Location of Support Facilities

N

LALOR LAKE

LALOR MINE

ACCESS ROAD

VENTILATION SHAFT

CHISEL NORTH MINE

CHISEL LAKE

GHOST LAKE

CHISEL LAKE WTP

CHISEL LAKE OPEN PIT

TOWN OF SNOW LAKE

SNOW LAKE

395

STALL LAKE CONCENTRATOR

TAILINGS IMPOUNDMENT AREA

392

WEKUSKO LAKE

Exploration and Development at the Lalor Site

- In September 2007, a drill hole at the Lalor Site intersected a zinc-rich metal horizon
- Gold bearing zones discovered in winter 2008
- Copper/gold zone discovered in summer 2009
- Base metal horizons have been defined by surface diamond drilling method
- Gold and copper-gold bearing horizons are too deep and complex to be defined by drilling from the surface. Further delineation of gold/copper horizons to be accomplished by drilling from underground

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Exploration and Development at the Lalor Site

- Lalor Ramp from existing Chisel North Mine, approved December 3, 2009, and currently under construction. Completion expected in April 2012

- Lalor in Advanced Exploration Stage (ongoing)

    - Lalor Advanced Exploration Project approved on April 9, 2010 and currently under development

        - Exploration shaft, sized large enough to provide the required ventilation for underground development

        - Ventilation circuit to provide required air flow at depth

        - Access to underground to assist with exploration

        - Exploration drilling to support delineation of the gold and copper-gold zones

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Current Status of Lalor Advanced Exploration Project

- Site clearing, blasting and leveling complete
- Lalor access road is complete
- Temporary substation and power lines to site are complete
- Installation of fresh water and discharge pipes are in progress

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Current Status of Lalor Advanced Exploration Project

- Excavation and installation of polishing pond and pump houses ongoing

- Hoist house and headframe at Lalor Ramp ventilation shaft are complete

- Ventilation shaft – collar completed to 30 m depth

- Surface preparation of AEP shaft started in March 2011

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Current Status of Lalor Advanced Exploration Project

Exploration Site
(Looking West)

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Current Status of Lalor Advanced Exploration Project

Access Road and Power Lines

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Current Status of Lalor Advanced Exploration Project

Cleared and leveled site with construction in progress

Current Status of Lalor Advanced Exploration Project

Construction of Hoist House Foundation

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Current Status of Lalor Advanced Exploration Project

Fresh water and discharge pipes

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Current Status of Lalor Advanced Exploration Project

Construction of Polishing Pond

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Current Status of Lalor Ramp

Ventilation shaft
(Looking South)

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Current Status of Lalor Ramp

Construction at ventilation shaft

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Planned Lalor Mine

- Convert use of shaft from exploration to production
- Upgrade surface infrastructure to support mining operations (within existing footprint)
- Production in zinc zones
- Potential copper/gold production depending upon results of further exploration

