

CASINO PROPERTY

Western Copper Corporation

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Stock symbol: WRN (Toronto Venture Exchange)

PROJECT STATUS

Active; prefeasibility



Location

150 km northwest of Carmacks, 300 km northwest of Whitehorse

Ownership

Western Copper Corporation

Commodity

Copper, gold, molybdenum

Ore type

Oxide and sulphide

Measured and Indicated mineral resources*

Material	Cut-off grade	Tonnes (million)	Au g/t	Cu %	Mo %
Oxide gold	0.40 g/t Au	38	0.57	0.07	0.02
Supergene oxide	0.30% Cu EQ	42	0.35	0.33	0.02
Supergene sulphide	0.30% Cu EQ	124	0.32	0.32	0.02
Hypogene	0.30% Cu EQ	799	0.22	0.20	0.02

*NI 43-101-compliant technical report by M3 Engineering & Technology Corp., August, 2008
EQ = equivalent

Mining method

Open-pit

- oxide heap leach for gold oxide reserves, 7 years leaching
- conventional flotation concentrator, 23.5 years plus 5 years reclaiming low-grade ore

Stripping ratio

1.1:1 over 30-year mine life

Mine life

30 years

Mill feed

Oxide ore = 25 000 dry tonnes/day,
9.125 million tonnes/year

Sulphide ore = 94 770 *dry tonnes/day,
34 591 000 tonnes/year

Employees

250

Power

100 MW, on-site coal-fired circulating fluidized bed (CFD) power plant, 100 MW diesel-fired combustion turbine plant for back-up

HISTORY

The Casino area has been explored for placer gold since 1912, and for silver-lead-zinc vein systems since the 1930s. However, the bulk-tonnage porphyry potential of the Casino property was not recognized until 1967, when a soil survey by Casino Silver Mines Ltd. returned widespread anomalous copper and molybdenum values. During the period 1967-1973 several property operators, including Brameda Resources Ltd. and Teck, completed 18 023 m of drilling which confirmed a several hundred million ton gold-copper-molybdenum resource. However, gold was not systematically assayed for, and reserve calculations at the time did not reflect the gold content of the Casino deposit. The property became dormant for a number of years until 1991, when Big Creek Resources Ltd. and Archer Cathro and Associates (1981) Ltd. optioned the property from Casino Silver Mines Ltd. and began a 4729-m large-diameter drill program (21 holes) designed to evaluate the gold content of the property and to better define the copper and molybdenum grades. Pacific Sentinel Gold, through merger arrangements with Big Creek and Casino Silver, and by renegotiating the Archer Cathro management contract, acquired 100% interest in the property in 1991. In 1994, they carried out a \$4.5 million program of delineation-drilling (68 000 m in 215 holes), metallurgical, environmental and engineering studies. Although no exploration was carried out on the property from 1995 to 1997, environmental baseline and project scoping studies continued. In 1997, Pacific Sentinel Gold Corp. and Consolidated North Coast Industries Ltd. merged to become Great Basin Gold Ltd.

The Casino property originally consisted of 735 claims. In 2002, the company allowed 574 claims to lapse. The property now comprises 161 claims. Great Basin has granted an option to Wildrose Resources Ltd., where Wildrose can earn the right to purchase 55 non-core claims.

In July, 2002, Great Basin optioned the Casino property to CRS Copper Resources Ltd. In May, 2003, Lumina Copper Corp. acquired CRS Copper Resources.

Restructuring of Lumina Copper Corporation into four separate companies was completed and announced in May, 2005. Lumina Resources Corporation assumed operational control of the Casino Project. In 2006, Western Copper acquired Lumina Resources Corporation through a plan of arrangement.

Western Copper Corporation acquired the 161 claims comprising the Casino property in August, 2007 through exercise of the Casino option agreement with Great Basin Gold Ltd. In 2008, camp construction was undertaken along with a small program of exploration and geotechnical drilling.

PROJECT SUMMARY

The Casino property covers 506 mineral claims (8 961 hectares). Access to tidewater and port facilities is available through the port of Skagway, Alaska. The project has the potential to be a large bulk-tonnage producer of copper, gold and molybdenum over a project life in excess of 30 years. A pre-feasibility metallurgical and mine planning program has recently been updated. The company is now monitoring and assessing metal market conditions and technologies, and is introducing the project to major mining companies for financing and acquisition. Geotechnical, infrastructure, environmental and socio-economic programs have been undertaken. The permitting process is not yet underway.

Geology, mineralogy and ore reserves

The deposit is hosted by the Casino Complex, a Cretaceous suite of felsic igneous intrusive rocks with an intense hydrothermal alteration overprint. The deposit area has not been glaciated. There are three different mineralized zones: an oxide-leached zone, a supergene zone, and a hypogene zone. The uppermost zone is an oxide gold-bearing leached zone from which copper has been largely carried away by descending groundwater. The leached zone is underlain by a copper-enriched supergene gold-copper zone where dissolved copper has been redeposited. Below the supergene zone is the hypogene zone, which contains primary gold- and copper-mineralized rock that has not been affected by surface weathering or supergene enrichment. The deposit measures 1100 m by 1600 m and is open to the north and east. Primary hypogene mineralized rock below the supergene zone has been drilled to a depth of 798 m, and is open to depth within most areas.

In January, 2004, Lumina Copper Corp. issued a revised measured and indicated mineral resource for the property that was compiled in accordance with National Instrument 43-101 requirements for resource estimates. The Casino deposit contains a Measured and Indicated resource estimated at 124 million tonnes of supergene sulphide ore at an average grade of 0.32 g/t Au, 0.32% Cu

and 0.02% Mo, and 799 million tonnes of hypogene ore grading 0.22 g/t Au, 0.20% Cu and 0.02% Mo, based on a COG of 0.30% Cu equivalent.

Production

The open-pit mine plan calls for the development of the property as a conventional truck-shovel, open-pit mine, initially processing the gold-bearing oxide cap as a heap leach operation. Processing of the oxide ore would be 25 000 dry tonnes per day or 9 125 000 dry tonnes per year. Enough oxide ore is available to support 7 years of leaching.

Sulphide ore processing would commence 2.5 years after the start of oxide ore processing at a rate of 94 770 dry tonnes per day or 34 591 000 dry tonnes per year. Sulphide ore is available for approximately 23.5 years of milling. Lower grade ore will be reclaimed from stockpile and milled in the last five years of the mill's 28-year life. The overall waste to ore ratio will be 1.1:1

Extensive metallurgical testing of several possible process options for the mineral zones has been completed. Conventional, low-cost, flotation processing of supergene and hypogene sulphide ores is currently the optimum ore processing method for the Casino project. With conventional crushing, grinding and flotation of sulphide ore from Casino, average recovery is 66% of Au, 84% of Cu and 66% of MoS₂. Concentrates produced are a copper-gold concentrate, grading 28% Cu and 25 g/t Au, and a molybdenum concentrate forecast to grade 56%.

Average net smelter return for sulphide ore (from 2008) is estimated at CDN\$29.66 based on metal prices at US\$2.95/lb. Cu, US\$647.40/oz. Au, US\$30.97/lb. MoS₂ and standard treatment and transport charges. Based on a 90 000 tonnes/day -milling operation, annual output will average 124 000 000 lb. (56.25 million kg) Cu, 10 899 million lb. (4 944 000 kg) MoS₂ and 158 000 oz. (5 417 030 g) Au over the 30-year mine life.