



**SELWYN CHIHONG
MINING LTD.**

HPAR Upgrade Project

TOR Scoping Sessions

Tulita - Oct 20, 2015

Norman Wells- Oct 21, 2015

Nahanni Butte - Oct 22, 2015



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HPAR Upgrade Project

Developer Information



Yunan Chihong Zinc & Germanium Ltd.

Engaged in mining, processing & sale of lead, zinc, germanium and silver products. Market Cap of ~3.8 billion C\$. ~ 12,000 employees worldwide. Owned by Yunan Provincial Government of China.



Chihong Canada Mining Ltd.

Vancouver BC based subsidiary of Yunan Chihong Zinc & Germanium Ltd.



Selwyn Chihong Mining Ltd (SCML).

Operating company owned by Chihong Canada Mining Ltd., with offices in Vancouver, Whitehorse and Watson Lake.

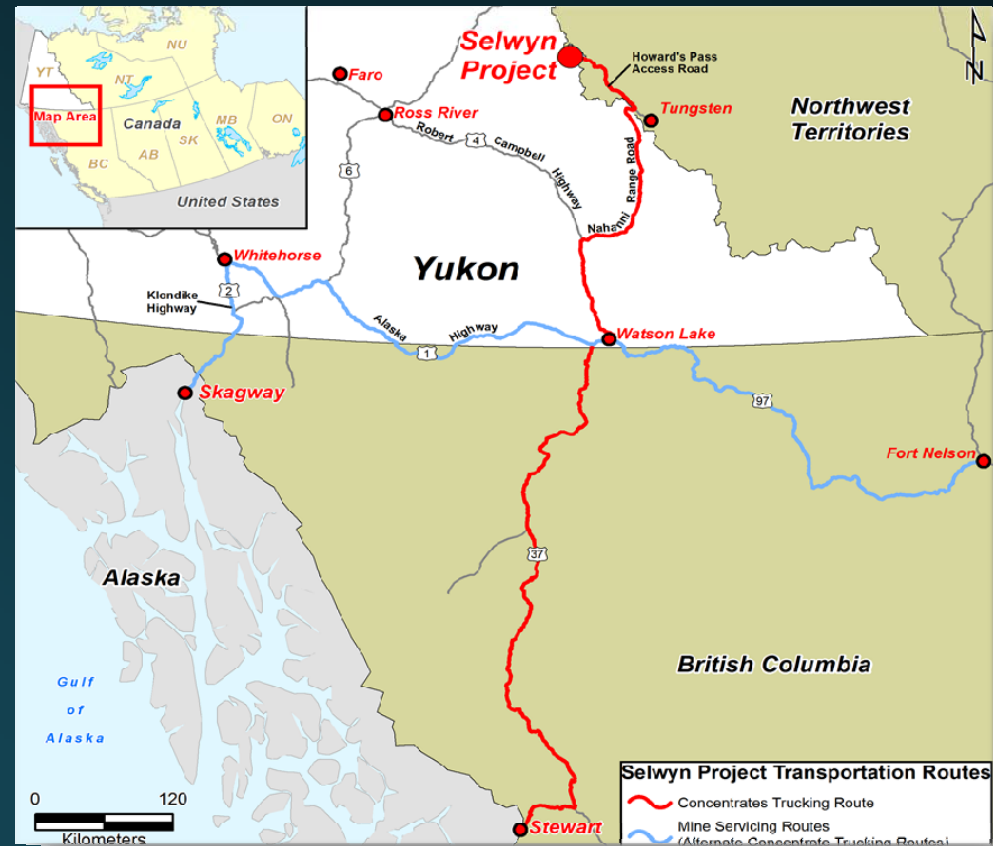


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Howard's Pass Access Road (HPAR)

- An existing 79 km long single-lane gravel road in southwestern NWT.
- The HPAR branches off the Nahanni Range Road, near Tungsten, and ends at Howard's Pass at the NWT–Yukon border.
- The HPAR was originally built in 1978-79 to access the extensive zinc-lead deposit that straddles the Yukon–NWT border at Howard's Pass.
- SCML has applied to upgrade the HPAR to a two-lane all-season mine access road and to use the road to support the Selwyn Project.
- The HPAR is part of the ~1000 km haul route to the Port of Stewart.





