

# SELWYN PROJECT NEWSLETTER

March 2015 issue



## LETTER FROM THE CEO



The recent slowdown in the mining sector is making news so I want to start off by reassuring people that price projections for zinc are positive, and a zinc-lead project like the Selwyn Project is in a strong position.

I'm pleased to report Selwyn Chihong met all of the objectives we set in 2014. We invested \$56 million to move the Selwyn Project towards the environmental assessment process, including \$18 million spent in Yukon. Having completed our Preliminary Economic Assessment (PEA) in 2014, we're now focused on completing our Prefeasibility Study (PFS) and negotiating the Socio-economic Participation Agreement (SEPA) with the Kaska Nation. We'll continue to keep community members updated on our progress.

Our Guiding Principles are at the core of development of the Selwyn Project, and we remain committed to developing a project that reflects the input of local communities. While we encountered a few unexpected delays in 2014, we continue to move the Project forward and will reopen the Don camp to resume our drill program in early April.

Our Community Liaison Officers (CLOs) – Sandra in Ross River and Rose in Watson Lake – continue to be a great resource for community members. I invite and encourage anyone looking for information about the Project and wanting to share feedback with us, to contact Sandra or Rose.

In my culture, February 19 marks the start of Chinese New Year and the Year of the Goat, which heralds a year of promise and prosperity. I wish each of you *Kung Hei Fat Choy* and look forward to seeing you in Yukon later this year!

*Richard Shih Li*

# SEPA Update *by Maurice Albert*

Selwyn Chihong Mining Ltd. has initiated discussions with Kaska negotiators for both Ross River Dena Council and the Liard First Nation to develop a Socio-economic Participation Agreement (SEPA). This agreement is meant to replace the Interim Measures Agreement (IMA) that was signed previously and which is currently in effect.



The SEPA will be the foundation agreement between Selwyn Chihong and the Kaska Nation, promoting a cooperative and mutually respectful relationship related to all phases of the Selwyn Project. It will also provide a legally binding framework for Selwyn Chihong and the Kaska to engage in an ongoing relationship. The SEPA acknowledges it is in everyone's interest to share the benefits of the Selwyn Project and find ways to mitigate and accommodate adverse environmental, social and cultural impacts. Selwyn Chihong and the Kaska Nation have already entered into a Traditional Knowledge Protocol and this will be recognized in the SEPA.



## Identifying training, employment and business opportunities

The SEPA will also identify training, employment and business opportunities for work during construction and operation of the mine, as well as business related to the Project, including the concentrate haul from the mine to Stewart BC; camp operations; and the provision of Liquefied Natural Gas (LNG) to fuel the electrical power plant. The SEPA will also provide for revenue-sharing

arrangements to ensure Kaska governments have a new source of revenue to provide services for members.



## Protecting the environment

Selwyn Chihong is committed to developing the proposed Selwyn Project to the highest environmental and social standards. The SEPA will identify how we will manage environmental risks and the role Kaska members will play in monitoring company performance. Creating and sustaining healthy, safe environments for communities and employees, protecting wildlife and ensuring the safe management of water are high priorities for everyone. The SEPA will address these and other important issues, and will help us take the appropriate measures to monitor and minimize adverse impacts. Reclamation is an important part of mine design and development, and will be done on an ongoing basis throughout the lifetime of the Selwyn Project, and beyond.



## Involving the Kaska Nation in mine design

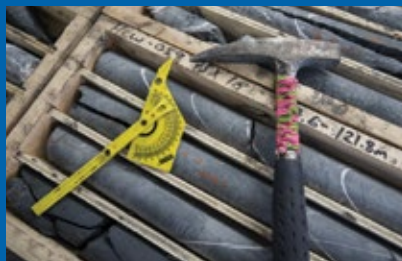
The SEPA will include ground-breaking features such as the involvement of the Kaska Nation in mine design and development. As participants on joint Selwyn Chihong / Kaska working groups, Kaska members will have insight into mine planning activities and the opportunity to provide input into the plans as they are being formulated. A SEPA that builds a strong, mutually respectful relationship between Selwyn Chihong and the Kaska Nation will stand the test of time and ensure long-term benefits for everyone.

