

Howse Property Iron Mine Project

Project Description

REVIEW AND COMMENTS

Submitted on behalf of the Naskapi Nation of Kawawachikamach to:

Canadian Environmental Assessment Agency
Howse Property Iron Mine Project
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Context

Howse Minerals Limited (“HML”) is proposing to develop an iron ore deposit on the Howse Property, located in western Labrador, approximately 25 kilometres northwest of Kawawachikamach, Quebec, with support from adjacent infrastructure. The extracted iron ore will be crushed and screened on-site, hauled by truck to the existing Tata Steel Minerals Canada’s Direct Shipping Ore Project rail loop loading area and then shipped by train to Sept-Iles, Quebec. The mine is expected to extract approximately 30 million tonnes of iron ore at a rate of up to 10,000 tonnes per day, over an approximate mine life of 12 years.

The construction period is scheduled to begin in 2016 followed immediately by the operation phase. The mine is expected to be in operation until 2027 with decommissioning and rehabilitation to begin prior to the end of mining operations.

The main objective of this Project Description review and comment by the Naskapi Nation of Kawawachikamach (the “Nation”), is to check the quality of the impact statements, to determine whether their conclusions are realistic and objective and to suggest any corrective methods that may be necessary.

Preliminary Consultation

On 29 January, Ms Coco Calderhead, Community Affairs for HML, sent a draft Project Description to the Nation to initiate open communications and to answer any initial questions or concerns of the Nation.

Below are the Nations comments submitted to HML, along with HML’s responses embedded in the text in blue. The comments in red are those that the Nation believes to be outstanding.

Additionally, in Section 6.1.2. of the Project Description, it is mentioned the Joint Venture Agreement provides for Labrador Iron Mines continual assumption of Impact-Benefit Agreement (“IBA”) obligations and liabilities. The validity of such an arrangement is currently being questioned by the Nation. Given the IBA's are confidential, the nature of the exchanges cannot be shared without the consent of all parties. The Nation is expecting from HML answers to specific questions and, as of even date, has not obtained satisfaction that the agreements are being respected or that the Joint Venture Agreement does not cause prejudice to the Nation.

Finally, the other outstanding concern held by the Nation is the level of activity on the railway lines. The Nation is concerned that priority is being given to the extracted ore cars rather than the passenger cars. Naskapis have experienced frustrating delays while using the Tshiuetin passenger service. The train ride to Sept-Iles is already exceptionally long in duration (10-12 hours) and if ore extraction continues to increase, this will have to be addressed and ensured that the appropriate measures are implemented to avoid such delays for passengers.

Howse Minerals Limited ("HML")

Project Description for the DSO Howse Property Project

Comments by the Naskapi Nation of Kawawachikamach

13 March, 2014

23 April, 2014

1) SOCIAL

a) page xxi – *“As per the Benefits Plan agreement signed with the Government of Newfoundland and Labrador, residents from this province will continue to make-up a majority of the workforce, while Newfoundland and Labrador businesses, particularly Labrador West businesses, and will continue to supply goods and services to support the mining industry in the region.”*

Does this mean that its takes precedent over Aboriginal residents and businesses?

No it does not. NNK, NIMLJ, and ITUM members and businesses, and Newfoundland and Labrador residents and businesses, are given preference over other groups.

b) page xviii- *“...as per its contractual obligations under Impact Benefit Agreements (IBA) signed with Aboriginal communities, the proponent will develop a rehabilitation and closure plan which will achieve the following objectives:...create a landscape compatible with surrounding areas while taking into account that previous disturbances caused by former IOC mining operations occurred in the vicinity of the site prior to TSMCs developments;”*

What does this mean exactly? What previous disturbances will be taken into account?

After operations, HML will return to the extent possible the Howse Property site to the same level as today, (actual environmental stage) as planned and approved by the provincial government (closure plan will be defined as per regulations during the permit process) and in consultation with Aboriginal groups.

2) HISTORY / TRADITIONS:

a) page xx - *“Archeological work was carried out in the vicinity of the LSA and resulted in the discovery of some prehistoric sites as well as numerous Aboriginal sites from contemporary periods.”*

This should be taken very seriously throughout the life of the project. The proponent should train all of its employees working on site to be able to identify what a historical artifact might look like and/or regular inspections should be undertaken. What is the process if an archeological site or artifacts are found?

