

Supplemental Written Response to Oral Questions:

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Canadian Environmental Assessment Agency
New Prosperity Gold-Copper Mine Project Federal Review Panel

Panel Members and Mr. J.P. LaPlante,

At the conclusion of my oral presentation during the evening session of the New Prosperity public hearings on July 22, 2013, I was asked a number of questions regarding my previous experience at the Faro mine site located in the Yukon. I apologise that I was not able to satisfactorily answer those questions at that time; it has been about 8 years since my last visit to Faro and I was struggling somewhat to recall in a moment, the details of my involvement at that particular site.

Upon arriving home last evening, I was able to concentrate more fully on this matter and even review some field notebooks from the relevant time period. If acceptable to the Panel, kindly add the following information to the official record as my supplemental written response to the oral questions asked of me by Mr LaPlante.

1. I conducted a total of two inspections at the Faro mine site, in 2003 and 2004. Both inspections were conducted pursuant to the Storage of PCB Material Regulations created under the Canadian Environmental Protection Act, 1999. At the time of the inspections the site was being co-operatively managed by Government of Yukon and Government of Canada officials following insolvency of the final mine operator, Anvil Range Mining Corporation in the late 1990's.
2. Although I am not fully familiar with the history of the Faro site, I am aware that initial production dates back to the late 60's and continued intermittently until the late 90's. The mine was operated by a number of companies during this period including; Anvil Mining Corporation, Cyprus Anvil Mining Corporation, Curragh Resources Inc., and finally Anvil Range

Mining Corporation. To my knowledge, none of these companies were required at the time, to provide any site reclamation or remediation security upfront. In the final 2 years of operation, Anvil Range Mining Corporation did negotiate contributions to some form of reclamation fund with the Government of Canada which were to be calculated based partly on the price of zinc and paid subject to available cash flow. I do not know if any monies were made available from this fund to assist with mine closure and reclamation when Anvil Range Mining Corporation entered receivership.

3. In answer to the question “Would I characterize the Faro mine as a responsible project”, I do not think I have enough direct knowledge of the site, when it was operating, to provide a reliable assessment. My official involvement with the site occurred several years after the final operator had entered receivership and departed. Furthermore, I did not have occasion to read or evaluate the mining plans or proposals from any of the various operators.

4. If you would like my general description and observations I can state that the Faro site is quite large and complex with multiple ore bodies, mined in multiple drainages using both underground and open pit methods. The active areas were joined by haul roads along which raw ore was transported 12-14 KM to the mill. In addition, a complete townsite to support the mine activities was located separately 10-12 KM away along the banks of the Pelly River requiring massive additional infrastructure development. Power for the project was generated at the Aishihik Lake hydro site and delivered via a 450 KM transmission line.

5. Much has been learned and written about the successes and failures of the operations at Faro and other mining projects with similar outcomes. One of the most obvious is of course, the need to incorporate site reclamation security as a component of the approval process. I understand that a “Mine Site Reclamation and Closure Policy” has now been developed in the Yukon and is linked to conditions of Mining Licences when issued. In British Columbia, we have indeed had these provisions for many years and they would be applicable to the New Prosperity project. As with every industry, we have learned over time, the pitfalls that must be avoided in the future. I would suggest that if the Faro project had been scrutinized in the 1960’s using the current day environmental review processes it would have either never proceeded or looked much differently.

I hope this helps to answer your questions more completely than I was able to do orally during the hearing. Again, I apologise for the delay.

Daryl Anderson
Interested Party