# Moving The Selwyn Project Forward: Our Plans For 2015

The Selwyn Chihong team was very busy in 2014 and has a lot planned for 2015 too!

## The PEA is complete and the PFS is in progress

We completed our Preliminary Economic Assessment (PEA) for the Selwyn Project last year, which was a very important milestone. This is a report that helps companies understand whether a project is possible from an economic, technical and geological perspective. With the PEA now complete, we have begun work on our Prefeasibility Study (PFS), which is a more detailed study of the Project to give us more information about mine design, mine rock, tailings and water management. Our goal is to complete the PFS this year.



## Our drill program and field work continues

We also completed a 55,000-metre drill program in 2014 to help us learn more about the mineral deposits at the Project. We continued our environmental and engineering field work too, looking at many different things including water in and around the proposed Project site, fish and wildlife and water management. We have a 10,000-metre drill program planned for the 2015 season, as well as another environmental and engineering field work program.

## More HPAR upgrades during 2015

Another important 2014 milestone was the upgrading we completed on the Howard's Pass Access Road (HPAR). We built eight new bridges along the route and completed road reconstruction work that means the road is now accessible all year round. In 2015, we are focused on getting the permits we need to widen the road so it can be used for trucking the ore.

## Our SEPA negotiations continue

This year, we continue our Socio-economic Participation Agreement (SEPA) negotiations with the Kaska Nation, to lay out the framework for how we can work together to bring the Project into production.

We will continue to visit Ross River and Watson Lake to give us more opportunities to hear from local community members about the Project. We are also planning site tours again this summer, for students and Elders. When we schedule these tours, our Community Liaison Officers, Sandra and Rose, will have the information people need to participate.

## We've Found a Space for our Watson Lake Office!

We're moving into the old dentist office next to the CIBC bank at 816 Adela Trail! We hope to have the Watson Lake Community Office open before the end of March. We'll hold an Open House to celebrate; Rose will have details as things are confirmed.



## Working at the Selwyn Project

The Selwyn Project's exploration camps will soon be open for the 2015 season. We are starting to hear from local community members interested in applying for jobs. Our Community Liaison Officers (CLOs), Sandra from Ross River and Rose from Watson Lake, have the most up-to-date information about jobs at our Project. Here are the three most common questions Sandra and Rose are asked:



### Where can I find Selwyn Chihong job postings?

In Ross River, our job openings are posted on the bulletin boards in the Margaret Thompson centre, grocery store, post office, bank and health centre. You can also visit Sandra at the Selwyn Chihong Community Office, located in the McKenzie building on Kulan Street (office hours 8:30 AM – 5:00 PM), or give her a call at the office at 867.969.2830 or on her cell phone at 867.336.0437.

In Watson Lake, you can find Selwyn Chihong job postings in the Watson Lake Outreach office and on the bulletin boards in the local bank, grocery stores, gas stations, hardware and clothing stores, post office, Liard First Nation Development Corp. and band offices including Liard First Nation and Daylu Dena-Lower Post. If you have any questions, call Rose at 867.336.0342.

### How can I apply for a job with Selwyn Chihong?

If you see a job you would like to apply for, prepare your resume and drop it off, along with copies of your tickets

or certificates, to Sandra at our Community Office in Ross River or with Rose in Watson Lake. You can also e-mail your resumes to Sandra at [clo.rossriver@chihongmining.com](mailto:clo.rossriver@chihongmining.com) and Rose at [clo.watsonlake@chihongmining.com](mailto:clo.watsonlake@chihongmining.com).

If you need some help preparing your resume, Nora (our community HR coordinator), Sandra or Rose (our CLOs) can help. They can either offer some on-the-spot feedback or suggest resources you can access through Yukon College's community campus in Ross River and the Community Outreach Office in Watson Lake.

### Does Selwyn Chihong keep my resume on file?

Once you have sent a copy of your resume to Sandra or Rose, either in paper copy or through e-mail, we will keep a copy safely in our files for a year. But it's important for you to continue to keep looking for opportunities that are a match with your skills and experience, and apply for the jobs you are interested in.

