

## TRANSBOUNDARY WATERSHED CONSERVATION BRIEFING

### *Schaft Creek Mine Proposal*

Winter 2012

#### **Project Basics**

The Schaft Creek Project is a proposed 150,000 tonnes per day open pit copper-gold-molybdenum-silver mine in northwestern British Columbia. The project is located along the southwest edge of the Mount Edziza Provincial Park in the upper Schaft Creek watershed, approximately 45 km west of the Stewart-Cassiar Highway, 60 km south of Telegraph Creek, and 35 km east of the proposed Galore Creek mining project.

Copper Fox Metals currently holds title and a 100% working interest in the property. A completed feasibility study on the proposed Schaft Creek mine is expected in the first quarter of 2012. Copper Fox purchased the Schaft Creek project in 2002 from Teck Resources. A positive analysis will trigger a time-limited option for Teck Resources to earn back a share of up to 75% of the project from Copper Fox Metals. In addition, a number of various royalties apply on the project.



Proposed Schaft Creek mine site, located between Schaft Creek and Mess Creek, which flows into the Stikine River. Photo courtesy of Mike Fay.

The current mine plan has a projected minimum mine life of 15 years. The deposit will be mined year-round with large truck/shovel operations, and ore will be crushed, milled and filtered on site to produce separate copper, gold-silver, and molybdenum concentrates. Over 812 million tonnes of tailings will be generated by the project. A tailings impoundment is proposed 5 km northeast of the deposit at Skeeter Lake. The project also includes an access road to be connected to the Galore Creek Road and a 287 kV transmission line within the Mess Creek watershed. Ore concentrate will likely be transported by truck along Highway 37 to the port of Stewart, British Columbia.

#### **About Copper Fox**

Copper Fox Metals is a Calgary-based publically-traded junior gold exploration company. Schaft Creek is its only project. Since inception, the efforts of the company have been devoted to verifying the historical exploration information and to completion of a feasibility study of the deposit. A director, insider, and "control person" of Copper Fox has been the primary investor and has purchased 100% of the stock offered in recent private placements totaling approximately \$13,000,000.

#### TRANSBOUNDARY WATERSHED CONSERVATION

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## Permitting Status

Copper Fox began environmental and social-economic baseline studies for the Schaft Creek Project in 2005, and continued this work through 2011 in support of an application for an Environmental Assessment Certificate. Under British Columbia’s Environmental Assessment Act and the federal Canadian Environmental Assessment Act, the Schaft Creek Project is subject to a co-operative review, meaning a single environmental assessment will be undertaken for the Project.

On February 7, 2011, the B.C. Environmental Assessment Office and the Canadian Environmental Assessment Agency approved the Application Information Requirements for the proposed Schaft Creek Project. Copper Fox intends to submit a final application to the Environmental Assessment Office and a permit application to construct the Schaft Creek access road in the first half of 2012.

## Time Frame

The company expects to complete the EA process by the end of 2012, and begin mine construction in 2013.

## Threats to Conservation

Schaft Creek drains into Mess Creek, a tributary to the Stikine River, an important transboundary system which crosses the Alaska – British Columbia border near Wrangell, Alaska, and supports 19 fish species including all five species of Pacific salmon. According to Rescan Tahltan Environmental Consultants (March 2008), the Mess Creek watershed supports a variety of aquatic and terrestrial wildlife, including salmon, grizzly and black bear, moose, mountain goat and Stone’s Sheep. Fish have never been recorded in the upper reaches of Schaft Creek, or in Skeeter Lake, but are known to occur as high as 11 km upstream from Mess Lake. The lower portion of Mess Creek supports spawning salmon.

The proposed Schaft Creek project is a source of potential contamination to Mess Creek and the Stikine River watershed. This project is also located in the Telegraph Creek Community Watershed which includes the domestic water supply for the



community of Telegraph Creek. The proposed mine will generate over one billion tonnes of waste rock, with the majority of the waste material placed right along the east side of Schaft Creek. Preliminary studies of the waste rock suggest that 100 million tonnes is assumed to be acid generating. Skeeter Lake is proposed as a tailings impoundment. Though the lake does not have fish, it flows into fish-bearing streams, and the proposed tailings pond also poses a contamination risk to downstream salmon in the Stikine River.

