



Western Copper Corporation

Casino

Presentation to Northern Transportation Conference
Anchorage, Alaska, Sept 2011

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Presentation overview

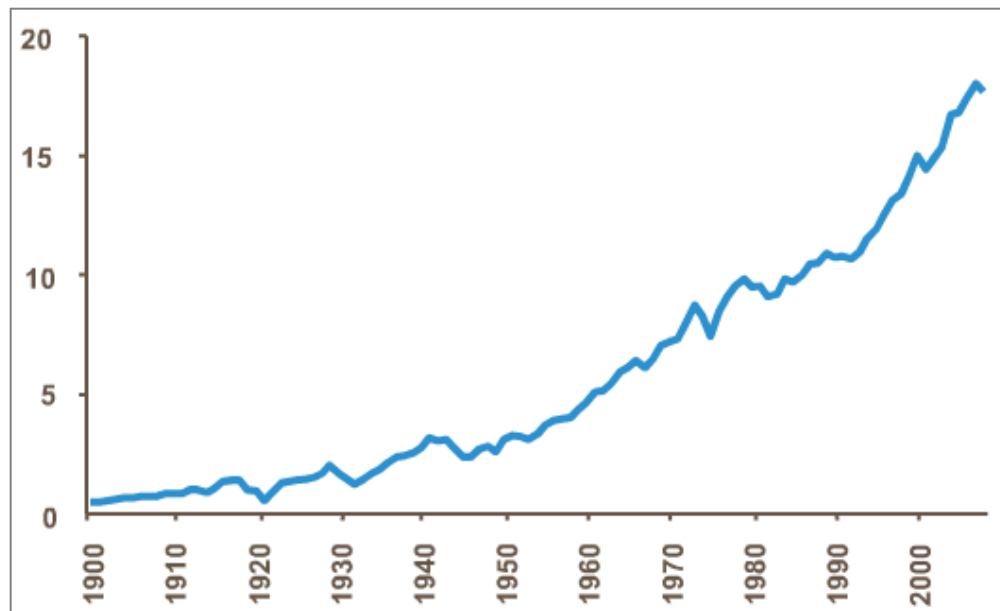
- What is Casino and why is it important?
- Casino as a case-example of access challenges for northern projects
- Transportation Planning: lessons learned
- Moving forward – what needs to be done and when?



First, a word about copper

- Copper consumption has been consistently growing by 3.4% per year
- Additional copper production of 600,000 tonnes per year will be required – 10 mines the size of Casino
- Increased copper production will require large copper projects such as Casino
- “Copper producers will have the most difficulty in keeping up with growing demand. We forecast an underlying market deficit by 2011...” - RBS Oct 2009 Reuters

COPPER CONSUMPTION (Million tonnes/year)



Source: Rio Tinto Presentation, 1900-1928 McGraw Hill (1931), 1929-2008 CRU





CASINO PROJECT

WORLD CLASS DEPOSIT

CASINO

- Western Copper's flagship property
- Significant gold, copper, molybdenum, and silver resource
- **Pre-feasibility study released in April**

GOLD

8.3 M

oz Reserves

0.7 M

oz M&I

9.0 M

oz Inferred

COPPER

4.4 B

lbs Reserves

0.3 B

lbs M&I

5.4 M

lbs Inferred

MOLY

494 M

lbs Reserves

65 M

lbs M&I

723 M

lbs Inferred

SILVER

61 M

oz Reserves

4.3 M

oz M&I

76 M

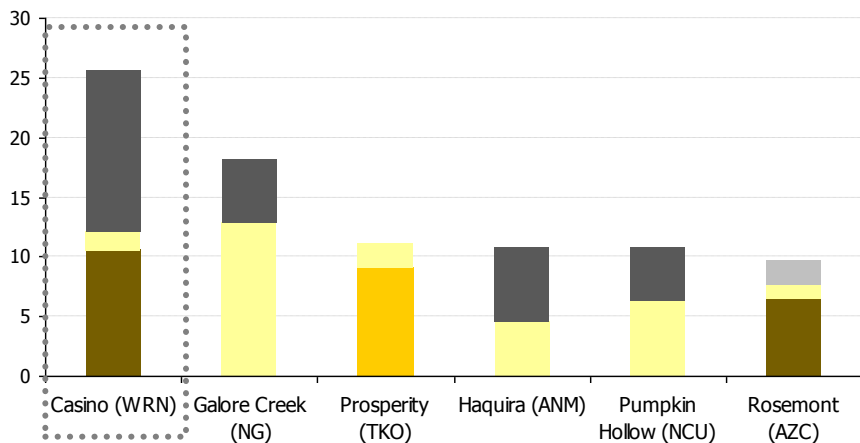
oz Inferred

Note: M & I resources exclusive of P&P reserves see appendix for detailed Casino reserve & resource. Based on 0.25% CuEq cut-off

