



Canadian Environmental
Assessment Agency

Ontario Regional Office
55 St. Clair Avenue East,
Room 907
Toronto, ON M4T 1M2

Agence canadienne
d'évaluation environnementale

Bureau régional de l'Ontario
55, avenue St-Clair est,
bureau 907
Toronto (Ontario) M4T 1M2

April 4, 2017

Sent by E-mail

Mr. Darryl Boyd
Director of Regulatory and Community Affairs, Goliath Gold Project
Treasury Metals Inc.
P.O. Box 783
Dryden, ON P8N 2Z4
darryl@treasurymetals.com

Subject: Draft Response to Information Request #1 for the Environmental Assessment of the Goliath Gold Project

Dear Mr. Boyd,

Thank you for your February 24, 2017 submission of Treasury Metals Inc. (Treasury)'s partial draft response to Information Request #1 (IR#1) for the environmental assessment of the Goliath Gold Project. Treasury requested that the partial draft be reviewed solely to determine if the Canadian Environmental Assessment Agency (the Agency) would accept an alternate format in lieu of a revised Environmental Impact Statement (EIS).

During our meeting on March 27, 2017 to walk through the partial draft response to IR#1, Treasury informed the Agency that it intends to submit a final response, rather than a complete draft, in May 2017. This letter outlines several criteria the Agency will consider in reviewing your final response to IR#1. To further support your preparation of a response, this letter also provides preliminary comments on the partial draft response (Annex 1), and further clarification to the existing EIS Guidelines regarding Indigenous matters (Annex 2).

Be advised that the Agency has not yet made a determination as to whether the proposed format is an acceptable alternative to a revised EIS. The Agency wishes to reiterate that Annex B1 of IR#1 outlined the required deliverables for Treasury's response to IR#1, including (amongst others):

- a revised EIS document package which must include all sections of the EIS and appendices with updated information and results;
- an Aboriginal engagement report that includes final responses to Annex A3 information requests; and
- a draft of the IR#1 response package including draft responses to the information requests, a table of concordance, and a roadmap.

The full requirements and deliverables are described in detail in the IR#1 package sent to Treasury on June 30, 2015 and its Annexes A1-A4 and B.

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Should Treasury wish to proceed directly with the submission of a final response to IR#1, the submission will first be reviewed to determine whether the materials provided meet the requirements of Annex B1 of IR#1. In addition to the deliverables described above, the Agency review will include the following criteria:

- Is all the information sought in IR#1 complete, taking into account the individual information requests, deliverables and instructions in IR#1, requirements of the EIS Guidelines, and the clarifications to the EIS Guidelines provided in Annex 2?
- Is the updated project description clear and consistent throughout the documentation?
- Is there demonstrable evidence that new information (e.g. updated project description and environmental baseline conditions) has been carried through and applied to all relevant sections and appendices of the EIS?
- Is there demonstrable evidence that the effects analysis and conclusions are based on the updated project description and environmental baseline conditions?
- Is there transparency in terms of what parts of the existing EIS are still relevant and what parts are no longer relevant? Specifically, what remains, what is redundant, what was amended, and what was superseded?
- Is the submission cohesive? Are new documents and information integrated into the existing EIS as a full package in a manner that is clearly presented, logically integrated and simple to follow?

The submission will be reviewed for completeness and sufficiency of information, such that would allow the Agency to continue with its technical review and conduct consultation with Indigenous groups.

Please note that the Agency is moving towards increasing online access to project file records. Documentation related to your response to IR#1 may be posted on the Canadian Environmental Assessment Registry Internet Site.

Please feel free to contact me directly at 416-952-5016 or Goliath@ceaa-acee.gc.ca, if there are questions.

Sincerely,
<Original signed by>

Marcelle Phaneuf
Project Manager

Attachments (2)

1. Annex 1: Preliminary comments regarding the partial draft response and the review of a final response to Information Request #1
2. Annex 2: Clarifications to existing requirements in the final Environmental Impact Statement Guidelines for the Goliath Gold Project – Indigenous matters

cc. Mark Wheeler – Director, Projects, Treasury Metals Inc.
Norm Bush – Vice President, Treasury Metals Inc.