The protection of cultural resources is also very important to HML. There are federal and provincial laws in place that aim to protect archaeological and historical resources, while HML, through its operator TSMC, has a Cultural Property Protection Plan in place (see attached document – the NNK contact person in case of discovery of cultural property was provided by the NNK in 2012). All workers receive an environmental induction which includes a summary of the Cultural Protection Plan and steps to follow in the event that potential cultural property is encountered. Furthermore, TSMC’s Environmental team members conduct ground reconnaissance prior to works in previously undisturbed work zones.

b) page xxii – *“After they began to reside in the Schefferville area more permanently during the twentieth century, Naskapi land use and harvesting activities focused increasingly upon areas adjacent to the community, and the most concentrated land use currently occurs within a radius of between approximately 30 and 50 km around Kawawachikamach. Recent studies have indicated that the NNK members undertake traditional activities such as hunting (large and small game), fishing and gathering and associated travel and camping throughout an overall region that encompasses the lands and waters*

to the north and west of their community, including areas that are accessible through existing access road networks and adjacent areas in Quebec and Labrador. In particular, the Howells River Valley and the hills on both sides of it are reportedly used extensively by Naskapi throughout the year.”

page 69- “Some plant harvesting is done by the Naskapi and the Innu in the vicinity of the Project (Weiler, 2009; Clément, 2009). Different varieties of berries, including blueberry, bilberry, cranberry, cloudberry and crowberry, are harvested. Plants harvested for medicinal purposes are Labrador tea and tamarack bark. White spruce, black spruce and tamarack are harvested for firewood.”

page 71-“A 2006 survey of Naskapi land- and resource-use in the Howells River valley shows extensive caribou hunting therein”

page 127 “... Recent studies have indicated that the NNK members undertake traditional activities such as hunting (large and small game), fishing and gathering and associated travel and camping throughout an overall region that encompasses the lands and waters to the north and west of their community, including areas that are accessible through existing access road networks and adjacent areas in Quebec and Labrador (Weiler, 2009). In particular, the Howells River Valley and the hills on both sides of it are reportedly used extensively by Naskapi throughout the year for hunting, fishing and for gathering plants.”

Naskapis have been known to use this area, or the areas closeby, extensively, therefore what does the proponent propose be done to compensate the Naskapis for this potential loss of traditional hunting and gathering grounds?

As referenced in Section 2.8.12 of the Final Project Description, the Project footprint area comprises an area to the east of the Howells River Valley and the hills on both sides of it. Harvesting activities are known to take place in these areas; however we do not have evidence of harvesting activities occurring in the Project footprint area itself, based on previous land use studies, and more recent consultations held with the NNK and the NIMLJ. Furthermore, the IBA signed with LIM is intended to address matters of compensation for the mining of the Howse deposit in the event of potential impacts.

c) page 75 - It appears as though there is not very much Naskapi traditional knowledge presented in this document. Particularly when compared to Clement’s literature, on the Innu which is quoted frequently. When was the last time someone from the Naskapi Nation was taken to view the site, (Elders, youth, Council?) Is this part of the consultation process? Or is it all based on Weiler’s literature (from 2006 and 2009)?

HML is familiar with previous studies on traditional ecological knowledge (i.e. Weiler and Clément), as referenced in previous environmental impact statements on mining projects in the Schefferville area (NML, Century Iron, LIM) (see Table 2.1 of the final project Description for the full list of EISs conducted).

HML made attempts to conduct a site visit in Fall 2013, through Chief Swappie. Unfortunately, due to reasons of timing, the site visit did not take place before the closing of the road to the Howse Project site for the winter months. Once road access is restored in Spring 2014, Naskapi leadership and land users will be invited to assess the area and provide feedback on the Project area.

d) page 173 – “As a way to mitigate the impacts the Project may have on Aboriginal harvesting activities, the Proponent has provided through IBAs community funds for the support of traditional activities.”
Who’s IBA in particular? Will the IBA be updated to include this additional project?

Funds for community programs vary within each IBA – which are confidential documents – based on the priorities identified by each party at the time of negotiation. Development of the Howse deposit is addressed in LIM’s IBA with the NNK.

e) page 173 – “... As another measure to accommodate local Aboriginal harvesting, the Proponent has already in place a fund for the support of traditional activities of the local Aboriginal communities most

impacted by the Project.”

Please elaborate.

As established during IBA negotiations, a specifically designated traditional activities fund has been created in the case of certain IBAs in order to contribute to the traditional activities of First Nation members who use the LIM Project area for these purposes.