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Lalor Site

Polishing Pond Construction

Reservoir Construction

Hoist House Foundation Construction

LALOR LAKE

SITE FOOT PRINT

SITE LEVELING EXTENT

PROPANE STORAGE

POLISHING POND

PUMPSTATION & RAW WATER RESERVOIR / WATER TREATMENT PLANT

HOIST HOUSE / HEADFRAME

SEWAGE TREATMENT PLANT

TEMPORARY SEWAGE TREATMENT PLANT

FUEL STORAGE & DISTRIBUTION & WASTE OIL STORAGE

WAREHOUSE / SHOP

OFFICE & DRY

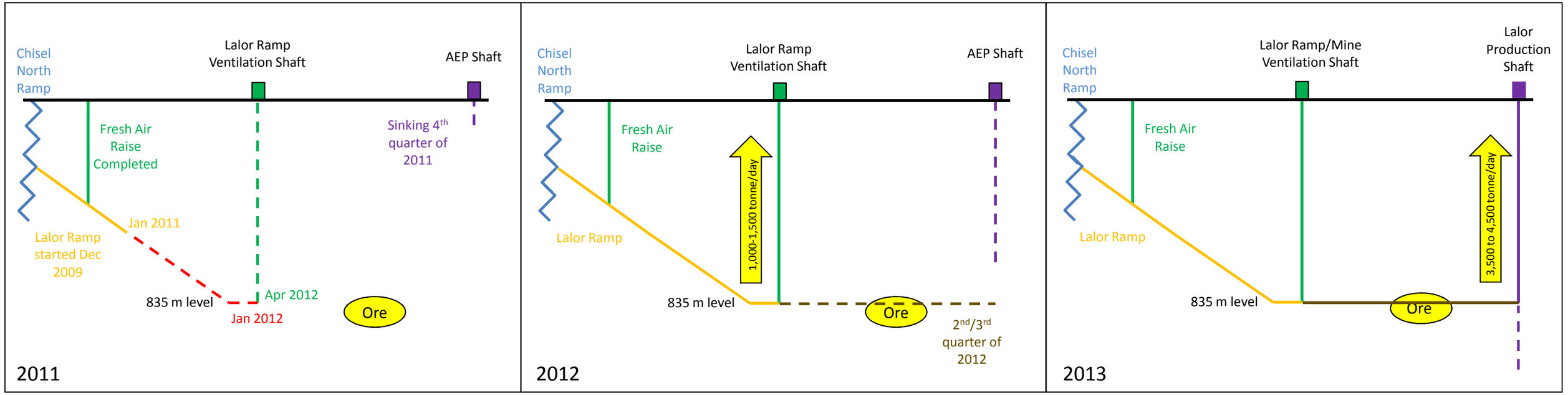
TEMPORARY OFFICES

Leveled site- construction in progress

Fresh Water and Wastewater Pipelines

Access Road and Power Lines

Lalor Development Schedule



Exploration → Production

2014-2015
- Establish ramp and lateral development on various levels in order to establish sustaining production
- Production at zinc zone
- Continued underground definition drilling for copper/gold zones

2015-2025
- Production mining
- Steady state production 3,500 to 4,500 tonnes ore per day