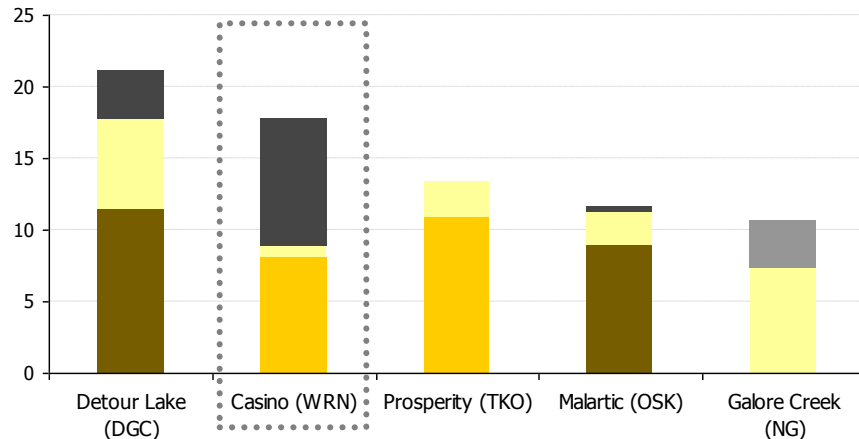


WORLD CLASS RESOURCE

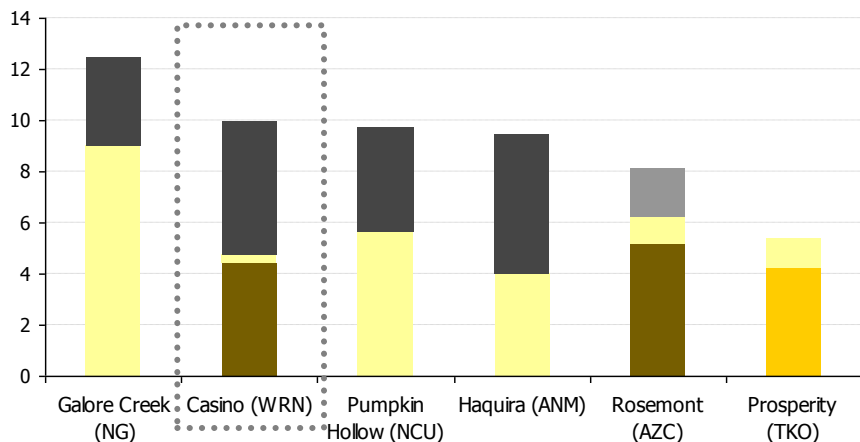
COPPER EQ (B lb contained)



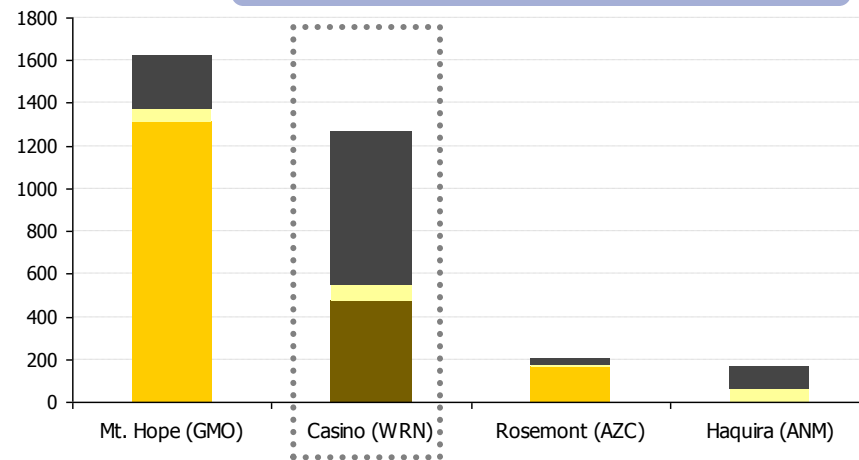
GOLD (M oz contained)



COPPER (B lb contained)



MOLY (M lb contained)



Proven & Probable
 Measured & Indicated
 Inferred

Note: Reserves & resources from corporate websites or technical reports
See appendix for detailed Casino reserves & resources. See note 9 for copper equivalent calculation



PRE-FEASIBILITY STUDY (April 2011)

CAPITAL COSTS

MINE CAPITAL	(C\$ M)	1,750
POWER PLANT	(C\$ M)	260
ROAD, PORT, ETC.	(C\$ M)	120
TOTAL CAPEX	(C\$ M)	2,130

ECONOMICS

		SPOT Mar 2011	LONG TERM		
	COPPER	(US\$/lb)	\$4.30	\$2.50	
	GOLD	(US\$/oz)	\$1,439	\$1,100	
	MOLYBDENUM	(US\$/lb)	\$17.25	\$14.00	
	SILVER	(US\$/oz)	\$37.87	\$17.00	
	FOREIGN EXCHANGE	(US\$:C\$)	\$1.00	\$0.90	
Pre-Tax	NPV @ 5%	(C\$ M)	5,860	2,570	
	NPV @ 8%	(C\$ M)	3,927	1,570	
	IRR (100% equity)	(%)	32.2%	19.6%	
	After-Tax	NPV @ 5%	(C\$ M)	4,004	1,700
		NPV @ 8%	(C\$ M)	2,621	963
		IRR (100% equity)	(%)	26.8%	16.2%
		CASH FLOW (Y1-Y4)	(C\$ M/y)	830	567
		CASH FLOW (LOM)	(C\$ M/y)	430	250
	PAYBACK	(y)	2.1	3.3	
Cu CASH COST (net of credits)	(US\$/lb)	(0.49)	0.06		

Note: See note 3 in appendix



PRE-FEASIBILITY STUDY (April 2011)

OPERATING DATA

		Y1 to Y4	LOM
GOLD PRODUCTION	(k oz/y)	435	262
COPPER PRODUCTION	(M lb/y)	234	157
MOLY PRODUCTION	(M lb/y)	13	12
SILVER PRODUCTION	(k oz/y)	1,560	1,370
STRIP RATIO		0.51	0.72
% OF REVENUE - COPPER		46%	45%
% OF REVENUE - GOLD		39%	35%
% OF REVENUE - MOLY		13%	2%
% OF REVENUE - SILVER		2%	18%
NSR (\$/t ore milled)		26.84	19.33
AVERAGE MILL GRADE CuEQ	(%)	0.71%	0.50%
MILL OPERATING COSTS	(C\$/t)	9.70	