3) BIODIVERSITY

a) page xxiv – “Noise disturbance, mostly caused by transportation and traffic, will affect the caribou, the wolverine and possibly the presence of geese.”

page 69- “... migratory caribou that might be found in the vicinity of the Project belong to the George River herd (GRCH). The most recent census of this population was carried out in 2001, at which time the size of the herd was estimated at 440,000 individuals (Couturier et al., 2004). The herd has since declined, and comprised an estimated 74,000 individuals in 2010 and 27,600 in 2012 (CARMA, 2013).

In general, the Project is contained within the migratory corridor of the George River herd that links their calving and wintering grounds. Much less clearly defined than calving areas, the caribou wintering grounds are thought to have shifted toward eastern Labrador early in the 2000s (Schmelzer and Otto, 2003)... They have adapted to the formerly mined area by using old mining roads should they happen to be heading in the same direction as the route along which they are migrating (Brown, 2005).

Since the LSA supports Ecotype MSF05 (Black Spruce-Lichen-Woodland) (see Section 4.2.1) and Ecotype HST04 (Large-leaved Goldenrod-Alpine Shrub- Seepage), food for caribou is readily available, as it is elsewhere in the region.”

Caribou populations have decreased significantly in the past decade. Caribou are of utmost importance to the Naskapi Nation’s diet and culture. It is acknowledged that the decrease is not necessarily directly linked to the mining industry but the fact remains that the proposed project lies within their migratory corridor, with bountiful amounts of food for them in this area, therefore the impacts on this species should be considered very seriously.

Yes, there will be an unavoidable destruction of habitat for caribou. However, this loss of habitat will be very marginal compared to the vast territory traveled by the migratory caribou during migration.

The potential effects of the Project on caribou will be more related to noise disturbance. As described in the Environmental Impact Statement (EIS) for the Elross Lake Area Iron Ore Mine (ELA IOM) submitted to the Government of Newfoundland and Labrador in 2009, standard mitigations regarding drilling and blasting, construction equipment and restoration will be implemented to reduce noise. In this EIS, other special mitigation measures are also proposed. The same mitigation measures will be applied for the Howse Property Project. For example, if a caribou (monitored by satellite collars) is located within 100 km of the project area, the on-site Project managers are notified and operations continue with caution. If data from the radio collars indicate that caribou have moved within 5 km of a pit in operation or the processing complex, all blasting, crushing and ore-transport activities are suspended. More details are provided in Section 8.1.7 of the ELA IOM EIS.

Also, with TSMC and HML’s current partnership with Caribou Ungava, the Environmental Team on site will be notified via e-mail when a caribou is in the Project vicinity.

b) page 158 – Table 7.5

Why were all the other animals excluded? What criteria were used for this selection? Just because they have a low population density and no socio-cultural value to the Naskapis or Innu, doesn’t necessarily mean that they are not essential to the food chain, or to the surrounding environment.

The species that have been selected are the ones that were considered more susceptible of being affected by disturbances in the area. Moreover, the species selected play an essential role in maintaining ecological

integrity and equilibrium. In ecological terms, these kinds of species are referred as “keystone species”. Studying the effects of a project on a keystone species is therefore also an indicator of the potential effects of the project on the other species in the area.

Numerous data have been collected on other species in the area of the Project for the EIS of ELAIOM and for the Howse Project environmental evaluation. However, when performing an environmental evaluation of the area, efforts are concentrated at focusing on specific issues rather than on the larger spectrum. It is essential when performing an environmental evaluation to concentrate on key issues rather than trying to cover every single component, thus increasing the study clarity and overall quality.

It is understandable to focus on keystone species, but the other species should at least be included in an appendix.

c) page xxiv - “Mining and dewatering are the main activities that could potentially have a significant effect on the aquatic fauna or its habitat while operations and maintenance are ongoing. Indeed, blasting near water bodies may injure or kill fish from all life stages. By limiting charges to 4,400 kg between August and January, the impact on fish eggs should not be significant since it will ensure the protection of fish eggs in Goodream Creek, which is a known spawning ground.”

This should be monitored and reported.