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HPAR Development History



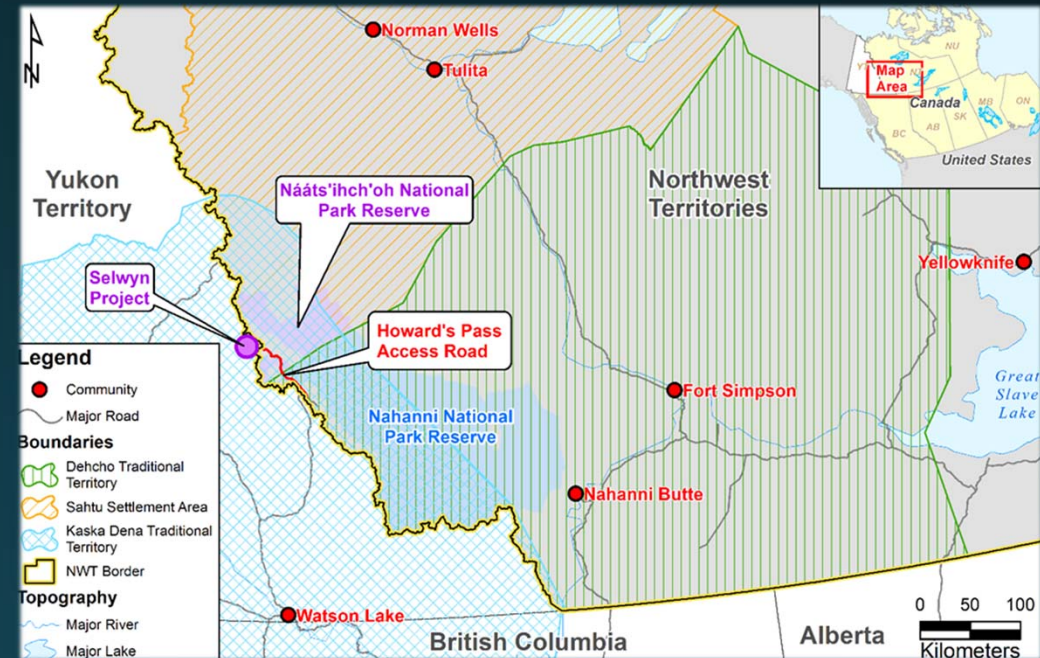


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Political Boundaries

- The southern portion of the HPAR (km 0 to 36) is within traditional territory asserted by DehCho First Nations.
- The northern portion (km 36 to 79) is within the Sahtu Settlement Area.
- The HPAR is also within traditional territory asserted by Kaska First Nations.
- Nahanni and Naats'ihch'oh National Park Reserves overlap the HPAR between km 14 and km 60.



How far away is the HPAR from NWT and Yukon communities (as the crow flies)??

Tulita 340 kms

Nahanni Butte 310 kms

Watson Lake 240 kms

Norman Wells 350 kms

Yellowknife 750 kms

Ross River 190 kms



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Community Cooperation Agreements

- SCML has entered into Cooperation Agreements with:
 - ❖ Sahtu Dene and Metis First Nations of the Tulita District (2010).
 - ❖ Nahᓃą Dehé Dene Band of Dehcho First Nations (2013).
- SCML has signed an Interim Measures Agreement with the Kaska First Nations. SCML and Kaska have completed negotiations on a comprehensive Socio-Economic Participation Agreement. A community ratification vote is scheduled for November 30, 2015.
- SCML has also signed a Memorandum of Understanding (MoU) with Parks Canada on the operation of HPAR within Nahanni and Nááts'ihch'oh National Park Reserves.





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Community Involvement

- Sahtu and DehCho communities have been involved in all significant activities undertaken by SCML on the HPAR, including:
 - ❖ 2011 winter road construction/operations
 - ❖ 2014 reconstruction
 - ❖ 2015 maintenance





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Community Involvement

- SCML has been engaging with NWT and Yukon communities since 2006.
- SCML consulted with potentially affected communities on the HPAR Upgrade Project during 2014-15. This was done following MVLWB guidelines and the process set out in the Cooperation Agreements.
- SCML has received letters of support from:
 - ❖ Norman Wells Land Corp
 - ❖ Tulita Land Corp
 - ❖ Fort Norman Metis Land Corp
 - ❖ Nahᓃą Dehé Dene Band





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Why Upgrade the HPAR?