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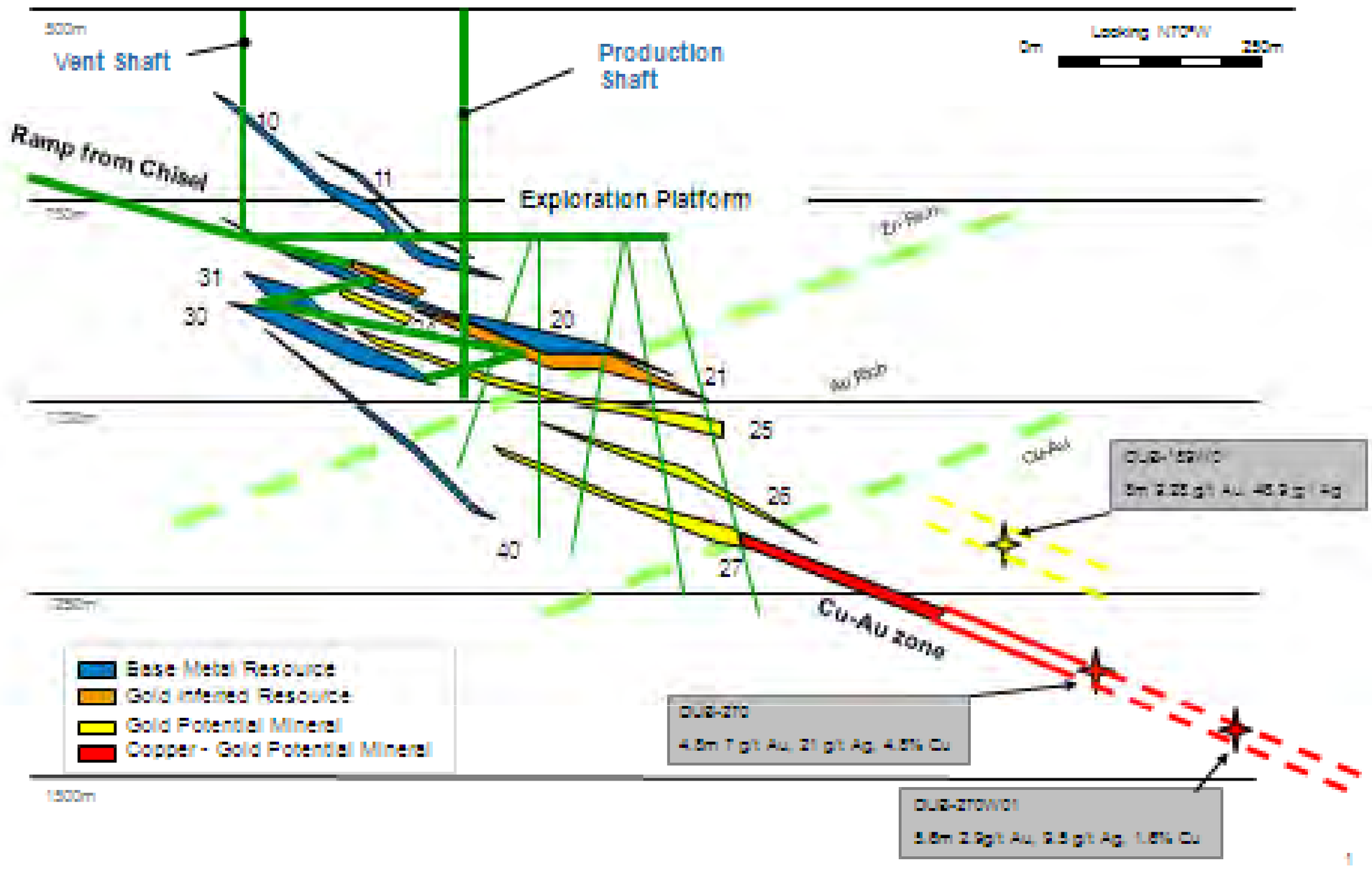
Lalor Development



Environmental Assessment Process

- Define project components (including support infrastructure)
- Define existing environment
- Identify potential environmental inputs/outputs required for project
- Evaluate interactions between the project and existing environment
- Develop management and mitigation measures to reduce or eliminate potential environmental impacts
- Determine residual impact remaining after mitigation