Yes, it is monitored and reported. Fish monitoring surveys have been performed on Goodream Creek twice per year since 2012. Also, in collaboration with NL government, DFO and Environment Canada, TSMC and HML recognized Goodream Creek as a sensitive area. Therefore TSMC has implemented a long term effect program part of the Federal Metal and Mining Regulations, a specific DFO program regarding fish habitats and aquatic life and participates in the provincial government real time water monitoring program. The real-time quality/quantity monitoring network was installed on Goodream Creek in 2012 and near-real time data on the status of water quality of Goodream Creek is available on the Newfoundland and Labrador’s Department of Environment and Conservation website at: http://www.env.gov.nl.ca/wrmd/ADRS/v6/Template_Station.asp?station=NF03OB0040

HML and TSMC are also planning to measure the extent of the low water level of the water courses of the Howse Property study area before this year’s snow melt in order to ascertain the potential spawning habitat of fish in the area. These measurements will be taken at the end of April 2014.

According to regulations and the Environmental Protection Plan (EPP) of TSMC (which will also include the Howse Property Project when it will be operation), the following procedure regarding blasting activities in close proximity to water bodies has been implemented on-site:

- No explosives will be used directly in or near water. In the event that blasting is considered absolutely necessary within a water body, it shall be undertaken in compliance with the required Water Resources permits from the NLDEC and DFO’s guidelines (Wright and Hopky 1998);
- Shortly before a detonation in the vicinity of a watercourse, small “scare charges” must be detonated to scare off fish;
- Blasting activities shall be undertaken in a manner that ensures that the magnitude of explosions is limited to that which is absolutely necessary. A blasting plan shall be reviewed with the local DFO officers in advance of work in close proximity to water bodies;
- Detonations producing an instantaneous pressure change of more than 100 kPa in fish air bladder are prohibited in or close to fish habitat;
- After blasting activities, visual inspection of nearby watercourses will ensure no post-blasting fish mortality has occurred. According to TSMC plans, blasting activities during operations are not expected to result in fish mortality.

Also, pertaining to TSMC’s EPP, work will be avoided when possible during critical periods for fish (e.g., spawning, incubation, fry rearing), as well as critical areas (e.g., spawning). Between Sept 1st and June

15th, stream crossing construction activities taking place within fish habitat will be undertaken under direct supervision of the Environment Representative

page 159- *“To prevent any loss of broods, clearing and stripping should not be carried out during the breeding bird season (from June through August).”*

This should be monitored and reported. Construction is supposed to be finished by late 2014, therefore how would they avoid clearing from June through August?

It is important to mention that the project schedule has changed since the submission of the draft Project Description. HML is now planning to start the construction phase for the Howse Property in 2016, subject to regulatory and environmental approvals and start extracting iron ore by 2016. Since these mitigation measures are part of TSMC DSO 3 EPP and policy, this measure will have to be integrated in the construction and mining plan and monitored by the HML environmental team.

2016 sounds like a more realistic schedule. Months of the year will be important to specify in order to avoid breeding bird season.

4) CUMULATIVE EFFECTS:

a) page 160 – *“Several other projects operate in the same sector, increasing the probability of cumulative environmental effects. The increased disturbances and loss of habitat could be significant for the caribou. It could eventually drive the caribou to avoid the region. The increased number of trains on the Schefferville–Sept-Îles railway might cause additional disturbances to the sedentary caribou.”*

page 169 – *“As production will increase over the previous project, ore train traffic will increase from one train every second day to one train per day during a period of 7-8 months per year (April to October). In addition, truck traffic will increase to 12 trucks per hour at the mine site.”*

This is needs to be analyzed in depth. The number of trains has/is increasing with every new project.

The number of trains increases or decreases, as the case may be, with the addition or reduction in mining activities in the Schefferville/Labrador City region. A study has recently being performed by SNC-Lavalin on the impact of the increase in railroad traffic on caribou along the entire railroad footprint. This study will be reviewed and taken into consideration for the Howse Property Project.

b) page xxvi- *“The construction phase for the Howse Property is expected to start in late 2014,”*

page 11 - *“Pit development is expected to be completed late 2014 to allow for ore production to begin by June 2015.”*

page 30 – *“The pit is expected to be fully operational by June 2015 and run for 13 years. Once mining activities start at the Howse Property, 56 people, split into 4 crews of 14 operators, will be required to operate the mine. Other workers such as foremen, engineers and geologists will be dividing their time between the TSMC’s DSO Project and Howse.”*

page 152 – *“The exploitation of Timmins 4 during the TSMC DSO Project would cause a cumulative environmental effect since there are plans to discharge dewatering and sump water into Goodream Creek. Therefore, if both pits operate at the same time, water and contaminants in Goodream Creek would originate from two different projects and levels could reach undesirable values without proper management. According to TSMC, this scenario is unlikely since operations at Timmins 4 should end before the Howse Property starts.”*

page 167 *“The presence of several other projects in operation in the area increases the probability of cumulative environmental effects. The exploitation of Timmins 4 of the TSMC’s DSO Project 1a would cause a cumulative environmental effect since dewatering and sump water are planned to be discharged at the same location, i.e. into Goodream Creek. Therefore, if both pits are operated at the same time, contaminants in Goodream Creek would originate from two different projects and concentrations of*

contaminants could reach high enough levels to significantly degrade aquatic habitat. According to TSMC, this scenario is unlikely since operations at Timmins 4 should end before the Howse Property starts”