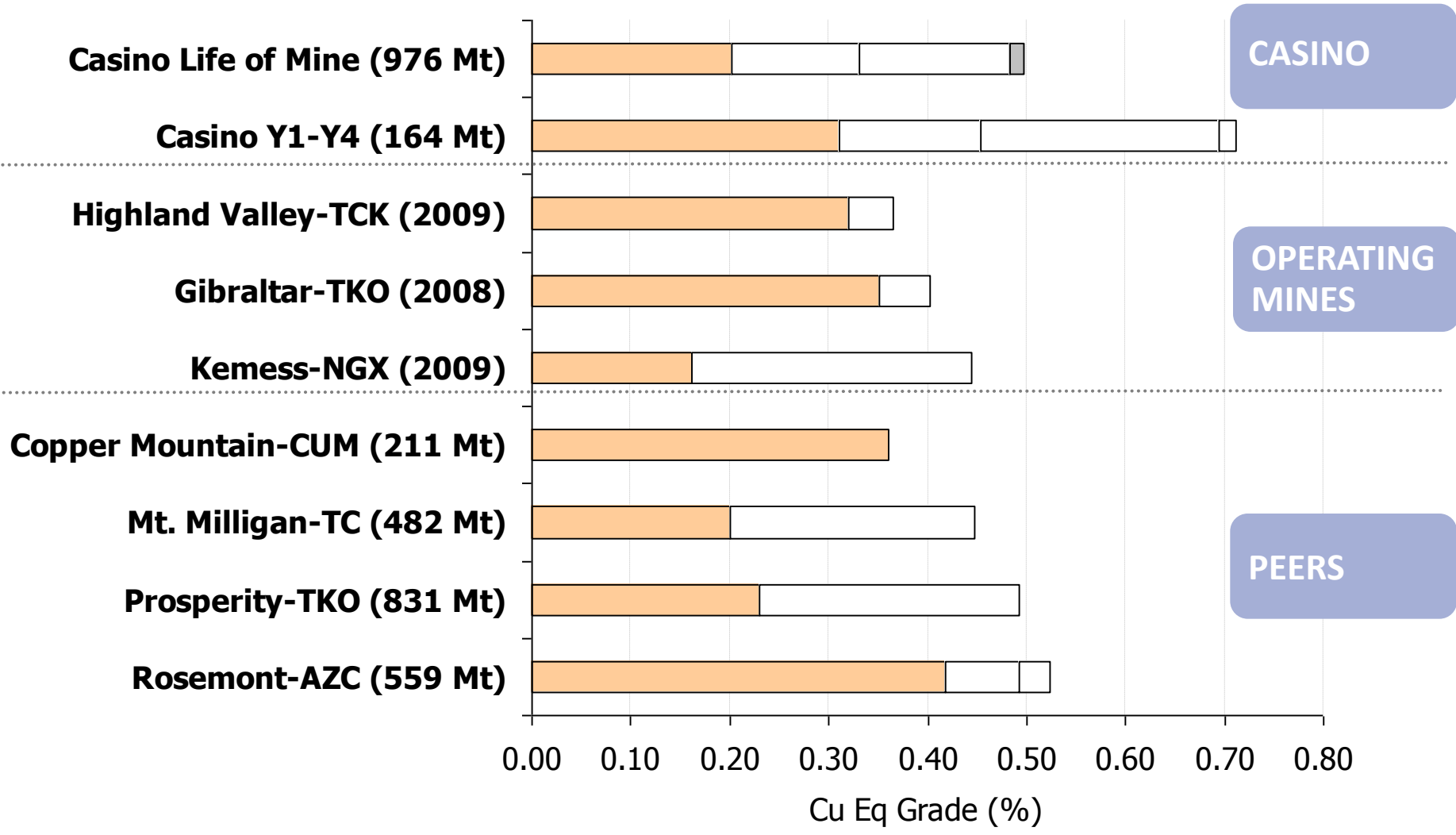
RESERVE

	Tonnes M	Copper %	Gold g/t	Moly %	Silver g/t	Cu Eq* %	Copper B lb	Gold M oz	Moly M lb	Silver M oz
Mill Ore	976	0.20	0.24	0.023	1.7	0.50	4.4	7.5	494	54
Heap Leach Ore	82	0.04	0.32	-	2.4	n/a	0.1	0.8	-	6