ANNEX 1

Preliminary comments regarding the partial draft response to Information Request #1

The Agency notes that, based on information presented to date, Treasury's engagement activities with Indigenous groups remain inadequate. The draft Aboriginal engagement report submitted in February 2017 does not seem to identify any new engagement activities in the period between the submission of the EIS in April 2015 and the partial draft response to IR#1 in February 2017.

- *The Agency encourages Treasury to carefully review the EIS Guidelines and Annex B of IR#1 to verify what additional information and activities are expected.*
- *To support Treasury in addressing these requirements, Annex 2 of this letter provides further clarification of the existing requirements in the EIS Guidelines for the Goliath Gold Project with respect to Indigenous matters.*

During the March 27, 2017 meeting, Treasury proposed to provide a revised EIS at the end of the technical review phase, following the complete resolution of all information requests. The Agency responded that an objective is to ensure the response to IR#1 is packaged in a manner that is logical and simple to understand for use in continued consultation throughout the technical review phase. Therefore, Treasury's proposed approach does not meet the Agency's objective or requirements.

- *The Agency urges Treasury to present, as part of the intended final submission to IR#1, a cohesive and complete package. See all prior instructions provided to Treasury.*

During the March 27, 2017 meeting, Treasury presented a schematic of how the new documents provided in the partial draft response to IR#1 correspond with the existing EIS and its appendices. This information supplemented two concordance tables previously submitted in the partial draft response.

- *The Agency wishes to restate that the combined information presented to date does not meet the Agency's requirements for complete, cohesive and clear information in Treasury's response to IR#1. At the meeting, the Agency indicated, inter alia, the need for a concordance table that clearly states how the new documents supersede or complement the existing EIS and its appendices, with specificity to sections and subsections. An explanation of how the responses to information requests would fit into the EIS should also be provided.*

The Agency maintains its position that a revised EIS is the preferred method of response to IR#1.

ANNEX 2

Clarifications to existing requirements in the final Environmental Impact Statement Guidelines for the Goliath Gold Project – Indigenous matters

The Final EIS Guidelines for the Goliath Gold Project were issued to Treasury by the Agency on February 21, 2013. In recent discussions the Agency offered to provide further clarification of the existing requirements in the EIS Guidelines, with respect to Indigenous matters. To support Treasury in addressing Annex B of IR#1, these clarifications are outlined herein. Treasury is encouraged to take these into account when engaging Indigenous groups and preparing its response to IR#1.

Clarifications are categorized as follows, with reference to relevant sections of the EIS Guidelines:

1. Approaches to Engagement of Indigenous Peoples (Section 2.3 and Section 9.2)
2. Community Knowledge and Aboriginal Traditional Knowledge (Section 3.4.2)
3. Baseline Conditions – Human Environment (Section 9.1.3)
4. Effects of Changes to the Environment on Indigenous Peoples (Section 10.1.3)
5. Documentation of Engagement and Input Received (sections 9.1.3, 9.2, 10.2, 11.2, 12.2 & 15.1)

Bolded text is used, where helpful, to emphasize what is being clarified relative to the EIS Guidelines.

1. Approaches to Engagement of Indigenous Peoples

With respect to the engagement approaches outlined in Section 2.3 (Aboriginal Consultation) and Section 9.2 (Potential or Established Aboriginal and Treaty Rights and Related Interests) the Agency offers the following clarifications about the expectations of the proponent:

- Provide potentially affected groups with **opportunities to learn** about the project and its potential effects **and to make their concerns known** about the project's potential effects and discuss measures to mitigate those effects.
- For the groups expected to be most affected by the project, **strive towards developing a productive and constructive relationship based on on-going dialogue** with the groups in order to support information gathering and the effects assessment.
- **Strive to use primary data sources in the effects assessment** and hold face-to-face meetings to discuss concerns. Facilitate these meetings by making key summary documents (baseline studies, EIS, key findings, plain language summaries) accessible **in advance**. Ensure there are sufficient opportunities for individuals and groups to provide oral input in the language of their choice.
- Ensure that **views of groups are recorded** and that groups are **provided with opportunities to validate the interpretation of their views**. **Keep detailed tracking records** of engagement activities, recording all interactions with groups, the issues raised by each group and how the concerns raised have been addressed. **Share these records with the Agency**.

