned for later this fall. Information about the meetings will be posted when dates are known.



Upcoming Meetings

November in Pelly Crossing, Faro, Ross River – dates to be determined

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 at info@faromine.ca or call any of our community contacts at the phone numbers on page 4.

Faro Mine Closure *UPDATE*

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Early remediation this summer included moving waste rock from the Northwest Dump away from Guardhouse Creek to control contamination.

What's Happening at the Faro Mine Complex?

Early Remediation

Early remediation projects are the first steps towards cleaning up the Faro Mine complex, to ensure that human health and safety and the environment are protected now and for the future. Between now and the implementation of the final closure and remediation plan, there are some activities that can be undertaken to begin to address the environmental risks on the site.

One example of an early remediation project is the recent relocation of materials from the Northwest Dump, located next to Guardhouse Creek near the Faro pit. In a matter of a few weeks in August, over 400 dump-truck loads of waste rock were moved to a new stockpile closer to the pit. A total of 6000 cubic metres of highly reactive rock were moved from the Northwest Dump and into

a separate area already containing similar rocks.

The Northwest Dump relocation project was planned as an early remediation project for several reasons.

First, by moving and consolidating the waste rock, the dump area above Guardhouse Creek is now cleaner. Although you probably can't see the difference with your eyes, the potential for contamination is significantly reduced.

Second, this was a small project that was handled by local contractors. This type of work will likely be part of the final closure and remediation, on a much larger scale, so early remediation projects like this offer a good opportunity to develop local skills. Local hire included 5 to 6 workers from Ross River, local contractors and a geologist.

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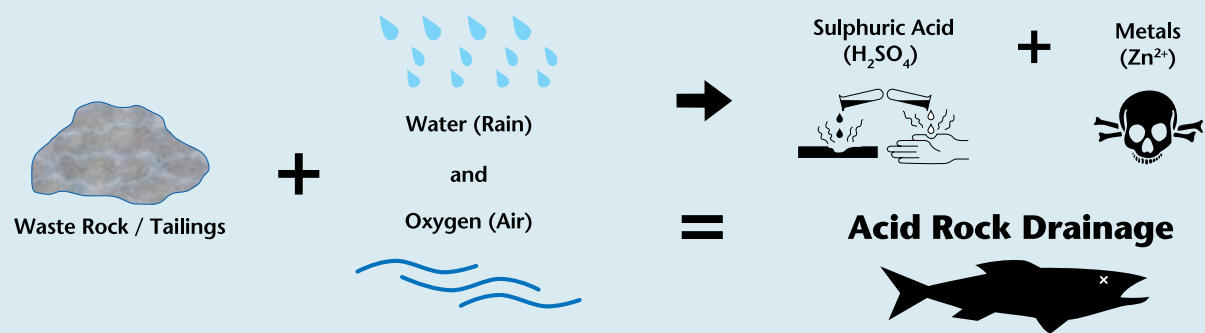
Site Studies

Various studies and investigations took place on site over the summer, including the lysimeter project on the Vangorda waste dump. This project allows us to monitor the performance of proposed waste rock covers in both an unvegetated and vegetated state. There is also a seed collection program planned for this fall which will provide the beginnings for reseeding covers across the entire Faro Mine complex. Projects such as this one are providing valuable information for the closure plan.

Site studies included building a test cover on the Vangorda waste dump.



Acid Rock Drainage



Minerals present in rock participate in a chemical reaction with water and oxygen to produce what is called Acid Rock Drainage (ARD). This chemical process results in the generation of acid, resulting in a low pH,

and in the release of metals that are naturally present in the surrounding rocks. These contaminants can be transported by water, and can have negative impacts on the surrounding aquatic ecosystem.

Future Care & Maintenance

Responsibility for care and maintenance at the Faro Mine complex will shift to Yukon and federal governments when the court-appointed Interim Receiver leaves the site, which is expected by February 2009.

The governments are working with the Interim Receiver to ensure that an orderly and efficient transfer of responsibility is achieved, with the high level of environmental protection under current care and maintenance maintained.

As part of the transition to government responsibility, there will be the selection of a new contractor to take over care and maintenance at the site, including maintaining current standards of environmental and human health protection.