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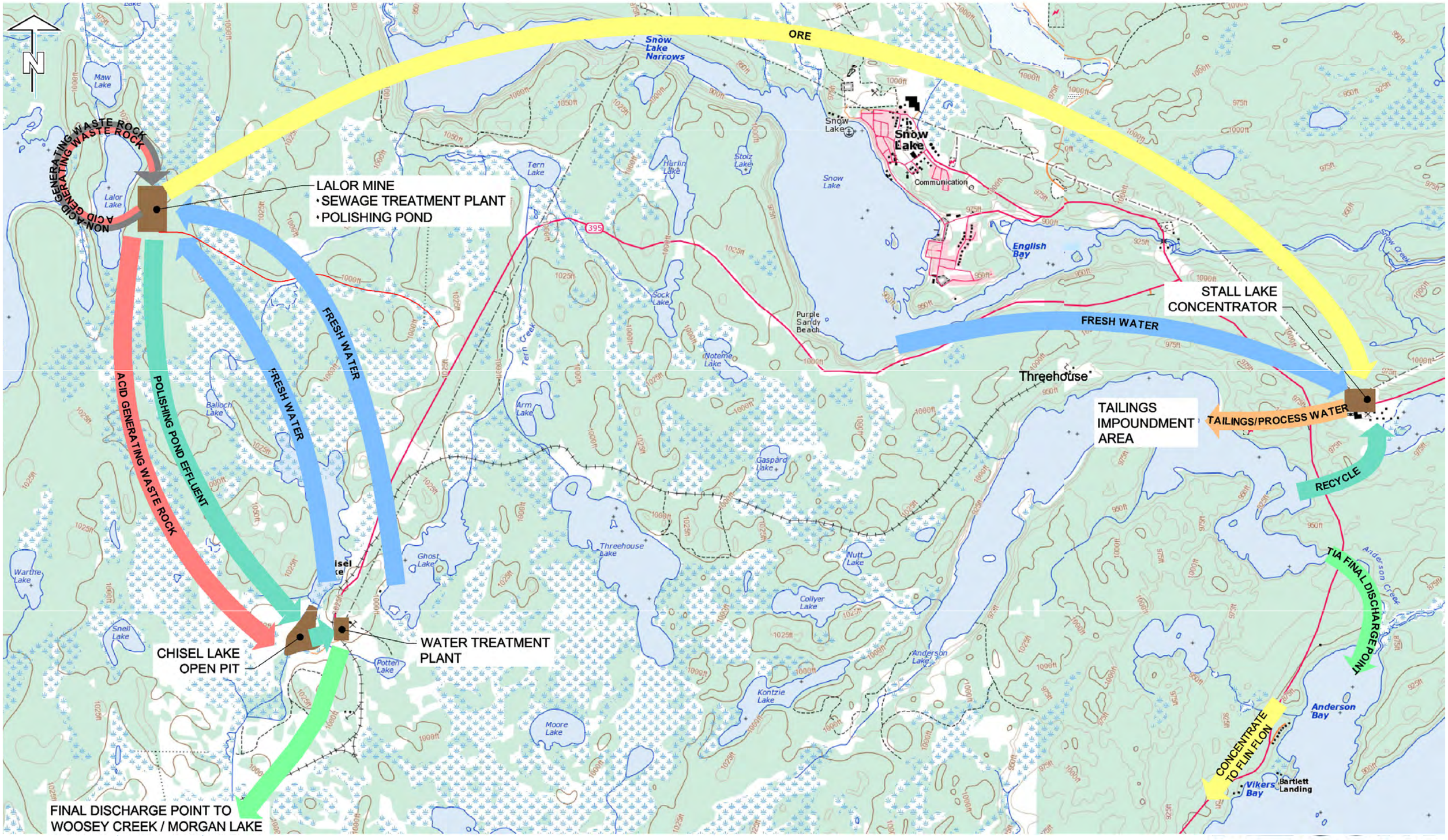