Note: See notes 2 and 3 in appendix



GRADES IN LINE WITH CURRENT OPERATIONS & PEERS



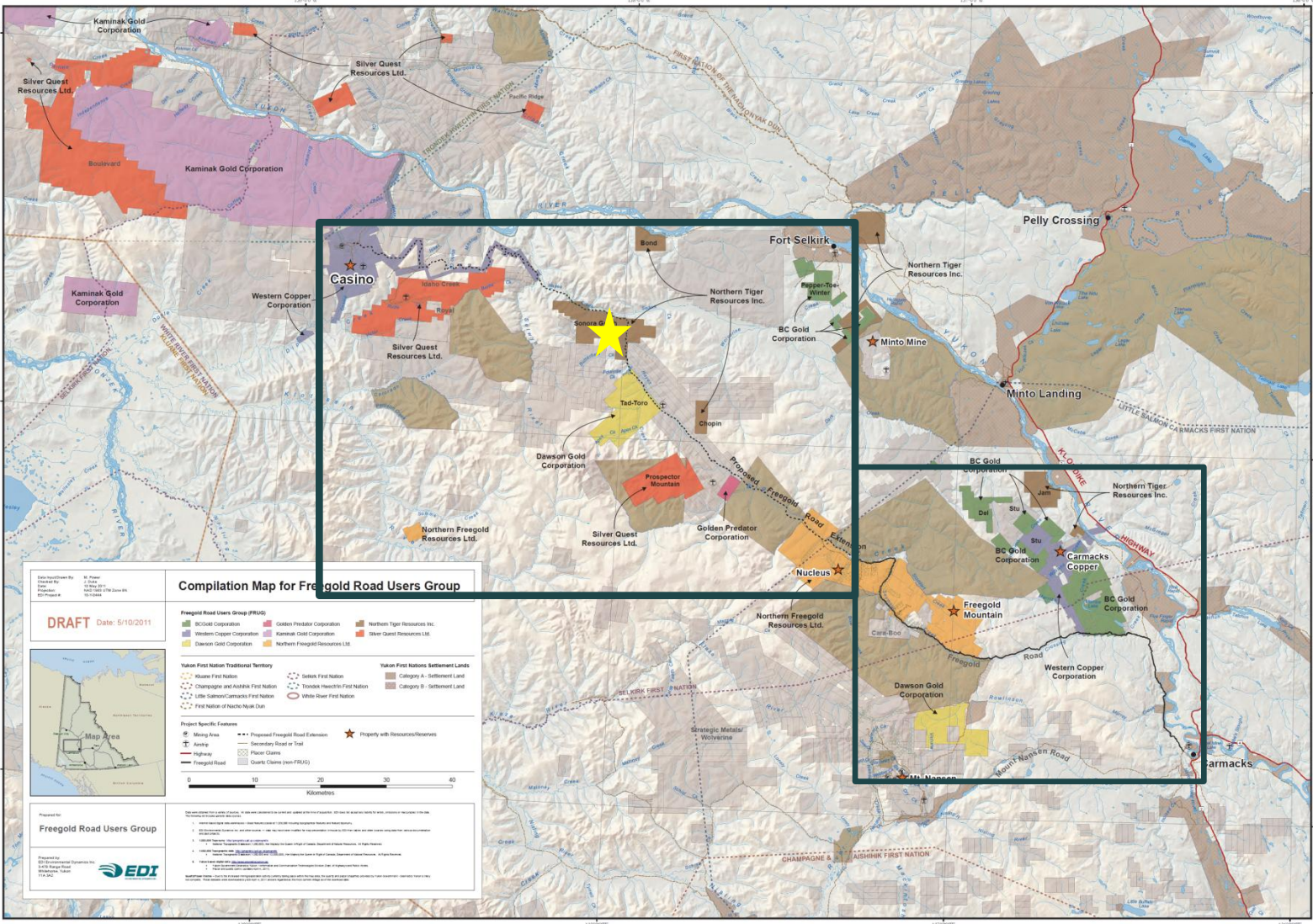
Note: Casino data based on reserves, see appendix. Peers' data based on reserves. Operating mine data based on average grades during year indicated. Other company data from corporate websites or technical reports. See appendix for detailed Casino reserve. See note 9 for copper equivalent calculation.

Casino as a case example

- The Casino project will require 20 M ft³ of natural gas per day delivered as LNG delivered to a mine-mouth 120 MW powerplant - initially imported through the port of Skagway;
- Both a copper and molybdenum concentrate will be shipped via the port of Skagway by truck at the rate of 270,000 tonnes/yr.
- Requires upgrade of 106 km of existing resource road upgrade (leg 1)
- 130 km of new road – Freegold Road Extension (leg 2) – First major new road infrastructure in the Yukon in 30 years.
- New road construction costs approximate \$1 million/km (or \$1.4 million/mile)



Access to Casino: Freegold Road Extension

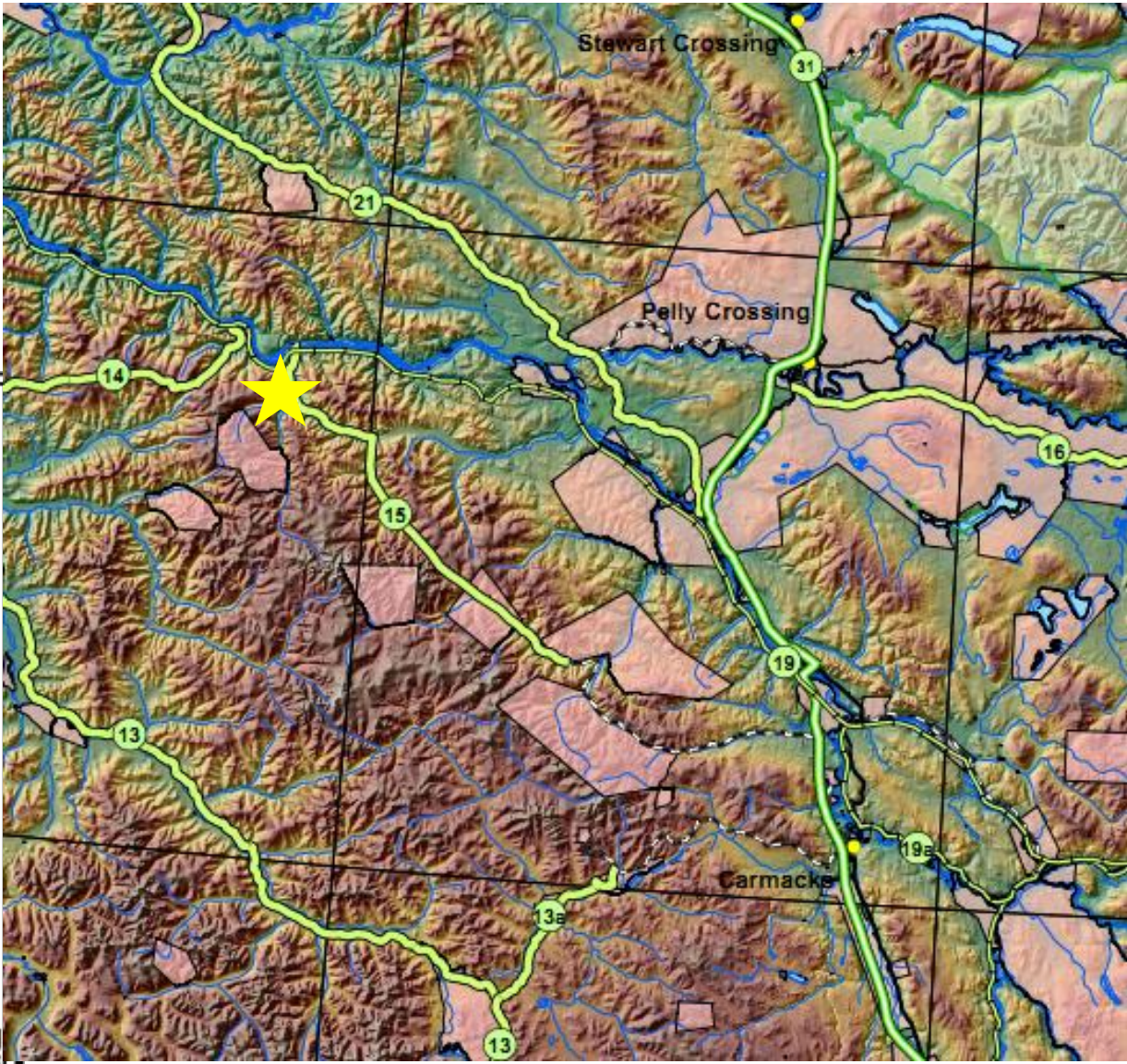
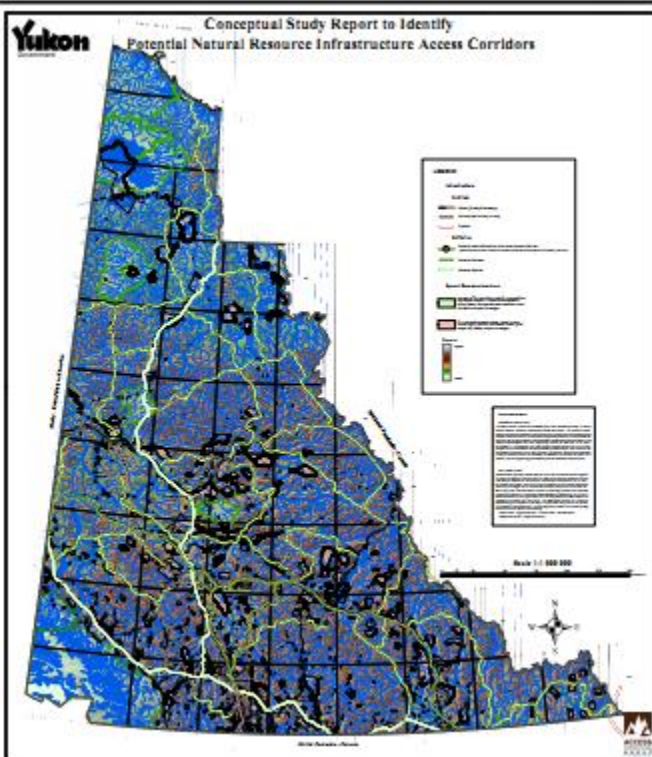


