

NEWSLETTER

JUNE 2021

Summer 2021 is upon us!

We are reaching out to you about the Mount Nansen Remediation Project. Here is a newsletter to start our conversation again, and to answer some of your questions and concerns about the project.



PROJECT OVERVIEW

As you may know, the Mount Nansen Remediation Project is an abandoned gold and silver mine located in the Traditional Territory of the Little Salmon Carmacks First Nation, near the Village of Carmacks. As a Type II Mine site, Canada accepted responsibility for its existing liabilities in the 2003 Yukon Devolution Transfer Agreement. The project objective is to have the site remediation completed within 10 years of the site sale to Mount Nansen Remediation Limited Partnership.

FINAL CLOSURE OBJECTIVES

- ✓ Protect human health and safety.
- ✓ Protect and restore environment including land, air, water, as well as fish and wildlife and their habitats.
- ✓ Return mine site to an acceptable state that reflects original, traditional and pre-mining land use.
- ✓ Maximize local, Yukon and First Nation benefits.
- ✓ Manage risk in a cost-effective manner.

BUILDING A POSITIVE LEGACY IN PARTNERSHIP WITH LITTLE SALMON CARMACKS FIRST NATION AND GOVERNMENT OF CANADA

We want your feedback. How to contact us

Use Pre-stamped Envelope included in this Mailout to send us your comments by Canada Post.

Or

Go to Mount Nansen Remediation Project Website.

<http://www.mnrlp.ca/>

Or

Go to MNRLP's Facebook Page

<https://www.facebook.com/mnrlpyukon>

MESSAGE FROM THE PROJECT DIRECTOR

The Mount Nansen Remediation Project is one of the most exciting and supported abandoned mine clean-up projects in the Yukon. Decades in the making, the preferred remediation option for the Mount Nansen site was selected in partnership with Canada, the Yukon Government, and Little Salmon Carmacks First Nation. MNRLP is now preparing the remediation plan for assessment by the Yukon Environmental Socio-economic Assessment Board (YESAB) later this fall.

Throughout 2019 and early 2020 we heard from the community, and your input is helping shape how we advance and study the proposed remediation option. Protection of LSCFN Traditional Territory's natural resources and landscape, the local economy, and your way of life are of utmost importance to us all. As we progress the Executive Committee YESAA Project Proposal, we want to continue to hear your thoughts and comments about the remediation project. Unfortunately, due to COVID-19 we were asked to pause our engagement on the Project to keep your community and our team safe. As vaccination rates have increased and we begin to look forward to a loosening of restrictions, our team and partners have been brainstorming creative ways to re-engage with the community. This mailout is one way we are hoping to refresh and re-connect. We also plan to have a virtual

townhall meeting on July 12 at 7 pm, which we will have a link to on our Facebook page. We hope to see you there!

We also want to share how we are working to support efforts to limit the community's exposure to COVID-19. We have updated our operational and health and safety procedures to comply with Yukon's 6 steps to staying safe and the real-time guidance of Yukon's Chief Medical Officer of Health. We are continuing to take actions such as physically distancing by working from home, carefully planning our travel to the community, and using personal protective equipment when needed. We are committed to working with LSCFN, the community of Carmacks, Canada, and the Yukon Government to limit the spread of the virus and protect the health and safety of our families and friends.

We hope you will find the feedback on what we heard so far and additional information on the Pit Containment Structure useful. We have set up a few communication options for you to explore and share your project comments with us. Our long-term vision for providing local benefits through collaborative planning and the safe, cost-effective execution of the Mount Nansen mine clean-up has not changed.

I know we can accomplish this together.

Kai Woloshyn,

MNLRP Project Director,

Ensero Solutions Vice President of Strategic Projects

PROJECT PROGRESS REPORT

Update on Care and Maintenance at Site

The Care and Maintenance (CM) Water License is being reviewed by the Yukon Water Board and we hope to have CM transition from Denison to MNRLP this fall. This means we are hiring for CM operators – see the post on the back of the newsletter and on Facebook – and also plan to start building the Water Treatment Plant for CM in the fall.