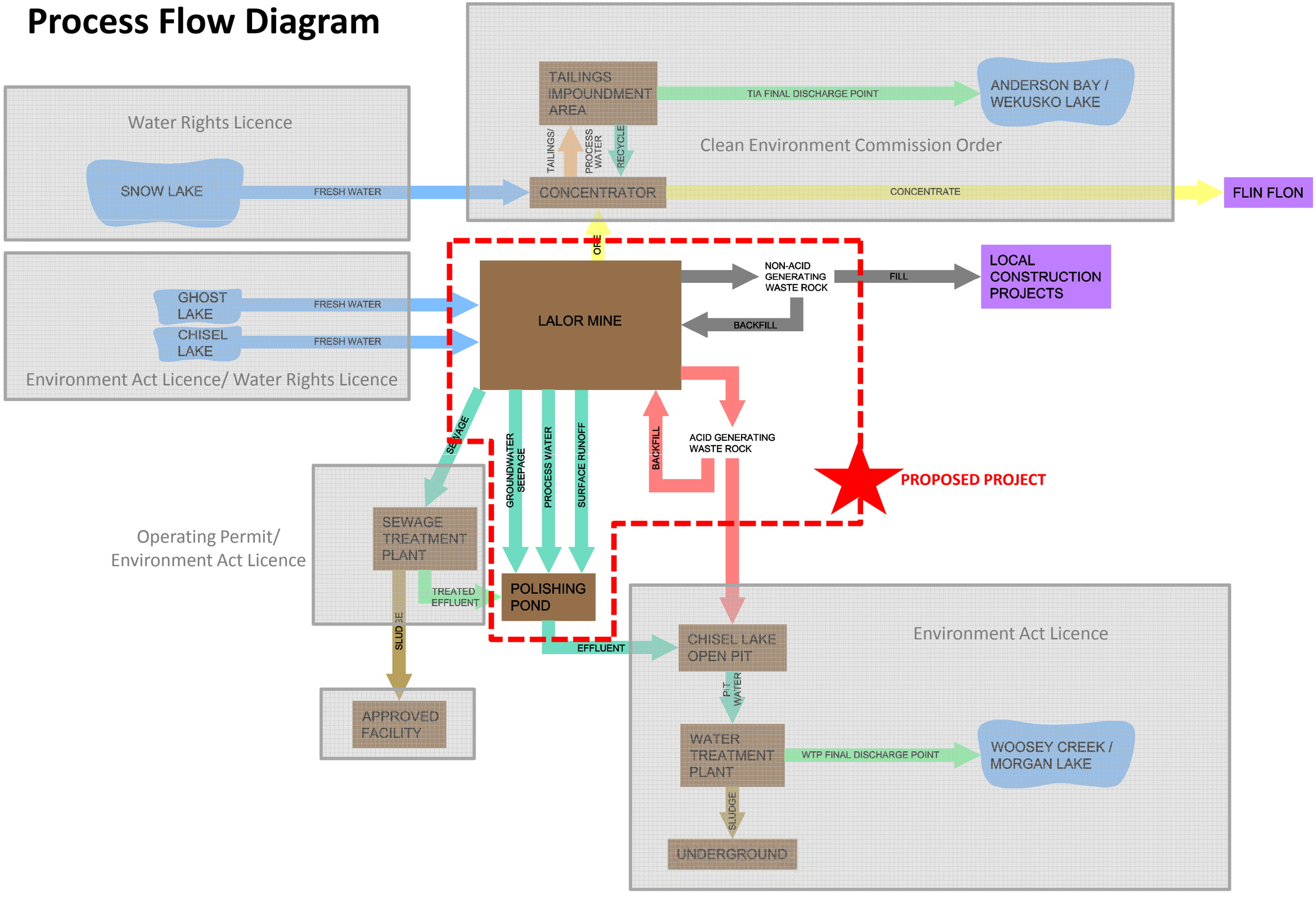
Input and Output Pathways