Is this a fact that they both will not be in operation at the same time?

It is a fact. Timmins 4 and Howse pits will never be in operation at the same time.

c) page 171 – “Cumulative infrastructure effects such as those on regional transportation are being addressed by government and organizations such as the Labrador West Regional Task Force, which was formed to support sustainable development of the region and communities from Wabush to Schefferville. The Task Force has a special interest in the cumulative effects of increased mining activity on infrastructure.”

Is there Nation involvement in this Task Force?

No, the Labrador West Regional Task force is an initiative from Iron Ore Company of Canada supported by the Newfoundland and Labrador government. The Task Force was formed to address the challenges associated with the economic boom related to the mining industry in Labrador West. The Task Force includes representatives from industry, municipalities, provincial and federal governments. Therefore, HML invites the Nation to be in touch with the appropriate authorities of the Task Force. To find out more about the Task Force, please consult the following links:

- <http://www.assembly.nl.ca/business/electronicdocuments/LAOAnnualReport2012-13.pdf>
- <http://newenergy.nl.ca/news-piece/20130613-1/>

5) WATER BODIES and WATER QUALITY:

a) page xxiii – “The construction activities will have an effect on water quality since the project infrastructures will be located close to some water bodies and, given the local topography, suspended matter may be generated by surface run-off. Some coloration of the water might also occur at this stage. Surface run-off will be intercepted by a ditch network and directed to a sedimentation pond before reaching the natural environment.”

page 165-“...only coloration is expected to reach natural water bodies. Since Goodream Creek offers a decent dilution at the discharge point, coloration is expected to be minimal and significant effect on fish and fish habitat is unlikely”

page 166 – “The only probable change to water is its coloration”

Coloration of the water? What will be done to avoid this? How can this be cleaned up?

The coloration will be measured before construction in the Spring. Also, protection procedures to avoid negative effects due to runoff and erosion are included in the current EPP for the TSMC DSO 3. Protection measures related to storm water management to ensure sedimentation and related contamination does not enter any water bodies are part of TSMC’s EPP (sediment barriers, ditches, buffer zone, etc.). HML is aware that Goodream Creek is fed by water from a wetland connected at the base of Timmins 6, an old IOC pit. It is therefore possible that coloration is due to past mining activities. If issues arise regarding coloration, specific measures will be implemented.

b) page xxiii - “Seepage from waste rock piles is another potential effect on water quality. ...Dewatering the pit will lower the water table. Some water bodies have a risk of drying out locally, particularly around the pits. Since the hydrogeological study has not yet been completed...”

page 42 – “the pending hydrogeological report will be completed early in 2014.”

I assume these claims may change once the hydrogeological report is submitted. Please keep the Nation updated.

Yes. HML is targeting to have the hydrogeological report by August 2014.

The hydrogeological report will be of significance.

c) page 31 - Ammonium nitrate residue generated by blasting has the potential to contaminate surface waters and groundwater. Ore extraction also has the potential to generate noise, dust and suspended solids.”

page 151 - “Sump water pumped from the pit might be contaminated by hydrocarbons and oils from machinery and by nitrogen compounds derived from the incomplete combustion of explosives...some chemicals from explosives (ammonium nitrates and some metals) could be pumped with sump water or leach into the groundwater through the bottom of the Howse pit.”

What will be done to avoid this? And monitor this?

All the water from the pit (runoff and dewatering) will be pumped out to sedimentation ponds via a drainage system. Water quality is monitored at the discharge point to the environment for nitrates, ammonium, hydrocarbon and others metals.

How frequently will monitoring take place?

On a regular basis, TSMC will perform tests at the pump discharge and if necessary an oil separator will be installed. Regular site inspections will be performed and all workers shall report abnormal situations such as unusual smell, unusual color (sign of hydrocarbon) to the environmental team. The concentration of ammonium is low and it is unlikely that this product concentration will be higher than regulation criteria. If hydrocarbon or petroleum are observed or identified, HML will take necessary measures to solve the issue.