PLEASE NOTE: Additional information will be provided in coming weeks regarding the Agency's expectations for proponent engagement with Lac Des Mille Lacs First Nation.

2. Community Knowledge and Aboriginal Traditional Knowledge

Further to Section 3.4.2 (Community Knowledge and Aboriginal Traditional Knowledge) of the existing EIS Guidelines, additional information on how Aboriginal traditional knowledge can be obtained and incorporated in the effects analysis can be found in the Agency's reference guide entitled "Considering Aboriginal traditional knowledge in environmental assessments conducted under the *Canadian Environmental Assessment Act, 2012*".

3. Baseline Conditions – Human Environment

With respect to the baseline information requirements outlined in Section 9.1.3 (Human Environment) of the existing EIS Guidelines, the Agency offers clarification below in relation to current use of lands and resources for traditional purposes, health and socio-economic conditions, and physical and cultural heritage.

Baseline information for current use of lands and resources for traditional purposes includes a description of traditional activities (e.g. hunting, fishing, trapping, plant gathering) and a characterization of all attributes of the activities that can be affected by environmental change. This includes not only identifying species of importance, but also assessing the quality and quantity of preferred traditional resources and locations, timing (e.g. seasonality, access restrictions, distance from community), ambient/sensory environment (e.g. noise, air quality, visual landscape, presence of others) and cultural environment (e.g. historical/generational connections, preferred areas). Specific aspects to be considered include, but are not limited to:

- location of traditional territory (including maps where available);
- traditional uses currently practiced or practiced in recent history;
- location of reserves and communities;
- location of hunting camps, cabins and traditional gathering or teaching grounds;
- fish, wildlife, birds, plants or other natural resources of importance for traditional use;
- places where fish, wildlife, birds, plants or other natural resources are harvested, including places that are preferred;
- access and travel routes for conducting traditional practices;
- frequency, duration or timing of traditional practices; and
- cultural values associated with the area affected by the project and the traditional uses identified.

Baseline information for health and socio-economic conditions includes a description of the functioning and health of the socio-economic environment, encompassing a broad range of matters that affect communities in the study area in a way that recognizes interrelationships, system functions and vulnerabilities. Specific aspects to be considered for baseline information for health and socio-economic conditions include, but are not limited to:

- drinking water sources (permanent, seasonal, periodic, or temporary);
- consumption of country foods (also known as traditional foods) including food that is trapped, fished, hunted, harvested or grown for subsistence or medicinal purposes, outside of the commercial food chain;
- which country foods are consumed by which groups, how frequently, and where these country foods are harvested;
- commercial activities (e.g. fishing, trapping, hunting, forestry, outfitting); and recreational uses.

Baseline information for *physical and cultural heritage* (including any site, structure or thing of archaeological, paleontological, historical or architectural significance) considers all elements of cultural and historical importance to groups in the area and is not restricted to artifacts considered under provincial heritage legislative requirements. Specific aspects to be considered include, but are not limited to:

- burial sites;
- cultural landscapes;
- sacred, ceremonial or culturally important places, objects or things; and archaeological potential and/or artifact places; and
- attributes (e.g. language, beliefs).

4. *Effects of Changes to the Environment on Indigenous Peoples*

With respect to the effects assessment requirements outlined in Section 10.1.3 (Effects of Changes to the Environment) of the existing EIS Guidelines, the Agency offers clarification below in relation to current use of lands and resources for traditional purposes, human health, socio-economic conditions, and physical and cultural heritage.

With respect to the *current use of lands and resources for traditional purposes*, for each Indigenous group, the proponent is expected to include a description and analysis of how changes to the environment caused by the project will affect the current use of lands and resources for traditional purposes. This includes characterizing the effects on the use or activity (e.g. hunting, fishing, trapping, plant gathering) as a result of the underlying changes to the environment (i.e. how will the activity change if the project proceeds). The underlying changes to the environment are also to be described, including, but not limited to:

- any changes to resources (fish, wildlife, birds, plants or other natural resources) used for traditional purposes (e.g. hunting, fishing, trapping, collection of medicinal plants, use of sacred sites);
- any changes or alterations to access into the areas used for traditional purposes, including development of new roads, deactivation or reclamation of access roads and changes to waterways that affect navigation;
- any changes to the environment that affect cultural value or importance associated with traditional uses or areas affected by the project (e.g. values or attributes of the area that make it important as a place for inter-generational teaching of language or traditional practices, communal gatherings, integrity of preferred traditional practice areas);
- how timing of project activities (e.g. construction, blasting, discharges) have the potential to interact with the timing of traditional practices, and any potential effects resulting from overlapping periods;
- consideration of the regional context for traditional use, and the value of the project area in that regional context, including alienation of lands from traditional use;
- any changes to environmental quality (e.g. air, water, soil), changes to the sensory environment (e.g. noise, light, visual landscape), or perceived disturbance of the environment (e.g. fear of contamination of water or country foods) that could detract from use of the area or lead to avoidance of the area;
- any changes to the environment resulting from the presence of worker or increased access to the area by non-Indigenous peoples (e.g. noise, competition for or pressure on resources);
- an assessment of the potential to return affected areas to pre-project conditions to support traditional practices.

With respect to human health, for each Indigenous group, the proponent is expected to include a description and analysis of how changes to the environment caused by the project will affect health. The effects assessment would focus on effects on health outcomes or risks in consideration of, but not limited to:

- changes in air quality;
- effects of vibration from blasting;
- availability of country foods;
- changes in water quality (drinking, recreational and cultural uses); and
- noise exposure.

When risks to human health due to changes in one or more of these components are predicted, a complete Human Health Risk Assessment (HHRA) examining all exposure pathways for pollutants of concern may be necessary to adequately characterize potential risks to human health. Where adverse health effects are predicted, any incidental effects such as effects on current use of lands and resources for traditional purposes are also to be assessed. The proponent must provide a justification if it determines that an assessment of the potential for contamination of country foods is not required or if some contaminants are excluded from the assessment.

With respect to socio-economic conditions, for each Indigenous group, the proponent is expected to include a description and analysis of how changes to the environment caused by the project will affect activities that include, but are not limited to:

- the use of navigable waters;
- forestry and logging operations;
- commercial fishing, hunting, trapping, and gathering activities;
- commercial outfitters; and
- recreational use.

With respect to physical and cultural heritage and structures, sites or things of historical, archaeological, paleontological or architectural significance, for each Indigenous group, the proponent is expected to include a description and analysis of how changes to the environment caused by the project will cause effects that include, but are not limited to:

- the loss or destruction of physical and cultural heritage;
- changes to access to physical and cultural heritage;
- changes to the cultural value or importance associated with physical and cultural heritage.

5. Documentation of Engagement and Input Received

Several sections of the existing EIS Guidelines outline requirements for documentation of input received during proponent engagement with Indigenous groups. With respect to certain items in sections 9.1.3, 9.2, 10.2, 11.2, 12.2 and 15.1, the Agency offers the following clarifications about what a proponent is expected to document and submit to the Agency:

- A description of all efforts, successful or not, taken to solicit the information required from groups to support the effects assessment.
- How input from groups, including Aboriginal traditional knowledge, was used in establishing the baseline conditions related to health and socio-economics, physical and cultural heritage and current use of lands and resources for traditional purposes.
- VCs suggested by Indigenous groups for inclusion in the effects assessment, whether they were included, and the rationale for any exclusions.

- Views, comments, specific issues and concerns from potentially affected groups not only with respect to potential adverse impacts of the project on potential or established section 35 rights, including title and related interests, **but also with respect to the environmental effects of the project.**
- **How the proponent's engagement activities allowed groups to understand the project and evaluate its effects** on their communities, activities, and potential or established section 35 rights, including title and related interests.
- Specific suggestions raised **by each Indigenous group** for mitigating the effects of changes to the environment on Aboriginal peoples or accommodating potential adverse impacts of the project on potential or established section 35 rights, including title and related interests.
- Views expressed **by each Indigenous group** on the effectiveness of the mitigation or accommodation measures proposed.
- Perspectives of potentially affected groups where effects and impacts have not been fully mitigated or accommodated, where these were provided to the proponent by the groups.
- Identification of which changes were made to the project design and implementation **directly as a result of discussions** with potentially affected Indigenous groups.

The Agency recommends the proponent **create a tracking table** of key issues raised by each group, including the concerns raised related to the project, proposed mitigation measures, and where appropriate, a reference to the proponent's analysis in its effects assessment.