Process Flow Diagram



Environmental Factors Examined

Physical Environment

- Soil
- Geology
- Groundwater
- Surface Water
- Air (including noise)

Biological Environment

- Vegetation and Wildlife
- Aquatic Resources

Cultural environment

- Archaeological, cultural and heritage features

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Scope of the Assessment

Temporal Boundaries

- Construction – not included in assessment
  - infrastructure is being built as part of Advanced Exploration Project
- Operation – 2013 to 2025
- Closure – 2025 into the future

Geographic Boundaries

- **Project Site** – footprint of infrastructure
- **Project Area** – area up to 2 km beyond **Project Site** which could be disturbed by project activities
- **Project Region** – area up to 10 km beyond **Project Site** which could be disturbed by project activities
- Boundaries may be adjusted to suit the environmental component affected

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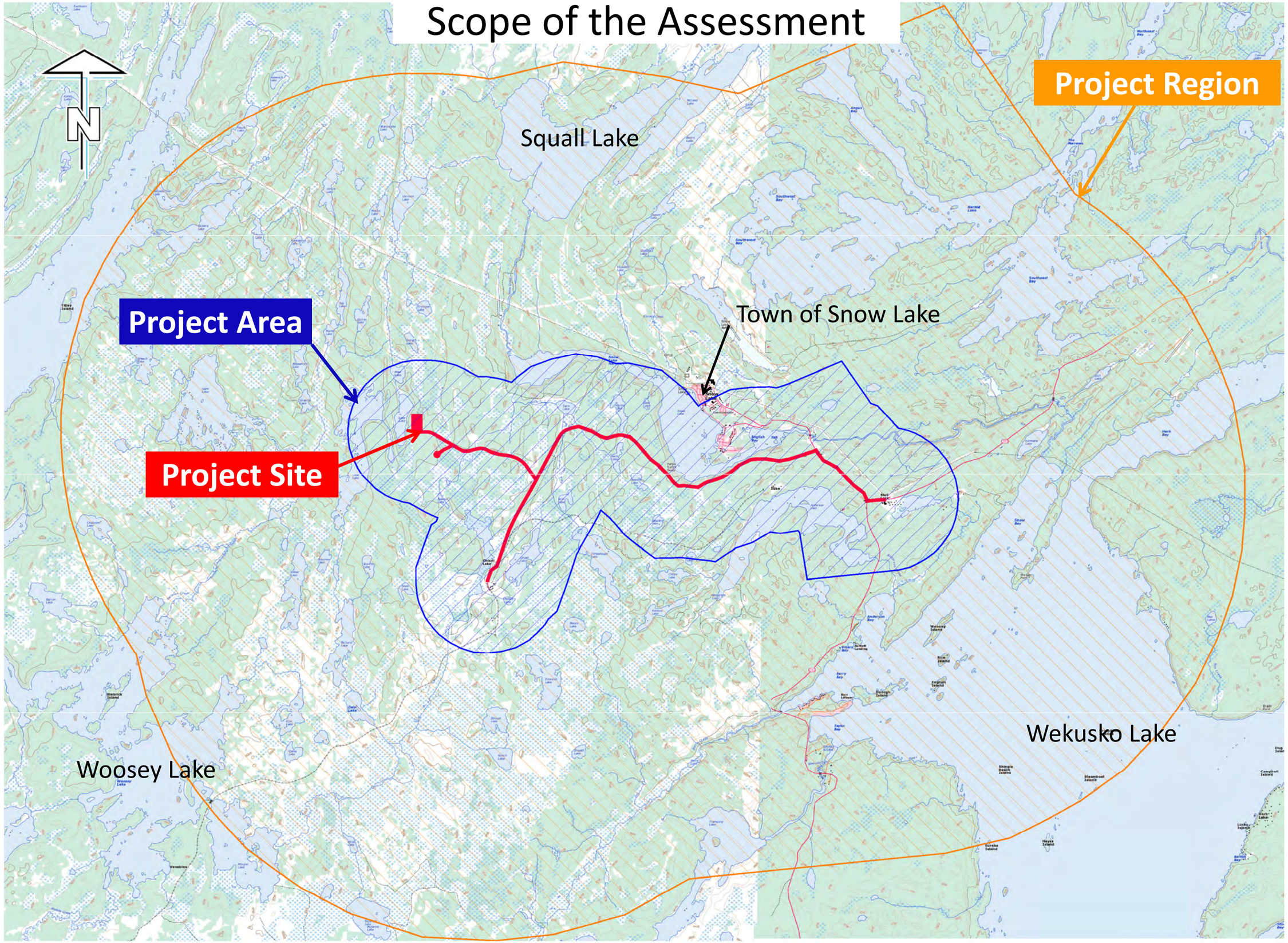
Scope of the Assessment



