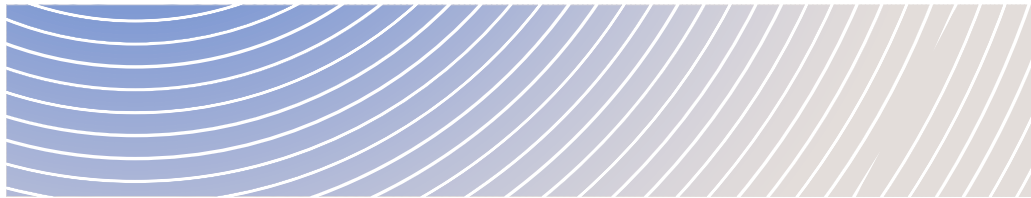




Analysis Report



WHETHER TO DESIGNATE THE SCULLY MINE TAILINGS IMPOUNDMENT
AREA EXPANSION PROJECT IN NEWFOUNDLAND AND LABRADOR
PURSUANT TO THE *IMPACT ASSESSMENT ACT*

July 19, 2022



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Purpose

The Impact Assessment Agency of Canada (the Agency) prepared this report for consideration by the Minister of Environment and Climate Change Canada (the Minister) in deciding whether to designate the Scully Mine Tailings Impoundment Area Expansion Project (the physical activities referred to as the Project) pursuant to section 9 of the *Impact Assessment Act* (IAA).

Project

The Project, proposed by TACORA Resources Inc. (the Proponent), is the expansion of the tailings impoundment area at the Scully Mine site near Wabush, Newfoundland and Labrador, in order to allow for the mine to operate for an additional 22 years.

Context of Request

On April 21, 2022, the Minister received a request to designate the Project from the Innu Takuaikan Uashat mak Mani-utenam Council (Uashat). The Project is located within their territory called Nitassinan. The letter included a request for a federal impact assessment of the Project. The request expressed concerns about:

- whether the Project exceeds the mine expansion threshold to be considered a designated project under the *Physical Activities Regulations*;
- impacts to Aboriginal and Treaty rights including current use;
- lack of federal assessment for the Project;
- the provincial environmental assessment, including a lack of responses to Uashat's concerns;
- effects to the local environment and areas of federal jurisdiction (e.g., fish species);
- accidents and malfunctions;
- cumulative effects; and
- effects of dust on human health.

On May 4, 2022, the Agency notified the Proponent about the designation request and sought additional information. In addition, the Agency requested advice and/or input from federal authorities and provincial ministries, and potentially affected Indigenous groups.

The Proponent responded on June 1, 2022 with additional information about the Project, its potential adverse effects, proposed design and mitigation measures, and its view that the Project should not be designated.

Advice on applicable legislative mechanisms and potential effects due to the Project was received from Environment and Climate Change Canada (ECCC), Fisheries and Oceans Canada (DFO), Health Canada, Transport Canada, Indigenous Services Canada, and Natural Resources Canada (NRCan). The Environmental Assessment Division of Environment and Climate Change provided information with regard to the provincial environmental assessment and provincial approvals that apply to the Project.

The Agency sought input from the Innu Nation, Council of the Innu Nation of Matimekush-Lac John (Matimekush-Lac John), Naskapi Nation of Kawawachikamach (Naskapi), NunatuKavut Community Council (NunatuKavut), and with Uashat, the requester.

The Agency also considered public comments received by the provincial department of Environment and Climate Change during the provincial environmental assessment.