PROJECT DESIGN UPDATE

The Preliminary Design Remediation Plan has been reviewed by Canada and by LSCFN, and received acceptance by Canada and by LSCFN to proceed to the next stage of design as of June 18, 2021. The design is the same as described in the February 2020 community meeting. Very broadly, non-acid generating waste rock will be placed into the Pit Containment Structure, with the tailings, and potentially acid generating waste rock, ore, other contaminated soils, and building materials from Site placed on top, away from groundwater. The Pit will be filled with these materials, and capped with a cover. The area where the tailings were previously stored will be contoured to match the land around, and the site will have a rough and loose (bumpy) covering made over it, to capture seeds and water for natural revegetation. Dome Creek will be put back to its old alignment, and planted for 15 m along either side. The Site will have 10% of the remaining area planted to create wind breaks and shelters for natural revegetation to grow from.

COVID-19 and SAFETY

Our team understands the pandemic health and safety concerns LSCFN has shared with us. We have taken action to limit community contact in Carmacks and the potential for COVID-19 introduction from people outside the territory. We postponed the essential services environmental monitoring programs from April to August 2020 to collaboratively plan pandemic safe work processes with LSCFN. We developed a joint safety plan with LSCFN, considering the Yukon COVID guidelines, to support environmental fieldwork at the Mount Nansen site. Our joint safety plan includes, but is not limited to:

- ✓ Completing a daily health check and staying at home if we have any symptoms
- ✓ Maintaining the recommended physical distancing of 2 meters
- ✓ Wearing personal protective equipment when travelling to and from site, or working with less than 2 meters of physical distance
- ✓ Limiting the number of staff who are at camp to 3
- ✓ Having enough personal protective equipment available to manage a team member if they develop COVID-19 symptoms
- ✓ Self-isolating staff who are not fully vaccinated for the required 14-days, should anyone arrive from outside the Territory.

As we look forward, there are reasons to be hopeful as our collective actions to physically distance, wear masks, and get vaccinated have made a difference. The Yukon Government is taking measured steps to safely reopen the Yukon.

FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN

REVEGETATION EFFORT AND BEST MANAGEMENT

We have heard that you are concerned that the Remediation Plan includes only planting 10% of the mill, camp, pit and tailings areas. It is challenging to plant a landscape to mimic natural conditions with our northern species and we are looking to nature for help. We will make the mill, camp, pit and tailings areas rough and loose to naturally collect seeds from the surrounding forest and capture moisture from rain and snow, encouraging natural plants to grow. During the 5-year Transition phase, we will monitor the site for invasive species and implement our adaptive management plan, as required. The Remediation Plan includes planting ribbons of vegetation, which will encourage the natural revegetation by creating wind breaks, snow collection areas, and seed collection areas. This way we protect the soil and the moisture and let nature help us grow native plant species that belong.

WILDLIFE AND DOME CREEK WATER

We have heard your concerns about animals potentially drinking contaminated water in Dome Creek, or eating berries growing from contaminated soil. The key objective of water treatment at site, and the placement of contaminated materials into the Pit Contaminate Structure, is to encourage native plants and animals to live the way they did before the mine.

Contaminated water will be treated during Active Remediation to meet the Remediation Water Use License water quality criteria. All the contaminated tailings and soils in Dome Creek valley will be moved to the Pit Containment Structure, improving the water leaving Site, and leaving a cleaner environment for plants to grow in. The pit preparation activities include design features to minimize the potential of groundwater and surface water having contact with the contaminated materials placed in the pit. Dome Creek water quality will be monitored for at least 15 years after Active Remediation to protect animals, plants and aquatic resources at site and the downstream receiving environments.

FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN

AQUATIC RESOURCES

We have heard your concerns about the contamination created from the Mount Nansen Mine and the contaminants entering Dome Creek and eventually Victoria Creek where traditional and recreational fishing occurs. Fish can be affected from contaminated water, increased sediment loads, and from poor industry housekeeping practices. During the remediation of the Site, we put Best Management Practices into place to reduce the risk that contaminated water encountered during clean-up doesn't reach Dome Creek. During Active Remediation, contaminated water will be treated in the water treatment plant and will only be discharged to Dome Creek when it meets the water quality requirements included in the Remediation Water Use License. As we've mentioned above, after remediating the tailings and contaminated soil the water leaving Site will not need long term treatment.