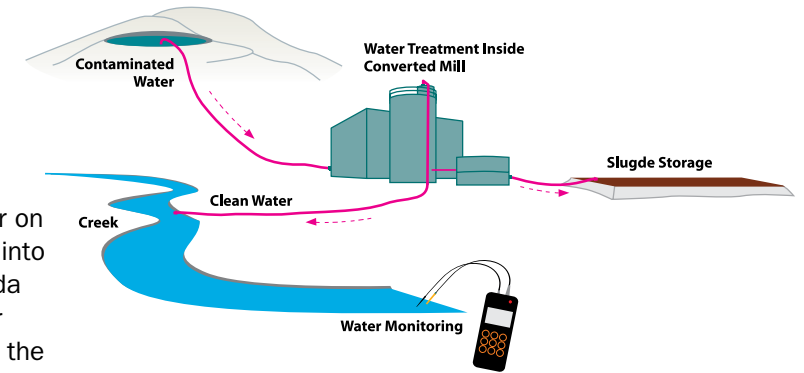
The future care and maintenance contract will be administered by the Yukon government, with funding provided by the Government of Canada. This phase of care and maintenance will last from 2009 until implementation of a final closure and remediation plan, currently estimated to be 2012.

The process to find a new care and maintenance contractor has started, using an open and transparent process. In mid-August the first of a two phase process began with the posting of a Request for Qualifications (RFQ). This will be followed later in the fall by a Request for Proposals (RFP). We anticipate the contract will be awarded in 2008.

Water Treatment

Water treatment is a very important part of managing the environmental risks at the Faro Mine complex, now and into the future. The current program of care and maintenance includes treating and monitoring the water on the site. Only treated water is discharged from the site into the surrounding watershed, including Rose and Vangorda Creeks. The water meets the requirements of the water licence which reflects the discharge criteria provided by the government regulators.

Ongoing water treatment and monitoring at the site help protect the environment. This fall, the Selkirk First Nation and Ross River Dena Council are partnering on a project that will allow the development of a locally run overall site monitoring program to compliment other treatment activities at the site.



How is the water treated?

Contaminated water is sent to the converted mill and mixed with lime. The lime captures the metals from the water and creates a metal rich sludge that is collected and pumped to a storage area. The leftover water flows to the Cross Valley Pond where more lime and metals are removed before discharge.

complex. These materials have the potential for generating acid and releasing metals into the aquatic environment. In addition, certain bacteria thrive on energy stored in rocks that contain sulphur. As they use this energy, the bacteria create heat and can increase the amount of acid/metals released from these types of rocks.

The Faro Mine Project Team that includes Yukon, Federal and First Nations governments is developing the plan to make sure that the environment is protected from any release of metals that could, if not treated, seriously affect waters downstream of the old mine complex. Key features of a closure and remediation plan will be minimizing the generation of metals and acid. The final closure plan will also include treating contaminated water before it flows into creeks running through the mine complex.

Why does the water need to be treated?

Metals such as zinc and lead occur naturally in the rocks around Faro. Things like rain and wind can release these metals from the rock through the weathering process. Before the mine opened, weathering was slow and the naturally released metals had no serious effect on the plants and animals in the area.

Because of almost 30 years of mining activities, there are now approximately 70 million tonnes of tailings and 320 million tonnes of waste rock located across the mine

CLOSURE OBJECTIVES FOR THE FARO MINE COMPLEX

The Government of Canada, the Yukon government, Ross River Dena Council and Selkirk First Nation, at 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.

Community Knowledge

The final closure plan will include a socio-economic impact assessment and an environmental impact assessment as part of preparing for the Yukon regulatory process. These assessments will help the Faro team understand the current and possible future uses of the site, as well as provide insight as to what the potential impacts of closure might be on the surrounding communities and ecosystems. From this, it will be possible to include elements in the final closure plan that will help to expand on any possible positive impacts and reduce any possible future negative impacts.

The traditional knowledge of the Ross River Dena Council and Selkirk First Nation people is an essential part of developing this overall picture, as are the experiences of other local people. Information continues to be compiled and provided by the communities in support of a final closure and remediation plan.