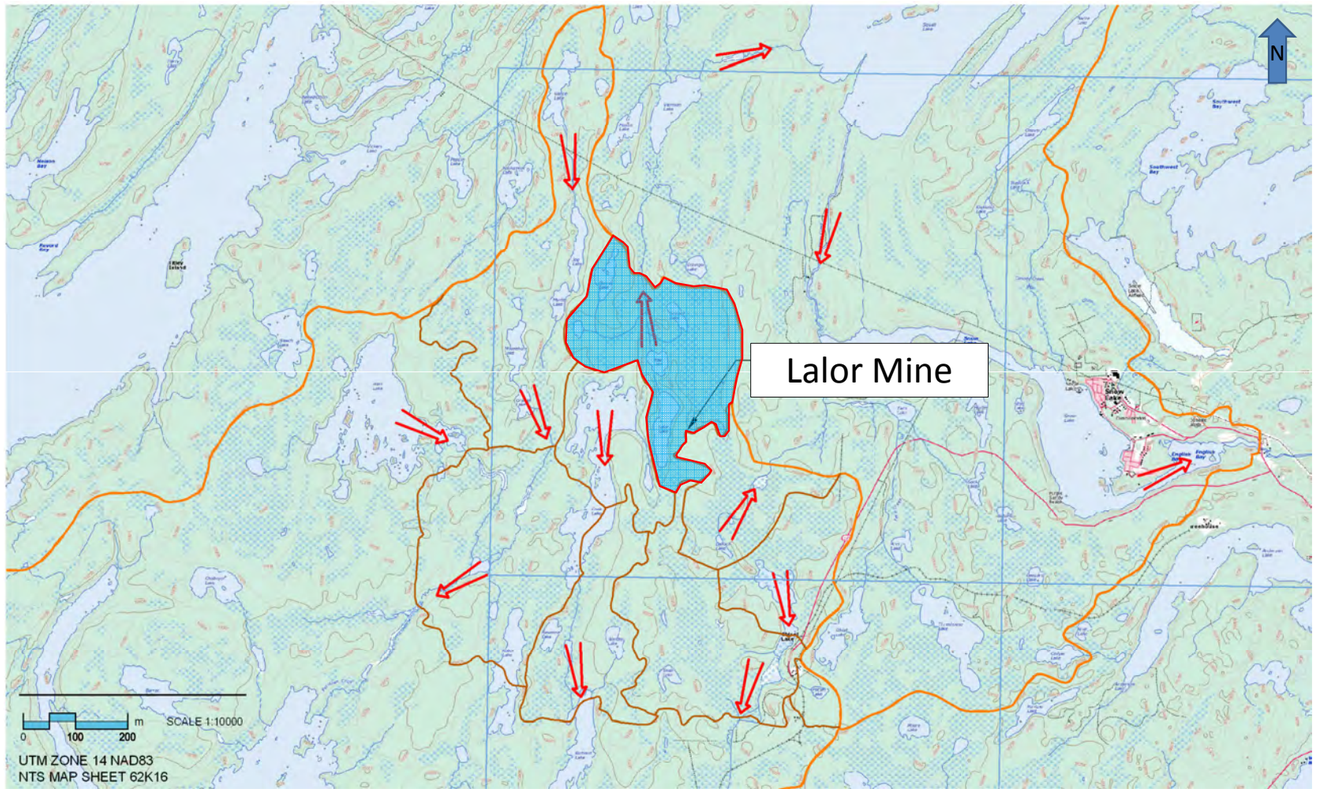
Environmental Assessment: Surface Water and Sediments

Existing Environment

- Lalor Mine site located in watershed that drains towards Squall and Snow Lake
- Water and sediment quality baseline study and bathymetric mapping conducted in potentially affected waterbodies in 2007 and 2010

Potential Sources of Impacts to Surface Water and Sediments

- Supply of fresh water (from existing licensed sources)
- Wastewater generated from mine operations (returned by pipeline to licensed treatment facilities)
- Precipitation/surface runoff has potential to come in contact with fuels and PAG rock with potential to be transported to downstream waterbodies