BLACKENED VEGETATION

We know the blackened vegetation downstream of the Tailings Storage Facility is an area of concern. This summer or fall we will conduct an assessment to confirm the size and potential volume of the area. This will let us know if there has been any change since the 2005 and 2006 field studies.

The blackened vegetation and contaminated soils will be dug up and placed in the Pit Containment Structure during the Active Remediation phase. The area will then be revegetated like the rest of the Site, including 100% revegetation within 15 m of each side of Dome Creek.

FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN

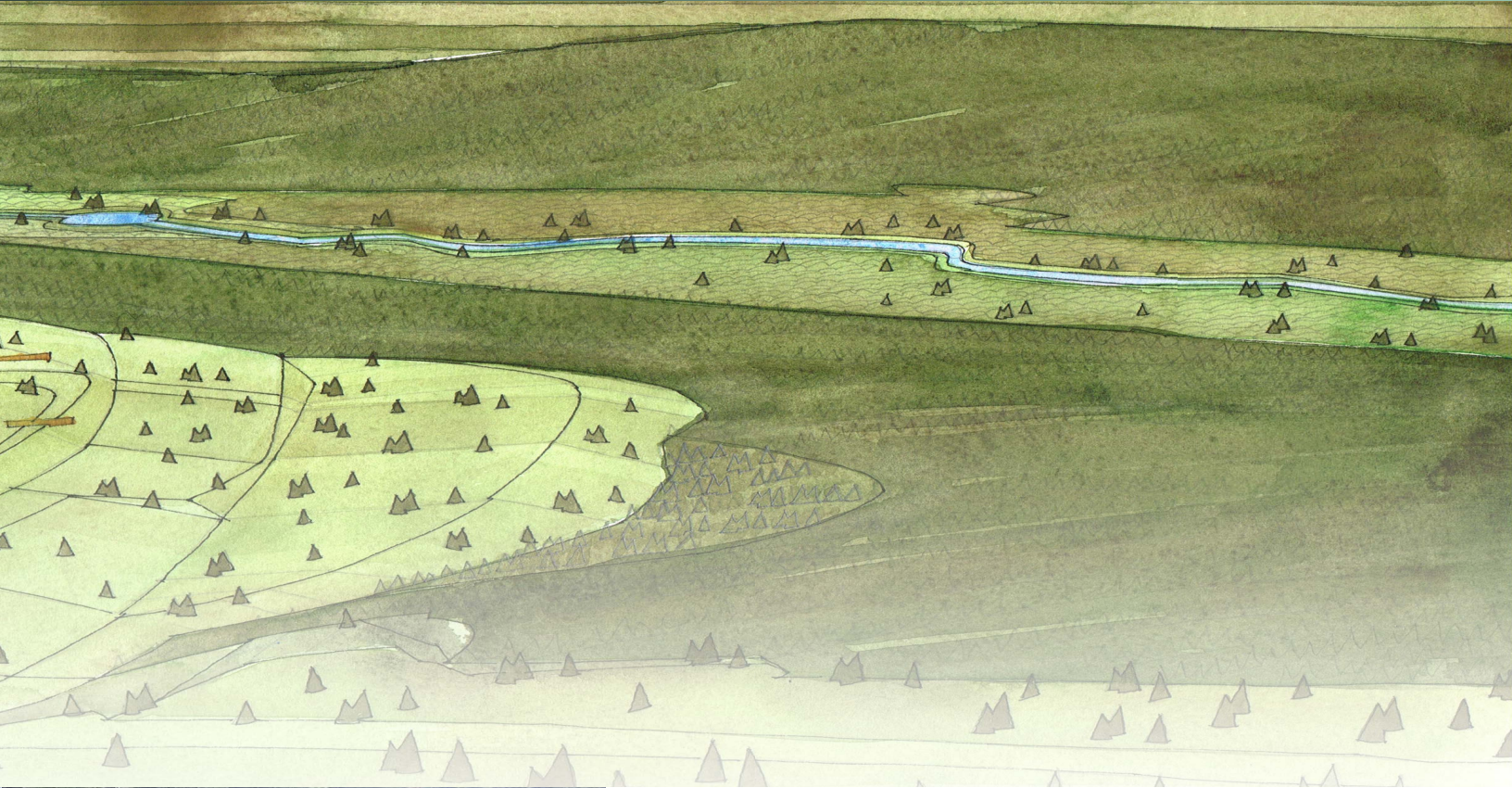


TRENCHES

We have heard that you are concerned about remediating only trenches that have wildlife and erosional issues. We are now proposing to remediate all trenches identified in the original 30% remediation design. These trenches were chosen based on how important they are to wildlife, if they have erosion problems, and how long it will take to naturally revegetate.



FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN



SITE-SPECIFIC STANDARD AND IDENTIFYING CONTAMINATED SOILS

The level of arsenic occurring naturally in soils around and at Mount Nansen is higher than clean-up standards. If we dug to the Yukon standard we would dig forever! We have created a site-specific standard to reflect the natural levels of arsenic in the area. Arsenic levels in soils that are higher than the site-specific standard will be considered contaminated and placed in the Pit Containment Structure.

FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN

LANDFILL

We have heard that there might be some hazardous materials in the old landfill located near the mill area. We will test suspicious material in the landfill when we are digging it out and we will be ready to sort the hazardous wastes out to be disposed of off Site, along with other hazardous wastes that can't go into the Pit Containment Structure.

DOME CREEK WATER QUALITY FROM HUESTIS ADIT

We understand that there are concerns about the Huestis adit and its potential effect on water quality in Dome Creek. We will be studying groundwater quality and the effects on Dome Creek this field season to determine if the Huestis adit is causing problems for the environment.

CHEMICAL HANDLING AND STORAGE

We've heard your concern about the amount of chemicals to be stored on Site and how they will be transported to and from Site. We'll be using Lime, Ferric Sulphate, Sulfuric acid, TMT 15[®], and Polymer in the Water Treatment Plant. We will store approximately three months supply of the Water Treatment Plant chemicals onsite. This will require three truckloads delivered to Site every three months, not including fuel. All the chemicals and fuel will be stored safely on site, and all trucks have spill kits and Emergency Spill Response Plans.

FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN

PLACER MINING AND CUMULATIVE EFFECTS

We've heard that you are concerned about the potential masking effects on water quality from placer mining. In our environmental effects assessment, we are considering nearby placer mining as part of the overall effects on all of our valued components, including ground and surface water. Placer mining can cause water to have lots of sediment (Total Suspended Solids). Measuring for dissolved metal levels is much less affected by placer mining. In our water quality assessment, we are using dissolved metal levels to assess water quality compliance.

THE PIT CONTAINMENT STRUCTURE COVER

We have heard that there are concerns about the potential settlement of the cover. We have completed additional modelling on the settlement of the material planned to be in the Pit Containment Structure and carried out additional research on geosynthetic liner strength. The additional modelling and liner research results show us that the cover can be designed to be effective over the long term. We will provide additional cover design details during the Detailed Design phase.

