

New Prosperity Gold-Copper Mine Project Federal Review Panel

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June 20, 2013

Ms. Katherine Gizikoff
Director, Environment and Government Affairs
Taseko Mines Limited
<contact information removed>

Sent by e-mail: <email address removed>

Subject: Sufficiency of Information – New Prosperity Gold-Copper Mine Project Environmental Impact Statement

Dear Ms. Gizikoff:

The Federal Review Panel (the Panel) responsible for reviewing the New Prosperity Gold-Copper Mine Project has completed its review of the responses to the supplemental information requests received from Taseko Mines Ltd. (Taseko) on June 6, 2013, as well as the comments provided by the various participants as part of the public comment period which ended June 16, 2013. The Panel has determined that the EIS, supplemented by the additional information provided by Taseko during the Environmental Impact Statement review phase, contains sufficient information to proceed to the public hearing phase of the review. Therefore, the Panel will schedule and announce the hearing in accordance with its Terms of Reference.

The Panel recognizes that differences of views still remain between Taseko and other Interested Parties on a number of issues related to the environmental assessment of the Project and is of the opinion that the information generated as part of the Environmental Impact Statement review will be further developed and clarified through the hearing process. However, in order to allow for an efficient and procedurally fair public hearing, the Panel requests that Taseko respond to the issues in the attached appendix by July 17, 2013. The information will be made available on the public registry.

The Notice of Hearing outlining the dates and locations of the General, Topic-Specific, Community and Closing Remarks hearing sessions will be issued later today. The Panel will provide further details on the hearing schedule, locations and on the registration procedures in the upcoming week.

If you have any questions or concerns, please do not hesitate to contact Livain Michaud, Panel Manager at 613-948-1359 or at NewProsperityReview@ceaa-acee.gc.ca.

Sincerely,

<original signed by>

Bill Ross
Chair

cc: Mr. Brian Battison, Taseko Mines Limited

Attach.

Appendix:

List of Outstanding Issues to be addressed by Taseko in Advance of the Hearing

SIR 10/11: Groundwater Interactions between Fish Lake and Open Pit, and SIR 12/14: Tailings Storage Facility

In response to SIR 10/11, the Panel acknowledges the significant time and effort undertaken by Taseko, its consultants and NRCan to discuss and attempt to reach an agreement on groundwater issues. The Panel will request NRCan to provide the findings of its numerical groundwater flow model (CEAR # 539) when it is available. The Panel encourages Taseko and NRCan to continue discussions on issues where differences of opinion remain if Taseko and NRCan deem such discussion would be useful in preparation for the public hearing.

The Panel requests that Taseko provide:

- Details on the calculation of the total estimated dewatering rate of 11000 m³/d for the New Prosperity pit; and
- Explain the discrepancy, if any, in NRCan's calculation of the seepage recovery efficiency for the TSF, which they report is based on data provided in Appendix 2.2.4-D.

SIR 15/19/25/49 – Lake Productivity, Mitigation and Adaptive Management

The BC Ministry of Energy and Mines (CEAR # 541) noted that the Proponent has committed to implementing a range of water treatment methods using an adaptive management approach, if and when monitoring results exceed pre-determined thresholds. Taseko stated in its response that the proposed water treatment plans would be successful in achieving BC and CCME water quality guidelines. The Ministry of Energy and Mines noted that the technologies presented are not widely used in mining applications and should be demonstrated to be feasible and effective.

The Panel requests that Taseko provide:

- Additional information on the design and implementation of each of the various waste treatment stages. Include collection system location and design information; location and characterization of influent and effluent chemistry and flows to be treated; design criteria for the drainage collection and holding system to ensure management of expected range of flow and climatic conditions; conceptual design of the treatment process; predicted reagent use; secondary waste disposal plans; and identification of the general operating, monitoring and maintenance requirements;
- Supporting evidence on the achievability of the stated treatment efficiencies;
- An explanation for concluding that the mitigation plans would be effective and would have low residual effects. This should be substantiated with information on the specific risks, challenges and drawbacks associated with the various types of treatment systems and an explanation for how these would be managed for the Project;
- The proposed disposal strategies for wastes from the water treatment stages include blending into mill concentrate, saleable product, or blending into the tailings streams. Given that water treatment will likely be required in the long-term closure phase when waste disposal in mill concentrate and tailings streams is no longer feasible, a

conceptual design for all treatment wastes that would ensure long-term physical and geochemical stability along with back up plans should be provided. Mitigation plans and additional effects assessment should be provided as necessary; and

- An explanation how the BioteQ treatment proposal would affect the eutrophic status of Fish Lake.

SIR 42/45 – Health Effects in the Local Study Area

The provincial Ministry of Environment (CEAR # 541) noted that it appears that metal deposition rates for PM_{2.5} were used in the model to evaluate the effects of dust. Health Canada (CEAR # 536) also noted that the report “Assessment of Human Health Risks for Country Food Consumption for the Lands Surrounding Fish Lake” indicates that air dispersion modeling to predict the concentration of particulate matter in soil used the full range of dust particle sizes.

The Panel requests that Taseko:

- Clarify whether PM_{2.5} or TSP was used in the model; and
- Evaluate effects using TSP, if effects were evaluated based on PM_{2.5}.

SIR 43/44 – Country Foods

Health Canada (CEAR # 536), Alice William (CEAR # 554), and Sharon Primeau (CEAR # 558) noted that the consumption rates of country foods used in the human health risk assessment are not representative of the Tsilhqot'in people. In addition, Health Canada noted that the human health risk assessment for the consumption of country foods did not differentiate between men and women. The Panel requests that Taseko:

- Update the human health risk assessment for the consumption of country foods to assess total body burden using country food consumption rates of the Tsilhqot'in people or make use of the *First Nations Food, Nutrition and Environment Study* referenced by Health Canada in CEAR # 536;
- Update the human health risk assessment to consider differences in consumption rates related to gender; and
- Provide further justification of the use of the 20% benchmark as the criterion for significance of human health risk, in relation to exposure to contaminants.

SIR 51 - Current Navigational Use

In its deficiency statement, issued March 28, 2013 (CEAR # 477), the Panel requested Taseko to provide information and assess the impacts of the project on navigable waters.

Transport Canada is of the opinion that Taseko has not included sufficient information in a number of areas which it deems necessary to provide expertise during the hearing. On page 51-10 of its response, Taseko stated that the average dimensions for all Fish Creek reaches and tributaries do not meet the perspective criteria to classify the mainstream and all of the tributaries of the Fish Creek watershed as minor waters. This statement is contradicted by

Taseko's conclusion that the creeks and streams that would be affected by the Project are not navigable.

The Panel requests that Taseko provide:

- Clarification regarding this statement and its conclusion that the creeks and tributaries in and around the project are not navigable.

Additional Issues from the Tsilhqot'in National Government (CEAR # 560)

As suggested by the Panel in its letter to the Tsilhqot'in National Government (TNG) dated June 13, 2013, the TNG followed up with a letter to Taseko (CEAR # 560) with a list of specific information requests.

The Panel requests that Taseko:

- Provide the information or clarification sought by the TNG in CEAR # 560.