Some Background

- First reference to federal government discussion on access dates back to 1965.
- “Casino Trail” surveyed and proposed by the federal government in early 1980’s
- Same route identified as part of a Yukon-wide access corridor study in 1996;
- Affirmed as best route by Western Copper as part of pre-feasibility studies. Not the lowest cost option but:
 - Most regional long-term benefit;
 - Least overall effect on environment and wildlife;
 - Least environmental footprint (over existing trails and roads as much as possible.



1996 Access Corridor Study (Yukon Government)



Freegold Road Area

Exploration Spending

- **Estimated at \$84+ million in 2000-2010 (mostly since 2004).**
- **2010 exploration expenditures poised to exceed \$30 million**
- **100 seasonal jobs generated by exploration and placer mining activity**

Over 40 companies active

Other local and First nations users



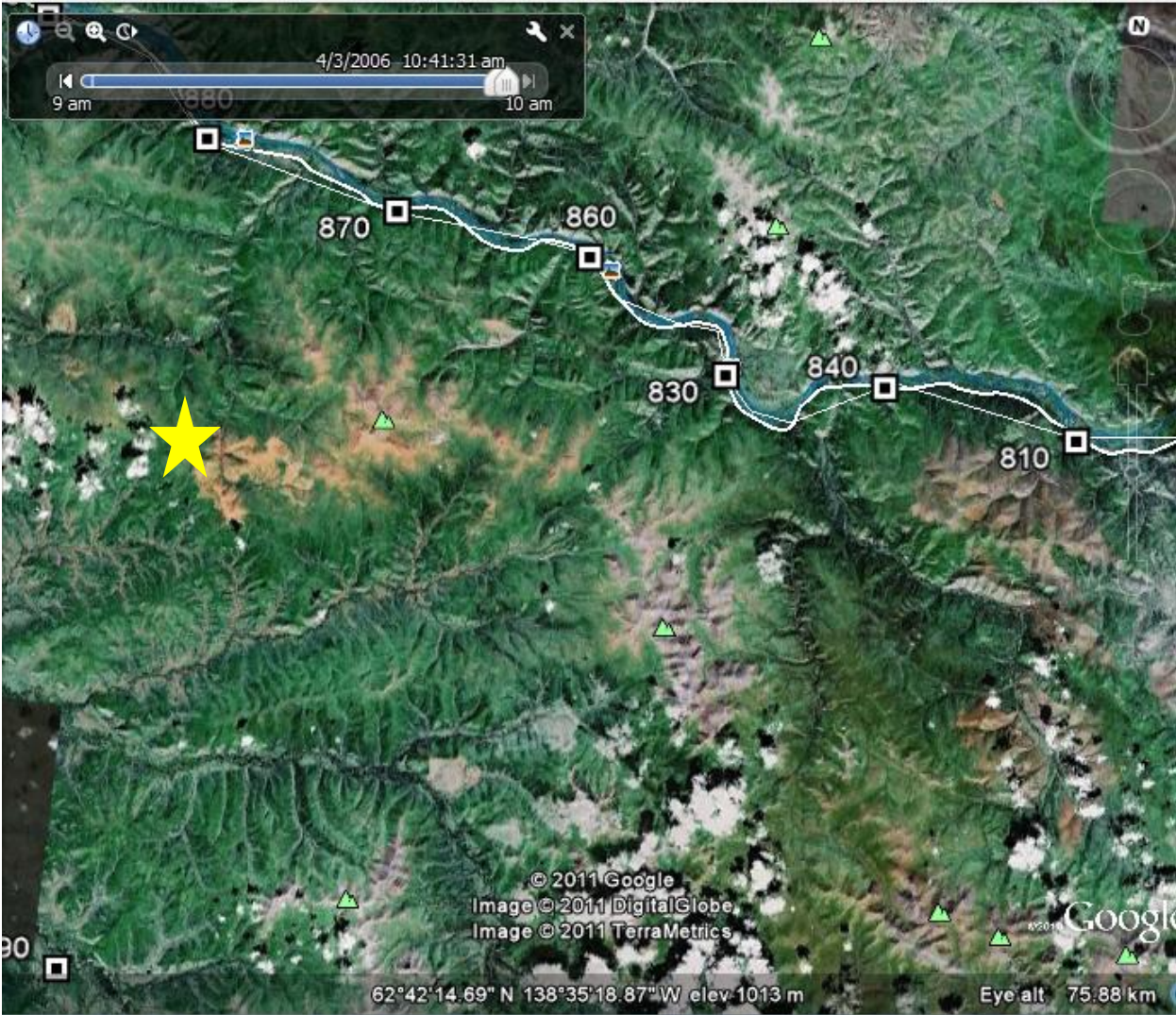
Figure 1
Looking South towards Existing Seymour Creek Crossing
And Steep Freegold Road Grade