DOME CREEK BRIDGE

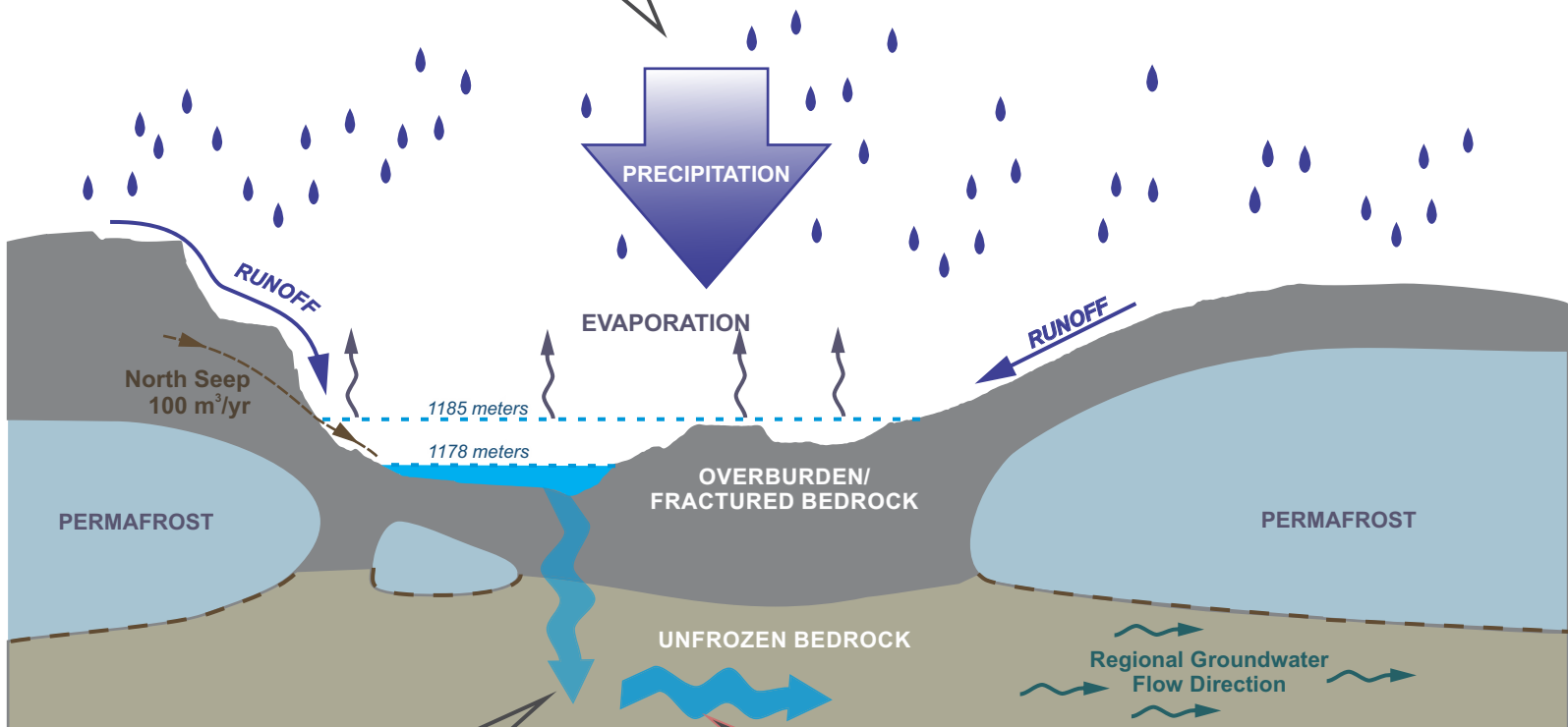
We've heard that you are wondering if we will be improving the bridge across Dome Creek Diversion to haul the tailings. We will be putting in new culvert crossings in Dome Creek for the haul trucks and keeping the old bridge for small trucks. The Dome Creek diversion will be kept in place until we can re-align Dome Creek.

FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN

THE PIT - CURRENT CONDITIONS

Currently, the main source of water into the pit is precipitation directly falling within the pit footprint. There are tiny seeps documented in the pit walls, but they produce very little water into the pit. The North Seep has an estimated flow of $100\text{m}^3/\text{yr}$

The pond water level is seasonal, with the highest levels tending to occur in Fall. The Pond Level is Sensitive to the amount of precipitation



Pond Recharge to Groundwater $12,000\text{m}^3/\text{yr}$

Migration of Potentially affected water to Dome Creek $12,000\text{m}^3/\text{yr}$

From 2010-2015, Pond Level fluctuated between 1181.7 to 1184.5 metres amsl. Since 2016, pond level has been below 1180 metres amsl