## Contact Us

To learn more about the proposed Selwyn Project, visit [www.selwynchihong.com](http://www.selwynchihong.com). You can also call 604.620.6188 or email [info@chihongmining.com](mailto:info@chihongmining.com).

### Got a question about the Project?

Send your questions to [info@chihongmining.com](mailto:info@chihongmining.com) or use the Contact Form on our website.

### Ross River Community Office

Kulan Street, Ross River, YT Y0B 1S0

Sandra Bob – CLO  
[clo.rossriver@chihongmining.com](mailto:clo.rossriver@chihongmining.com), Tel: 867.336.0437

### Watson Lake Community Office – OPENING SOON!

816 Adela Trail, P.O. Box 854b, Watson Lake, YT Y0A 1C0

Rose Schwarze – CLO  
[clo.watsonlake@chihongmining.com](mailto:clo.watsonlake@chihongmining.com), Tel: 867.336.0342

# SELWYN PROJECT COMMUNITY UPDATE

Unable to attend Selwyn Chihong's recent Open Houses? Here's a quick recap of the events from our Manager, Environmental Affairs, Jenifer Hill.



## Community Open Houses in Ross River and Watson Lake

*by Jenifer Hill*

In early February, Selwyn Chihong held Open Houses in Ross River and Watson Lake to meet with community members to talk about the proposed Selwyn Project. There were seven employees from Selwyn Chihong at the meetings, along with two of the technical consultants helping us to design and develop the Project. Approximately 85 community members attended the Ross River meeting, and almost 100 joined us in Watson Lake; it was nice to see some of our site employees at the meetings too.

### **Understanding whether a project makes sense**

The Selwyn Project is still in early-stage development, which means we're working to understand how to design and build the project. To do this, we look at the quality of the minerals in the ground and how technically and scientifically feasible it is to build a mine in the location of the deposits. We also consider the costs and benefits of

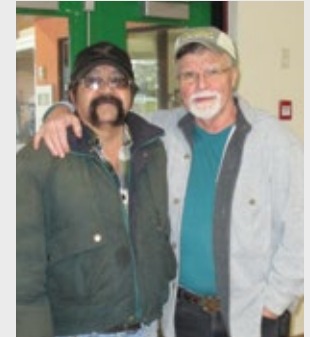
the project, in terms of dollars and also the environmental and socio-economic effects.

### **Designing a project to reflect community input**

An important part of this process involves local communities. We want to develop a project that reflects community input from early on in the development process. That means we want to hear about what communities consider most important as we consider the options for different elements of the project design.

### **Developing our understanding of important community issues**

We heard loud and clear that water and wildlife management, tailings management, access to training and jobs and opportunities for local businesses are very important issues for community members. We couldn't agree more and will hold a series of workshops to look at these areas in more detail. These workshops will include representatives from Selwyn Chihong (and our team of consultants) and the Kaska Nation. These workshops are being planned to start this year.



In addition to talking with residents of Ross River and Watson Lake about the proposed Selwyn Project, we also shared a meal together and socialized. Thank you to Chief Ladue and Chief Morris for working with us to coordinate both events.

We were privileged to celebrate and recognize Ross River community members who have embraced sober living and enjoyed seeing Yvonne Moon in Ross River and Darlene Jimmy in Watson Lake win our door prizes (Husqvarna power saws, so you know who to call when you need one of those!). We look forward to seeing more community members the next time we're in town!



## Want to Learn More About the Selwyn Project?

Sandra Bob and Rose Schwarze are Selwyn Chihong's Community Liaison Officers (CLOs), our local representatives in Ross River and Watson Lake. If you have any comments or questions about the Project, Sandra and Rose are the people to talk to! They will listen, find the answers to your questions, and pass on your concerns to other members of the Selwyn Team. Sandra and Rose can also tell you about upcoming community activities and events, and about Selwyn jobs and contracting opportunities.

Our Community Offices are open Monday to Friday,  
from 8:30 AM until 5:00 PM.

### Ross River Community Office

Kulan Street, Ross River, YT Y0B 1S0

Sandra Bob – CLO

clo.rossriver@chihongmining.com

Office: 867.969.2830 • Mobile: 867.336.0437

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