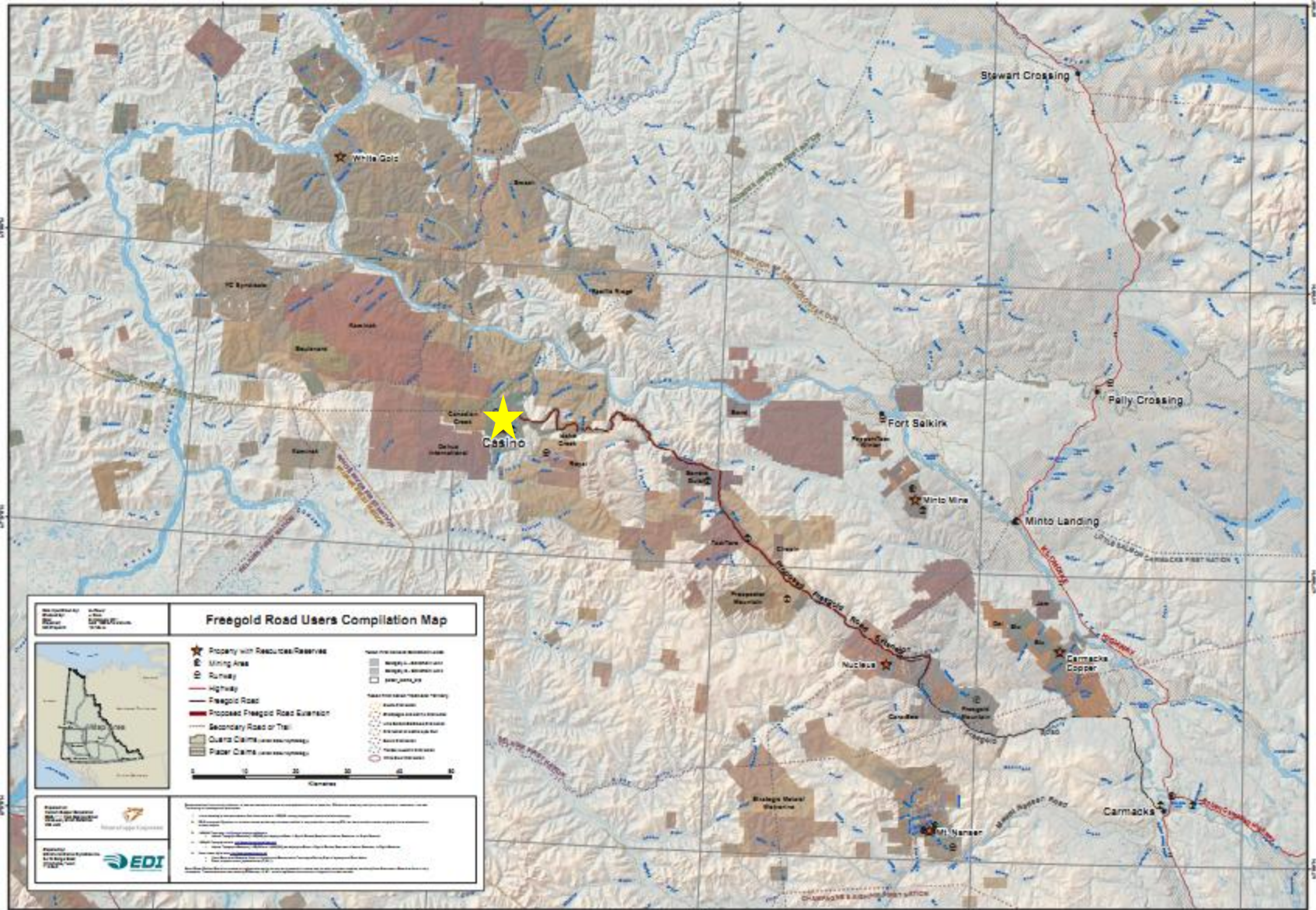
Alaska – Canada Railway feasibility (2006)

Alternate route was very near the Casino Project.

No further work planned at this time.