FEEDBACK ON WHAT WE HAVE HEARD SO FAR ABOUT THE MOUNT NANSEN

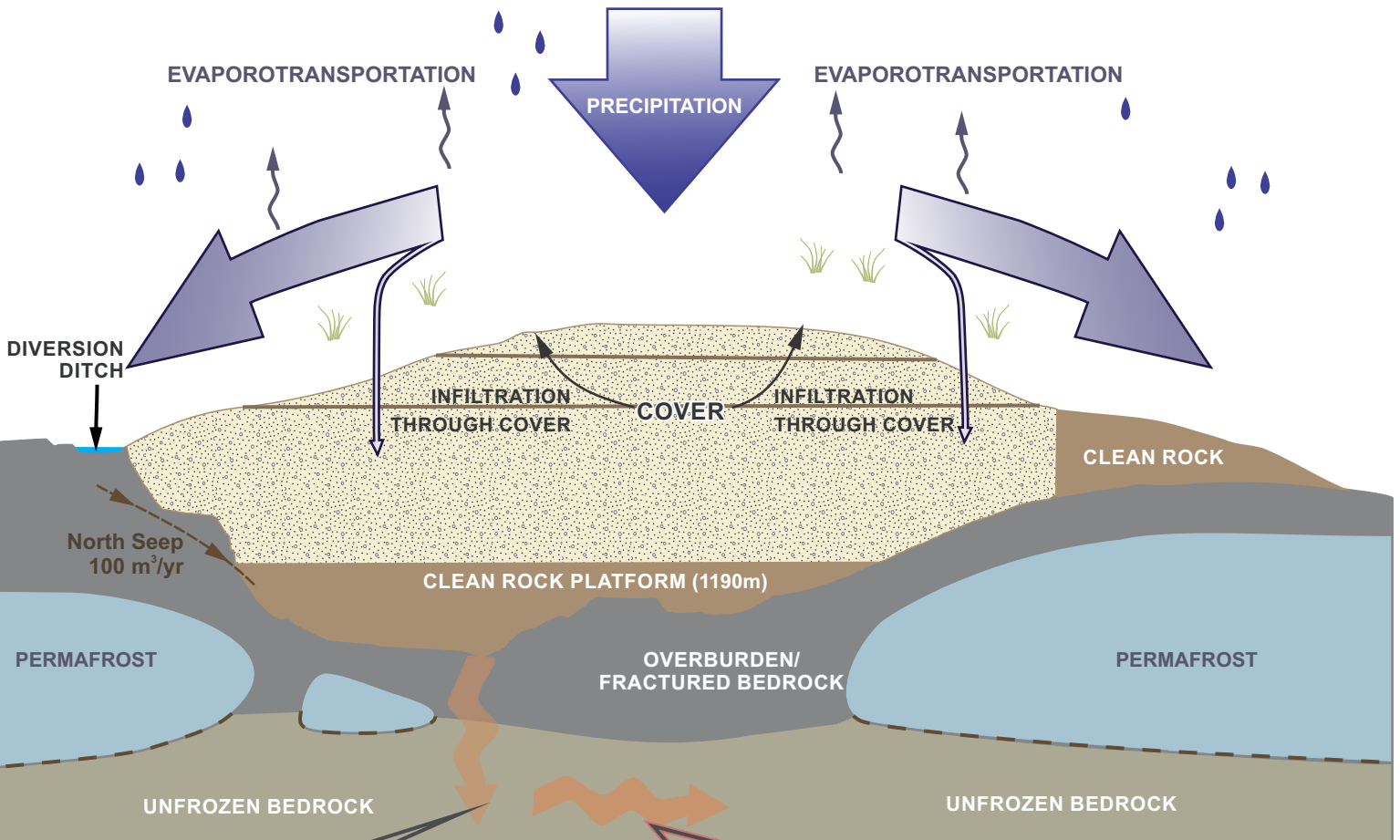
THE PIT - AFTER CLOSURE

The cover and the ditches will greatly reduce the amount of water that will get into the backfill

A cover will be placed over the pit, like an umbrella, to shed water away from the pit.

Water that falls outside of the cover that could flow towards the pit will be captured by ditches and carried away from the pit.

We've considered climate change and seasonal variation in our design.



Backfill Recharge to Groundwater 250 m³/yr

Migration of Potentially affected to Dome Creek 250 m³/year. Seepage from the PCS is 250 m³/year which equals 0.05% of the average yearly flow in Dome Creek

A very small amount of water is expected to flow from the pit backfill into groundwater and then migrate into Dome Creek. Water Quality in Dome Creek will not be significantly altered by this flow. This is one of the reasons why a liner isn't included in the pit design.