Why is it not mandatory to install an oil separator?

d) page 52 – “... the IOC’s mining operations dried out sections of watercourses further east and thus reduced drainage density. Developments from that period also resulted in a disappearing stream which flows near the Fleming 7 deposit. Nevertheless, the most recent LSA update conducted by Groupe Hémisphères (In Progress b) currently reveals a terrain that is rather undisturbed apart from a few trails left by previous geological exploration, but with a drainage density that is still lower than anticipated...”

What will be done to ensure IOC mistakes are not repeated?

Unfortunately, some areas of the Howse Property site have been altered due to past mining activities. Since the IOC era, the Canadian mining industry today has sets strict environmental standards.

The Canadian Environmental Protection Act (1999) sets out regulations to ensure protection of the environment and sustainable development through pollution prevention. Examples of implementation of such regulations on TSMC’s current installations, which would also apply to the Howse Property Project in the future, includes the implementation of an Environmental Protection Plan (EPP) and Environmental Response Plan (ERP). Also, the preparation of a Mining Site Rehabilitation Plan is now mandatory. Another example of environmental regulations on mining sites includes the Metal Mining Effluents Regulations (MMER) in which HML, Environment Canada and the Water Resource Management Division of the Department of Environment and Conservation of the Newfoundland and Labrador Government work in collaboration to overview designs, discharge points and environmental monitoring programs.

Moreover, TSMC and HML focus on raising environmental and cultural awareness on site. To do so, TSMC currently has in place a Community Health, Safety and Environment Committee (HSE) which meets on a quarterly basis to discuss matters relating to the communities health, safety and environment

pertaining to TSMC's (and HML's in the future) activities, planned works, impacts and mitigations measured. When starting work, each worker on site receives information and training on environmental and safety procedures (sensitive species, bear action plan, water management, forbidden areas, etc.). TSMC also has in place a procedure for when cultural property is found on site.

Before the start of construction and operations, a Certificate of Approval from the provincial government is required. Federal authorizations presenting site specific conditions regarding the environment and local communities also needs to be granted.

It is also important to keep in mind that since the establishment of the Canadian Environmental Assessment Act in 1992 (which was amended in 2012) any designated project is subjected to review and study by the Canadian Environmental Agency before it can be realized.

e) page 81 – Benthos - “It should also be noted that a high proportion of taxons (mainly in the Ephemeroptera, Plecoptera and Trichoptera orders) intolerant to pollution were always caught within LSA. This is indicative of a generally good water quality since those species are the first to disappear when water quality degrades. This data thus provides good background information, since it will allow rapid monitoring of water-quality-related environmental effects on aquatic biota.”

This is good to know. Please include a regular analysis of benthos in the reports on water quality monitoring.

Monitoring of benthos is part of the MMER monitoring program.

f) page 151 – “...dewatering the ore body will require substantial efforts because it is located in a groundwater recharge area. Water from the dewatering and sump pumps will be piped to the existing Timmins 4- Sedimentation Pond-3.”

How far away is this?

Timmins 4 sedimentation pond is 1.85 km from the center of the Howse deposit.

g) page 151 - “Oil and fuel will be captured by a separator before the dewatering water reaches the Timmins 4- Sedimentation Pond-3. It will not be possible for these substances to infiltrate and contaminate the settling ponds. Only nitrogen compounds present a risk, but dilution from precipitation, and at the point of entry to the receiving environment, should ensure meeting of the criteria for the protection of aquatic life.”

Will this be monitored?

Yes it will be monitored and is part of TSMC EPP monitoring program. As per conditions on the Certificate of Approval, weekly monitoring is required by law and criteria are also defined by provincial and federal regulations. The criteria are set for Ammonia nitrogen (N-NH₃), Nitrates (N-NO₃-) and petroleum products. Visual inspections are also performed and if petroleum products are observed, measures are taken to remove it and are immediately reported. Also, all vehicles and equipment on site are equipped with a spill kit as per TSMC's regulations.

h) page 151 - “Dewatering the pit will lower the water table...Some water bodies run a high risk of drying out locally, particularly around the pits. Since the hydrogeological study has not yet been completed, it is impossible at this time to know the water table's drawdown radius inside which the water bodies could dry out. ...The drying out of Two Ponds and the upstream sections of GDR3, PIN1 and Burnetta Creek are therefore probable. None of these water bodies are considered as fish habitat. Recent photo-interpretation of the areas formerly used by the IOC revealed that watercourses are more likely to dry out than wetlands. Therefore, Two Ponds might be less affected than the streams. ... In the end, the pumped

water will be returned to the environment through Goodream Creek and will stay in the Howells River watershed, so overall water balance will not be modified.”