Environmental Assessment: Surface Water and Sediments

Management and Mitigation Measures

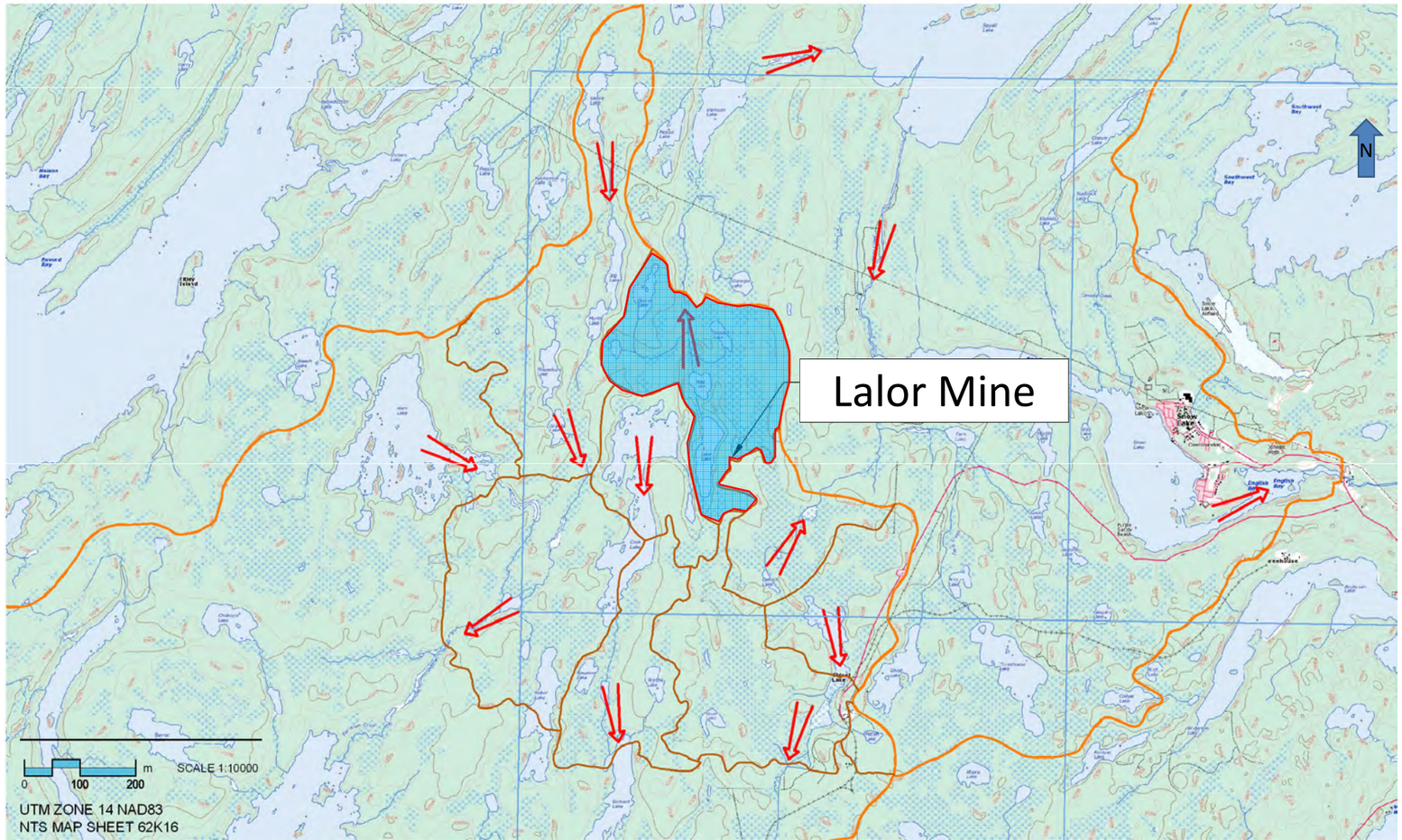
- Water supply regulated under existing Environment Act Licences/Water Rights Licences
- Wastewater treatment at Chisel Lake Water Treatment Plant under existing Environment Act Licence
- Mine site contoured to reduce potential contact between surface runoff and contaminants
- Fuel storage areas to be equipped with secondary containment
- PAG rock to be transported to Chisel Open Pit or used as backfill to minimize the amount of PAG rock on surface
- Surface runoff from PAG rock piles and fuel storage areas to be diverted to polishing pond
- Monitoring of water and sediment quality to continue to ensure the effectiveness of mitigation measures

Residual Impact

- No residual impact anticipated

Conclusion

- No significant impact to surface water or sediments



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