Clean Rock Platform is at least 5m higher than the maximum observed pond water level

JOB OPPORTUNITIES

Care and Maintenance Operator II
(Full-Time Permanent)

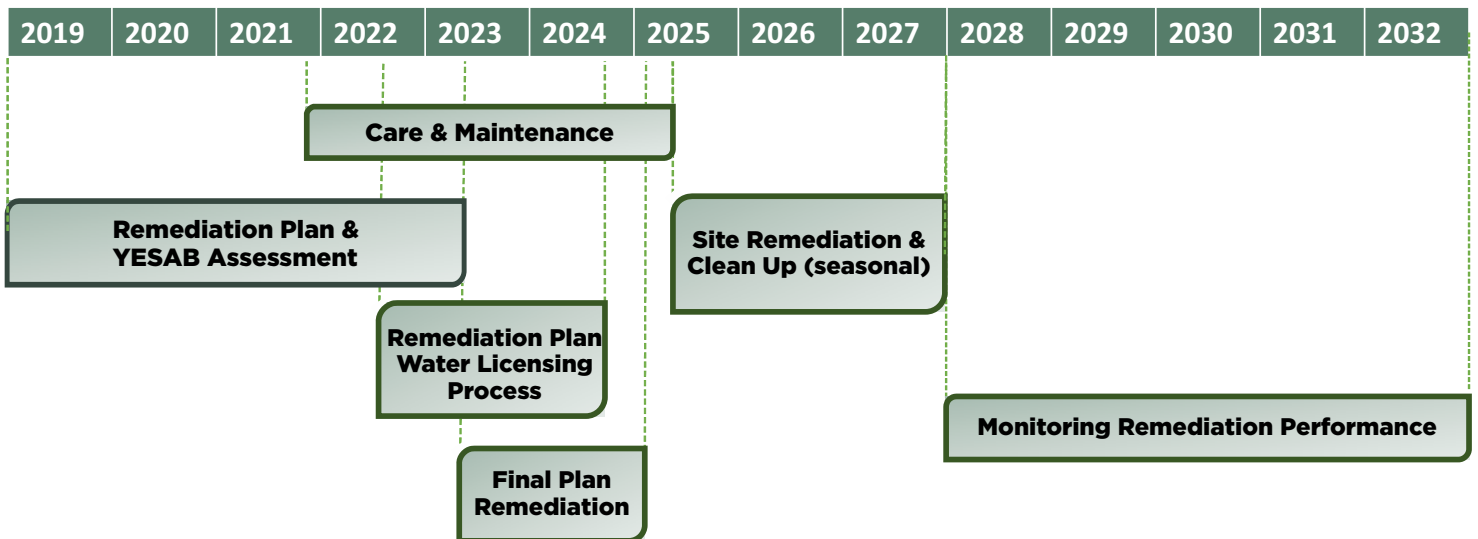
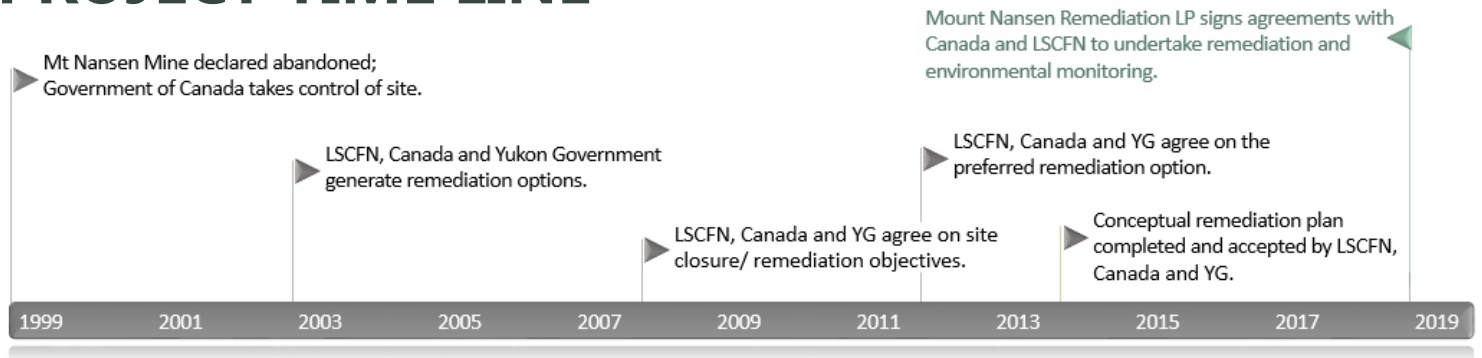
Start: Early Winter 2021 Start

Rotation: 14 days on - 14 days offs

APPLY AT:

<https://recruiting.ultipro.ca/ALE5000ALEC/JobBoard/13ba2fb6-decb-471e-b1e3->

PROJECT TIME LINE



For more information, contact:

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