Can the water be pumped into the water bodies that will likely dry out?

As soon as the hydrogeological report is available, HML will look at all options to maintain the water bodies as much as possible. In some cases, maintaining a flow to a water body is possible and HML will consider this option for the pit development and water management plan. As per regulations, water should be diverted to sedimentation ponds before being discharged to the environment. Depending on the size and the localization of the sedimentation pond, it might not be possible to maintain flow in all water bodies. HML will try to avoid these situations during the elaboration of the water management plan.

The hydrogeological report will be of significance.

i) page 156- “pit dewatering may alter the moisture regime of wetlands adjacent to the Howse pit, considering the drawdown of the water table that will be created by the pit dewatering”

page 156 - “However, all effects on wetland related to dewatering are temporary and reversible.”

How are they reversible? What is the proponent going to do to make sure that it is reversed?

When dewatering stops, water will refill the pit and will eventually return to its initial state (the initial level of the groundwater table). Hydrological and hydrogeological conditions will also return to their initial states. These initial conditions will be confirmed by the hydrogeological report released in August 2014.

The hydrogeological report will be of significance.

6) PERMAFROST:

a) page 51 “The study area is comprised in a discontinuous permafrost zone (Nicholson and Lewis, 1976). Nicholson (1978) conducted research on permafrost distribution at various sites in the Schefferville area, including Timmins 4 and Fleming 7, at an elevation of 700 m asl, and concluded that extensive, deep permafrost underlies those areas that are higher in elevation, exposed, and where tundra vegetation covers the ground. ... Signs of permafrost were also observed during 2013 fieldwork in the LSA (Groupe Hémisphères, In Progress a). On less exposed and lower-lying ground, which is covered by woodland, no permafrost is present (Nicholson and Lewis, 1976).”

What does this mean for the project? Will the proponent be digging into the permafrost layer?

HML is expecting a geotechnical report of the Howse Property by August 2014 to determine areas of instability as well as the breadth and depth of permafrost. At this stage, permafrost zones were only identified from a historic map (1976) and observed while conducting other fieldwork (2013). The geotechnical report will confirm the areas of permafrost. With this information, HML will be in a better position to revise the project layout, if needed. Since permafrost is part of the overburden, if it is located in the pit area, permafrost will be stripped off before digging.

The geotechnical report will be of significance.

7) INFRASTRUCTURE:

a) page xvii – “...some of the required infrastructures...are already in place at the nearby TSMC’s DSO Project complex”

“The approved facilities at the TSMC’s DSO Project plant complex, which are currently under construction, and which HML is planning to use include...”

Some are constructed and some are not? Was this infrastructure planned to handle both mines? Landfill, camps, etc?

HML is planning to use some existing facilities at TSMC DSO 3 site. The only new infrastructures needed for the Howse Property Project will be the open pit, stockpiles, waste rock dump, a crushing and screening facility, access and haul road and water management facilities.

Precision regarding the use of existing facilities at TSMC DSO 3 site have been added to Section 2.2, Section 1.5, Table 1.1 and Section 2.6.1 of the final Project Description.

8) GENERAL COMMENTS:

a) page xviii and page 34 - “...keep potential sources of pollution , fire hazards and public liability at an acceptable level and develop mitigation measures, if required”

What is considered to be an ‘acceptable level’? According to whose standards? Government? Industry best practices?

If a fire starts at the mine and spreads to the community (only 25 km away), what happens? Who is liable?

The “acceptable level” is set out by federal and provincial governments, TSMC and HML policies; TSMC also follows industry standards including those of the Quebec Mining Association, Canadian Mining Association, International Mining Association and international concepts including the Equator Principles. Fire accidents are not common on mining sites and it is quite unlikely that a fire will spread 25 km away from the mining site since the forest area of the region is very limited and old mining pits and old perturbed sites will act as firewalls. However, TSMC and HML are planning to have their own fire truck and emergency response team on site. In case of an incident, TSMC and HML will cooperate with governments and take the necessary measures.

b) page xix – “A portion of the study area has been disturbed by previous mining activity, which ended in 1982, in some cases to such an extent that the original condition of the landscape is no longer recognizable. Mining-related alterations to the landscape include numerous test pits and trenches, survey cut-lines, access roads and yards, and abandoned camps, infrastructure and equipment.”