**Confluence of Mess Creek and the Stikine River near Telegraph Creek. The proposed Schaft Creek mine project threatens important spawning, rearing and migration habitat for the millions of salmon that return to the Stikine River each year. Photo courtesy of Tadzio Richards.**



The proposed project will fragment the ecological integrity of the Mess Creek valley, which interconnects with wildlife habitat in Mount Edziza Provincial Park. The Schaft Creek mine will bring access roads, transmission lines, waste rock dumps and tailings impoundments to a part of the transboundary region that is currently without roads or industrial intrusions of any kind. The project poses a contamination risk to both the Iskut and Stikine Rivers, and will lead to increased industrial traffic on Highway 37. There will be 96 concentrate trucks from the Schaft Creek mine along this route over a 24-hour period, seven days per week, transporting ore to the port at Stewart, BC. On a broader scale, the proposed mine is part of the potential and expanding cumulative impacts of the recently approved Northwest Transmission Line (NTL), a 287 kV transmission line from the Terrace substation to Bob Quinn Lake. BC Hydro anticipates the NTL will be operational by early 2014. If approved, the Schaft Creek project will likely tie into the NTL via a 90 km transmission line to a new substation at Bob Quinn.



The proposed Schaft Creek mine is directly adjacent to Mount Edziza Provincial Park, a protected area famous for its volcanic and cultural treasures. Photo courtesy of Carr Clifton.

## First Nations Positions

The proposed Schaft Creek Project is located in the territory of the Tahltan First Nation and falls within the Cassiar Iskut Stikine Land and Resource Management Plan. In advance of an application for an environmental assessment certificate, Copper Fox and the Tahltan Central Council (TCC) have negotiated agreements that outline how the company will work with the TCC, that provide funding for Tahltan engagement with the project, and that outline how Copper Fox and the Tahltan Heritage Resources Environmental Assessment Team will work through the environmental assessment process. Copper Fox also signed a Memorandum of Understanding with the Tahltan Nation Development Corporation (TNDC). This agreement recognizes TNDC will be a “preferred contractor”, and includes commitments regarding contracting and subcontracting opportunities for Tahltan businesses, and employment and training opportunities for members of the Tahltan Nation.

Both Gitanyow First Nation and the Nisga’a Lisims Government have expressed concerns about the potential environmental impacts associated with increased industrial traffic on Highway 37 as a result of the Schaft Creek Project. The Nisga’a in particular are concerned about the cumulative impacts of mining traffic, as well as increased marine traffic out of Stewart through the Portland Canal, which could threaten subsistence and commercial fisheries. The Nisga’a are concerned that a failure by the Environmental Assessment Office to address these kinds of concerns in the Application Information Requirements may be in breach of the Nisga’a Final Agreement.

## Summary

The Schaft Creek mine project is a large open-pit copper-gold-molybdenum-silver mine proposed by Copper Fox Metals. If the mine is developed as planned, the mine, road access, and infrastructure required by it will destroy and contaminate wildlife and fish habitat in a very wild, remote part of the transboundary region that is currently without industrial intrusions of any kind. This project is currently in the preliminary stage of environmental assessment, and has substantial potential environmental impacts to the region’s wildlife and fish populations. It will also contribute to the cumulative environmental impacts of the Northwest Transmission Line.