- An upgraded HPAR is needed to support the evolving needs of the Selwyn Project:
 - ❖ **MINE CONSTRUCTION** – the HPAR will be used to haul equipment and supplies in to the Yukon to support mine site construction activities.
 - ❖ **MINE OPERATIONS** – the HPAR will be used to haul zinc and lead mineral concentrates out to port and to haul supplies in to the mine site.

Hauling	Approximate Trucks/Day
Lead concentrate	11
Zinc concentrate	56
LNG	12
Diesel fuel	5
Mill Supplies	7
Other supplies	3





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Why Upgrade the HPAR?

- The HPAR needs to be improved so that it is safe and efficient to use.
- The existing alignment will be followed, with some minor sections of realignment.
- Upgrades will include:
 - ❖ Widening to two full lanes;
 - ❖ Reducing curves to improve visibility and travel speeds;
 - ❖ Extending culverts for wider road.
- ❖ Bridges were replaced in 2014. No changes needed.



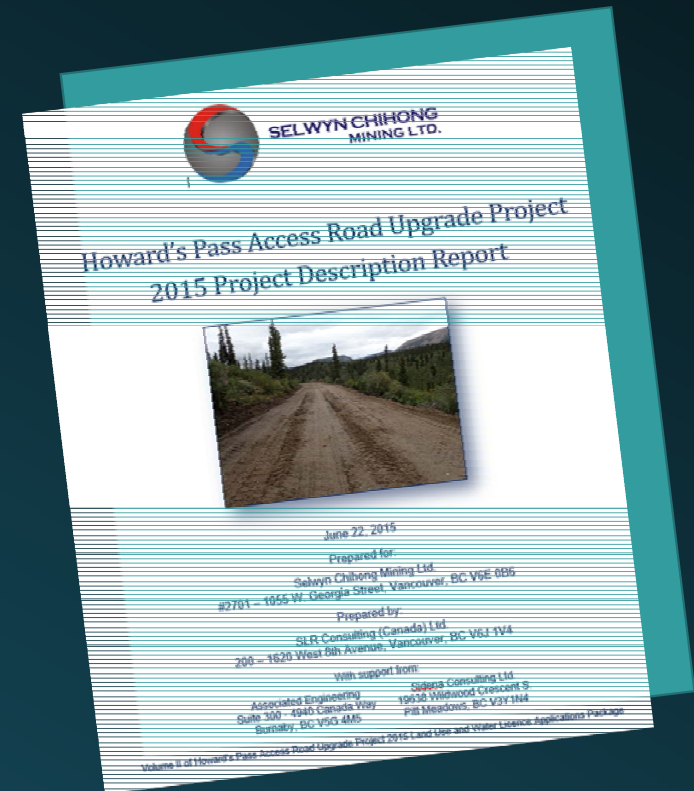


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Developer's Assessment Report (DAR)

- **SCML's proposed terms of reference** is based on the template provided by the MVEIRB.
- DPToR builds on information and plans presented in the application package including the **Project Description Report**.
- SCML will continue to consult with communities and government throughout preparation of the DAR.



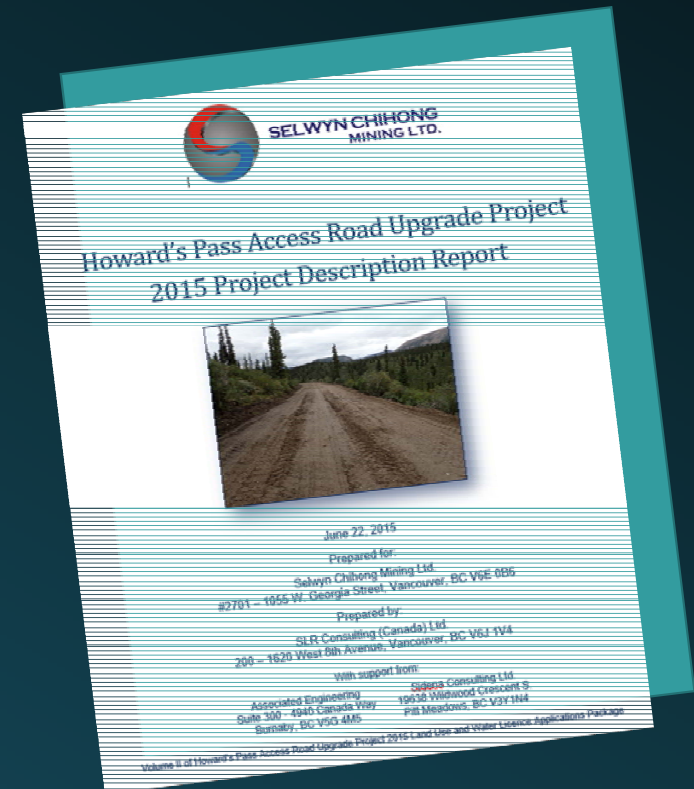


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Developer's Assessment Report will:

- Incorporate Traditional Knowledge.
- Use Valued Components used for assessment of impacts, with:
 - **Key Lines of Inquiry- highest priority.**
 - **Subjects of Note- lower priority.**
- Include management, monitoring and mitigation plans.
- Include assessment of Project Alternative and Cumulative Effects.
- Cover construction, operation and decommissioning phases.
- Provide rationale for proposed geographic and temporal scopes.





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Proposed Key Lines of Inquiry based on input from Communities and Parks Canada:

1. **Nahanni caribou herd:**

- direct and indirect effects on individual caribou and on the caribou herd from road traffic and road access.

Key Facts:

- Northern mountain woodland caribou ('stable' in NWT; 'special concern' under SARA)
- Nahanni caribou are in the HPAR corridor mainly spring to fall
- Baseline data collection and community consultation programs since 2007
- Caribou are a focus for road planning to date, with ongoing monitoring, and mitigation planning well underway





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Proposed Key Lines of Inquiry based on input from Communities and Parks Canada:

2. Risk of spills

- risk of spills from hauling concentrates, fuels and mine reagents during mine operation;
- potential impacts on aquatic and terrestrial ecosystems.

3. National park reserves

- visitor access to park areas and visitor experience;
- park heritage and cultural resources;
- ecological integrity.





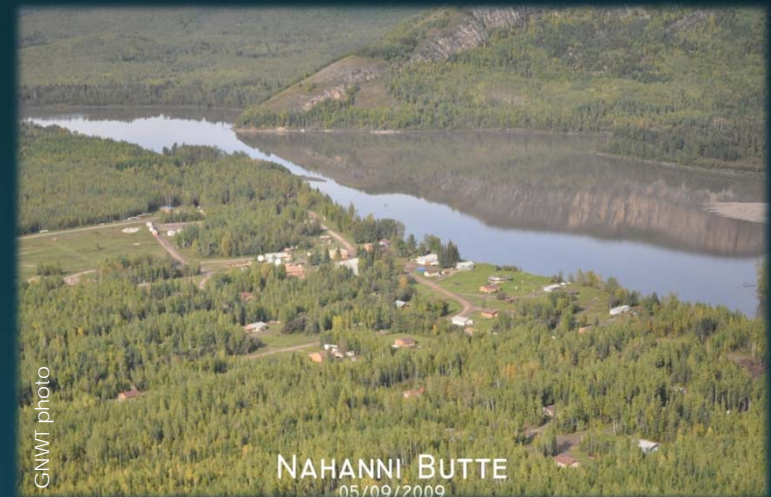
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Proposed Key Lines of Inquiry based on input from
Communities and Parks Canada:

4. **Benefits and effects on communities**

- direct and indirect effects on employment and contracting opportunities;
- wage and salary income;
- training and skill development;
- business opportunities;
- overall community wellness.





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Proposed Subjects of Note:

- Bedrock geology and surficial geology
- Air quality
- Water and sediment quality (excluding the impacts of accidents and malfunctions)
- Vegetation
- Fish and aquatic habitat (excluding the impacts of accidents and malfunctions)
- Wildlife and wildlife habitat (excluding caribou)
- Species at risk
- Traditional land use and harvesting
- Cultural resources
- Heritage resources
- Road, lake and river access and use





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Impact Assessment methodology will consider:

- Identification of potential effects.
- Mitigation measures and residual effects.
- Assessment of cumulative effects.
- Each predicted impact the following will be described:
 - type of impact.
 - geographic extent.
 - timing.
 - magnitude.
 - reversibility.
 - likelihood.





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Closure:

- SCML looks forward to working closely with government, communities and the Board throughout the assessment of the HPAR Upgrade Project.
- Please feel free to contact:
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