Is this from IOC’s previous mining operations? Will it be reused or cleaned up?

As much as possible HML will reuse past infrastructure (roads, railways, stockpile pits) and already disturbed areas in order to minimize new disturbances; all areas disturbed by TSMC operations will be cleaned up after operations.

c) page 29 – “The electricity required to run the facility will be provided by generators”

Where will the fuel storage be located?

It says that one of the major potential accidents is due to the transportation of fuel, but they also say that the trucks will be refueled at TSMCs camp, therefore what fuel are they transporting? For the generators?

The fuel will be stored in the fuel storage area, on the TSMC DSO 3 site. Precisions concerning storage area and refueling have been added to Section 2.6.5.

d) page 39 - A lot of the data was taken in 2006, therefore is this data still valid given LIM and TSMC mines are now there?

HML estimates that most of the data (baseline data) are still relevant. HML also has some new available data regarding environmental monitoring due to the DSO project operations. In most cases, data will be updated frequently as required.

e) page 141-142 NNK Environment Representative(s), Community Health Safety and Environment Committee (Established in Spring, 2013)

Who is this?

page 143 – “An Implementation Committee ...beginning in 2011, and which meets jointly since Summer 2013”

Who is on this Committee?

Community Health, Safety and Environment Committee (HSEC) : As per communications with the NNK in May 2013 and January 2014, the NNK participates in HSEC meetings which take place approximately every quarter. George Guanish and Noah Swappie were originally named as the NNK representatives (May 2013). Subsequent to Chief Swappie assuming his position as Chief, Peter Swappie was named (January 2014) as his replacement for the time being.

Implementation Committee: Implementation Committees have been established for the oversight of the LIM and the TSMC IBAs with the NNK. A joint Implementation Committee meeting was held in August 2013 with the 5 Aboriginal groups who have an agreement with LIM and with TSMC. Although John Mameanskum was named in 2012 as the NNK representative on the NNK-TSMC Steering Committee, Paul Mameanskum represented the NNK on the August 2013 Implementation Committee at both LIM and TSMC meetings.

f) page 146 – “TSMC is an active player in a number of different environmental initiatives, including in wildlife protection (Ungava project) and in vegetation restoration (program with Université Laval).

Interesting, which ones?

page 160 “In cooperation with GNL and Government of Québec, TSCM and HML will participate actively to the Caribou Ungava Research Program”

How? Has this already been discussed with Caribou Ungava?

TSMC has entered into a 5-year partnership with the Ungava Research Project, a program focusing on the ecology and population dynamics of migratory caribou of the Quebec-Labrador peninsula in a context of climate change. This research program was launched in 2009 and is supervised by researchers of the Université Laval, Université de Sherbrooke and the Ministère des Ressources Naturelles et de la Faune du Québec.

In order to improve the effectiveness of its reclamation plan after the closure of the Howse Property Project, TSMC is financing a 3-year research program through the Université Laval to investigate the optimal vegetative species to be prescribed. It is planned that monitoring of experiments in greenhouses will start in Fall 2014 and that experiments will be conducted on-site in the Summer of 2015.

TSMC is also an active member of the following environmental initiatives:

- ROLES project, a clean-up project of old disturbances from old exploration companies. In 2014, TSMC will participate in a series of site assessments. A report will be prioritizing old exploration site clean-up.
- Canadian Boreal Initiative, which brings together partners from governments, industry, Aboriginal communities, conservation groups, retailers, financial institutions and scientists to discuss issues on Caribou, potential impacts, and mitigation measures.

g) What do they do with the wood they cut down? Or with the berries and medicinal plants?

The wood that is cut down is available to First Nations to pick up, if requested. The berries and medicinal plants that are removed with the top soil are stockpiled. All vegetation and top soil are kept on site for closure plan purposes.

It would be beneficial if the Nation were notified as to when they could pick up any spare wood, as it could be distributed to the Elders in the community.

h) If a wolverine, (or caribou, lynx, etc.) is spotted, is there a process in place to report it? The Nation and the Government both need to have this information.

All sightings of wildlife on site have to be reported immediately to TSMC's Environment Representative and included in TSMC's monthly environment report submitted to the provincial government. A copy of the monthly report has previously been provided to the HSEC and is available to the Nation upon request.