The current situation:



Challenges

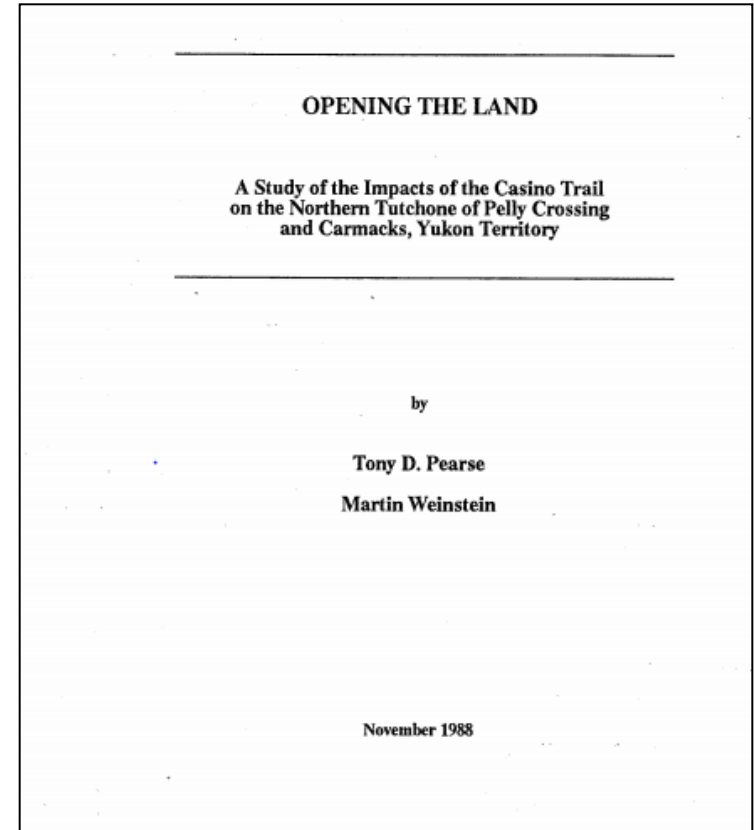
- Shift in paradigm over the last 30 years

From

- **“Roads to Resources”** – infrastructure as a driver of economic opportunity
- Active government sponsorship and funding

To

- **Focus on environment and effects** on wildlife –
 - Focus on minimizing impacts/restoration and
 - controlling access to minimize effects of non-mining users
 - Much less government attention/interest



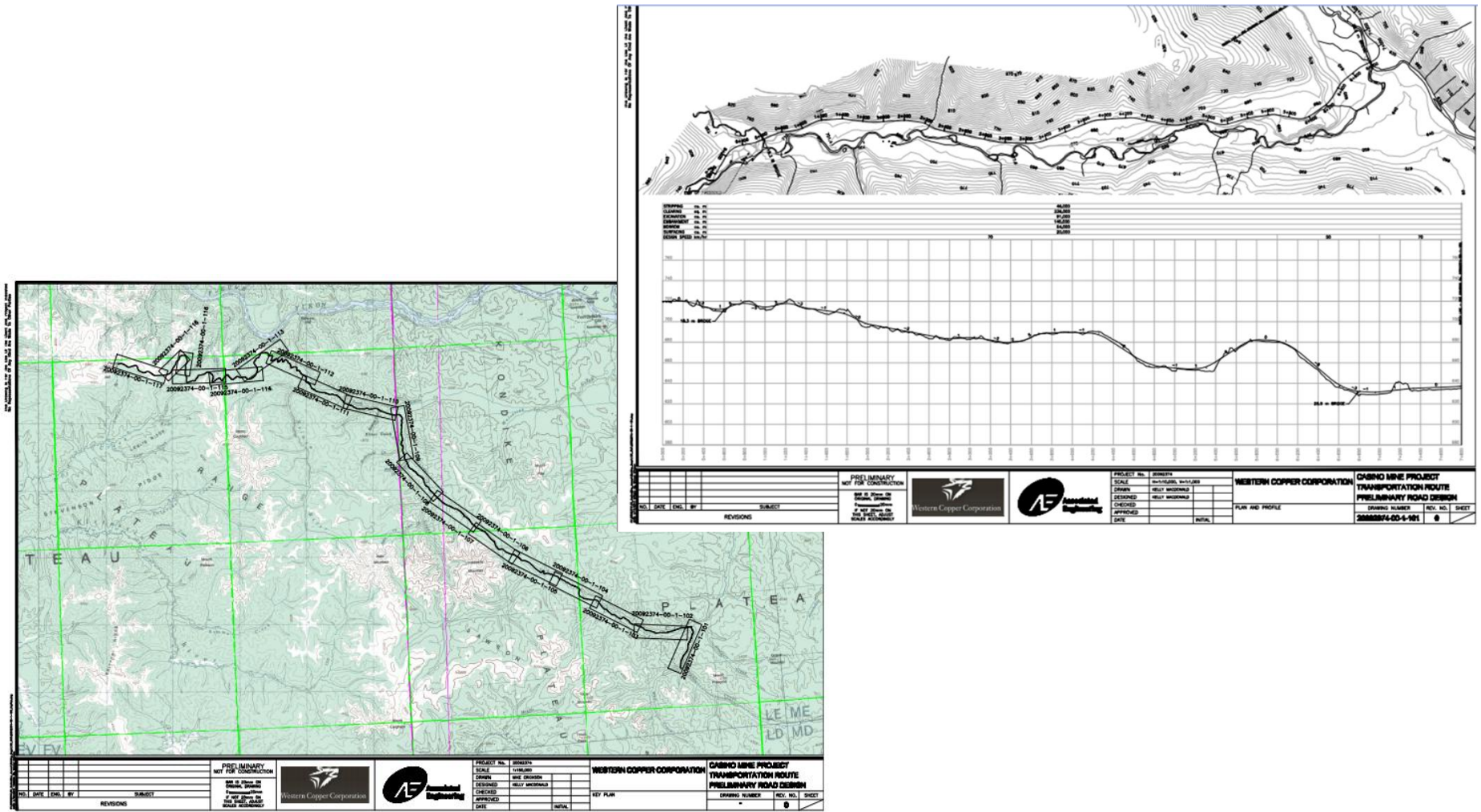
Challenges

- The reality:
 - Regional governments do not have resources to respond to quickly emerging need for resource road maintenance and upgrades to support industrial activity – but in Yukon they are trying.
- The competition:
 - Lobby by numerous companies for attention to growing need – competition for few dollars
- The costs:
 - (rule of thumb: \$1 million /km)
- Major new infrastructure is controversial and requires careful regional planning – particularly effects on other land users and aboriginal interests