### Location of Shaft Creek Mine Project



Map by Copper Fox



## 2008 Pre-feasibility Study Proposed Site Layout

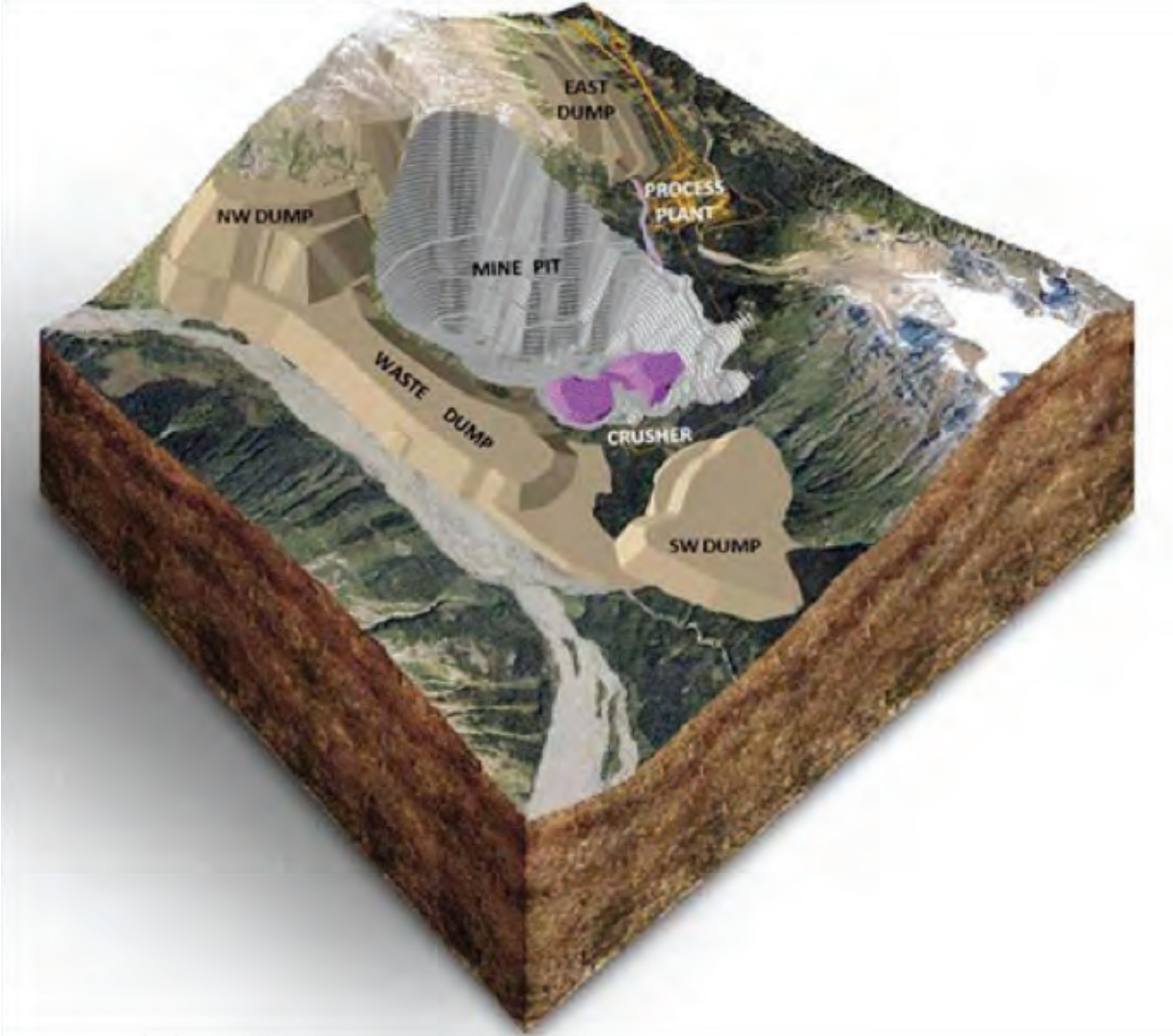


Figure by Copper Fox

## Contacts

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### **EAO – Complete list of contacts**

<http://www.eao.gov.bc.ca/contactus.html>

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## Resources

Copper Fox Metals – <http://www.copperfoxmetals.com/s/Home.asp>

Copper Fox Metals Schaft Creek project information, including maps –  
<http://www.copperfoxmetals.com/s/SchaftCreek.asp?reportID=269883>

Copper Fox Metals corporate presentation as of November 2011 –  
<http://www.copperfoxmetals.com/i/pdf/CUU-PP-Nov-2011.pdf>

Schaft Creek Mine Project – Pre-Application, Environmental Assessment Office  
[http://a100.gov.bc.ca/appsdata/epic/html/deploy/epic\\_project\\_home\\_283.html](http://a100.gov.bc.ca/appsdata/epic/html/deploy/epic_project_home_283.html)

Schaft Creek Mine Project – B.C. Environmental Assessment, Approved Application Information Requirements,  
February 7, 2011 –  
[http://a100.gov.bc.ca/appsdata/epic/documents/p283/1297114140316\\_295d7435e927b0cb1838685acbf5b203d2c7c4ae09f8c72afdca4256b66ec6f.pdf](http://a100.gov.bc.ca/appsdata/epic/documents/p283/1297114140316_295d7435e927b0cb1838685acbf5b203d2c7c4ae09f8c72afdca4256b66ec6f.pdf)

Tahltan Central Council – <http://www.tahltan.org/s/Home.asp>