Steps moving forward: Step 1

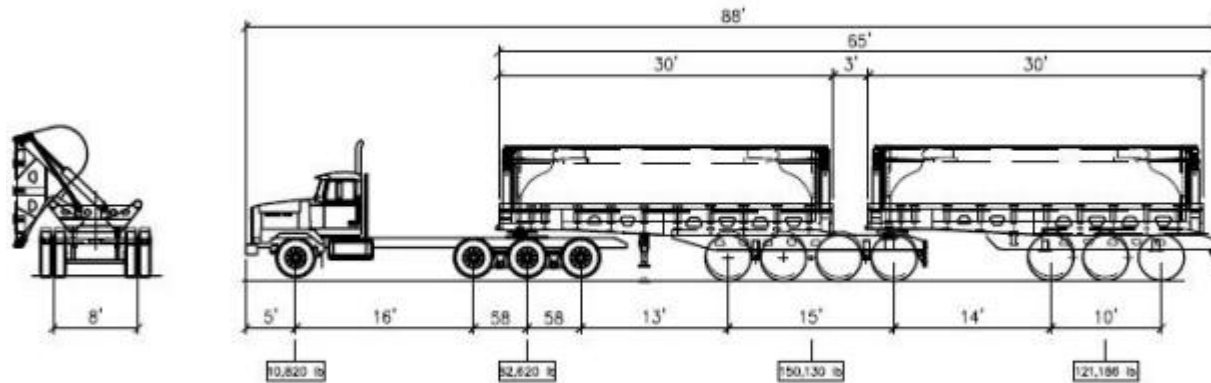
1. Planning: preliminary engineering, Pre-feasibility cost estimates, public engagement and environmental work (*Casino is at this stage now*)



Step 2

1. Permitting: secure tenure, figure out who is responsible for what (public vrs. private ownership)
 - Potential conflicts should be sorted before or during this stage

Typical Ore Bearing Vehicle

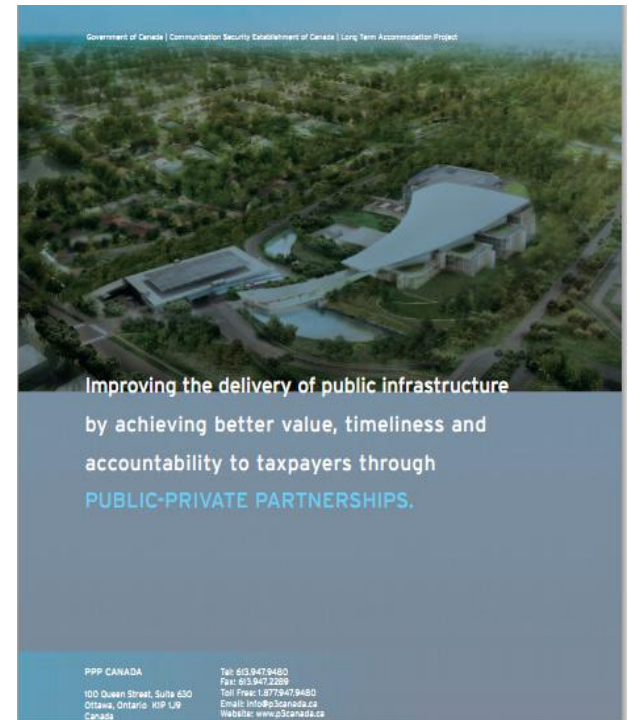
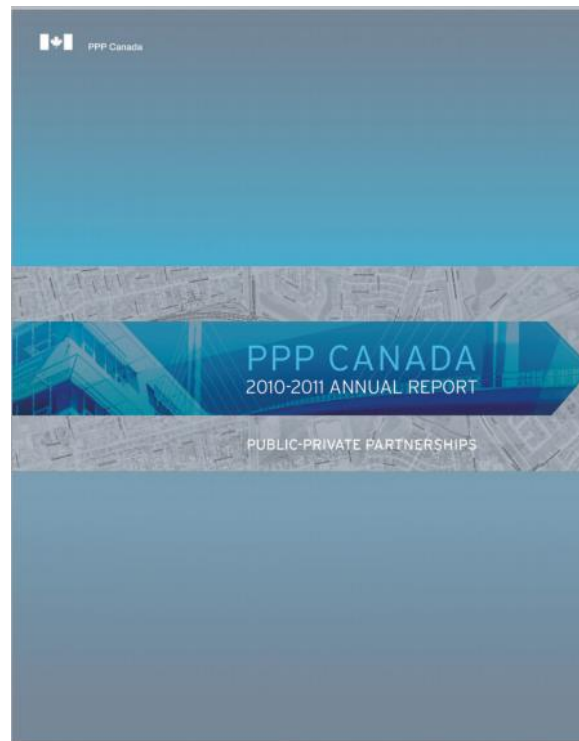


TYPICAL ORE BEARING VEHICLE



Step 3 - Negotiate

- Bankable Feasibility stage – strong indication project is a “go.”
- Public – Private Partnerships (PPP) may emerge at this point
 - Bring in federal government (such as P3 Canada)



Step 4: Construction

- Usually tied to a Production Decision
- Construction in permafrost has particular requirements
 - expect at least two years advance work required before a new road is ready
- Important to look at interim transportation while road under construction
 - Barging
 - Winter Roads
 - Air



A few observations

- Current conservative federal government has a strong northern focus (Northern Strategy): understands the connection between sovereignty and economic development
- Casino is a “game changer” for Yukon
- Timing is important, but Casino is rapidly approaching a phase when the full implications of this development will become better known
- Regional infrastructure planning seems to be driven by proponents
- Planning work necessary to support regulatory approvals for access is significant project risk



For Further Information

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WPT 310 to WPT 313: Yukon River Visible in Background