Project Context

Project overview

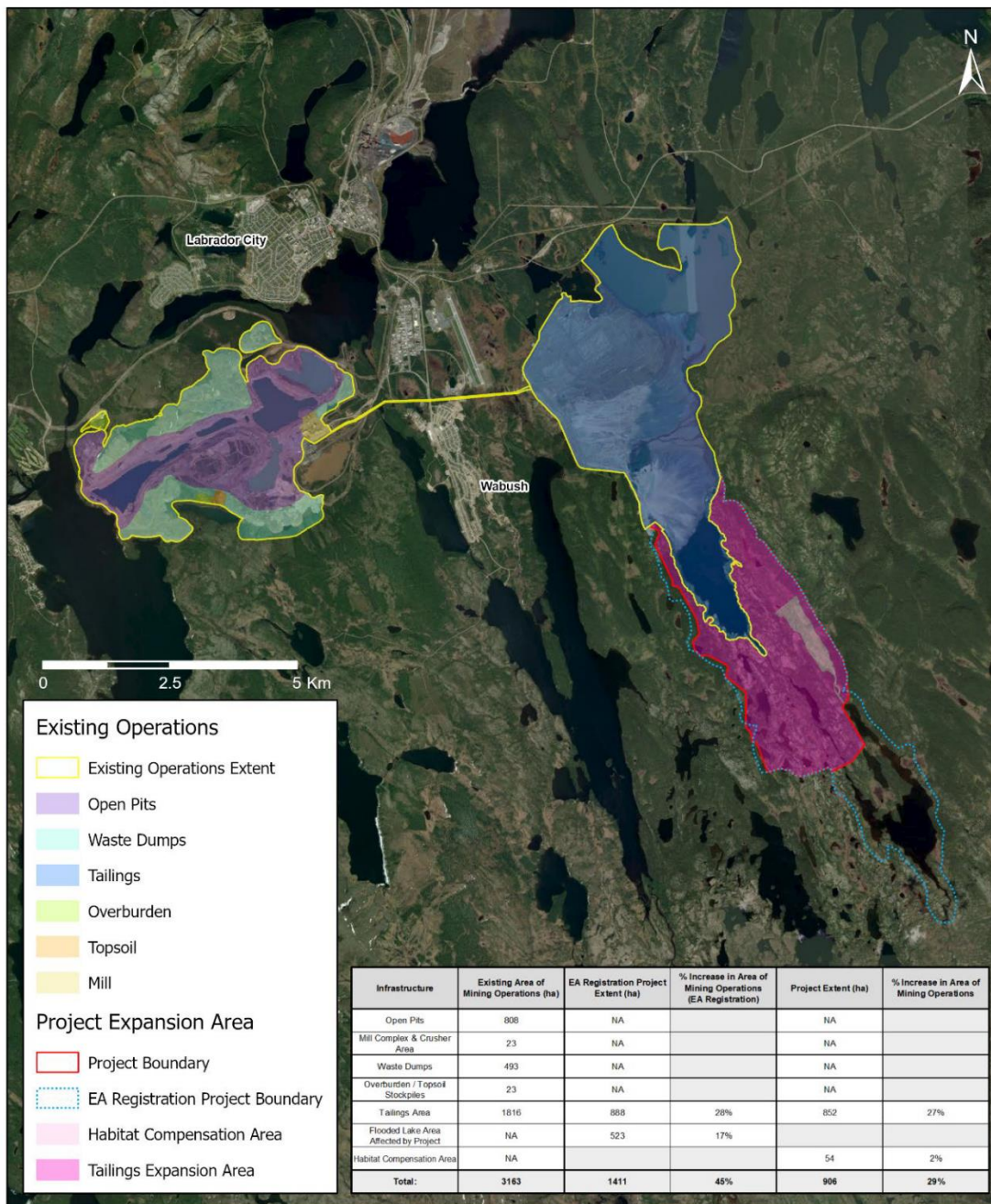
The Proponent is proposing to expand the existing Scully Mine iron concentrate operation, which has been in operation since 1965 and is located approximately three kilometres from the Town of Wabush, Newfoundland and Labrador, near the Quebec border. This region has a number of historic and current mining operations located in both Labrador and Quebec. As indicated in the Proponent's 2021 provincial environmental assessment registration¹, the Proponent seeks to increase its area of mining operations from 3,152 hectares to a maximum of 4,563 hectares, for a maximum expansion of 1,411 hectares, through the expansion of its tailings impoundment area. This would represent a maximum 45 percent increase in the area of mining operations. The Proponent noted in its response to the Agency that since the provincial environmental assessment, preliminary engineering studies indicate that the Project area could be considerably decreased. Refinements in Project design (Annex I) revise the estimated increase in area of mining operations to approximately 29 percent, as demonstrated in Figure 1. The Project would allow the mine to operate for an additional 22 years. There are no other project components involved in the expansion.

The Project has a targeted production capacity of 6.25 million metric tonnes of iron concentrate. The Project is located primarily on provincial Crown Land (the Proponent is acquiring surface rights to provincial Crown Land for the expansion of the tailings impoundment area). The existing mine consists of open extraction pits, a concentrator and support processing facilities, waste rock and tailings management facilities and a spur railway that connects to the Quebec North Shore & Labrador Railway.

The proposed expansion was recently subject to a provincial environmental assessment in Newfoundland and Labrador (the Province). Federal departments participated in the review of the Proponent's environmental assessment registration document and provided advice to the Province. The provincial environmental assessment included a 35-day public comment period. On April 4, 2022, the provincial

¹ The Proponent's Environmental Assessment Registration is accessible online at: https://www.gov.nl.ca/ecc/files/env-assessment_y2021_2158_registration-document.pdf

Figure 1: Project Location



	Scully Mine TIA Expansion Project	PAGE NO: N/A	PREPARED BY:
	Project Area	COORDINATE SYSTEM: NAD 83 UTM Zone 19	DATE: 10/06/2022

Source: TACORA Resources Inc. response to Agency

Minister of Environment and Climate Change released the Project from further assessment, with conditions related to environmental management, stakeholder engagement, hydrogeology, water quality, and environmental effects monitoring. The Proponent is also required to comply with all relevant federal and provincial legislation and obtain a number of provincial permits and approvals (Annex II).

Project components and activities

The Project includes deposition of tailings into the Flora South watershed and resulting conversion of lands into areas of deposition and inundation from associated flooding, as illustrated in Figure 1. Future tailings deposition will occur via three pipelines, two of which would be operational at any given time. Pipeline design will accommodate multiple discharge spigots, with discharge points relocated regularly to allow for drainage of coarse materials and to avoid thick layers of frozen tailings.

Dikes will be constructed along the natural topographic ridge and will be raised in the upstream direction. Embankment construction will not exceed more than three metres per year to allow drainage and pore pressure dissipation. Tiered system of parallel dikes will be constructed to the ultimate elevation of 617 metres.

The tailings deposition within the proposed Project area is planned to occur over nine phases. Phase 1 through 4 would occur in the existing tailings impoundment area and run through 2023. Phases 5 through 9 would run through 2047 in the Project area.

Closure activities will include the following:

- rehabilitation of all exposed inactive tailing surfaces and disturbed areas with vegetation, including progressive hydroseeding as deposit areas are filled;
- regrading of dike bench slopes where required mostly on the over-steepened bench slopes of the existing South and North Dikes;
- construction of the engineering diversion channel with appropriate riprap erosion protection and conveyance capacity; and
- construction of the surficial drainage ditches along the formed lows/creases of the tailings beach surface where concentration of runoff is anticipated.

Analysis of Designation Request

Authority to designate the Project

The *Physical Activities Regulations* (the Regulations) of the IAA identify the physical activities that constitute designated projects. The Project, as described in the information provided by the Proponent, is an expansion of an existing metal mine by less than 50 percent with a total output of more than 5000

tonnes per day, and as such is not included in the Regulations². Originally, the Proponent estimated the increase at 45 percent; updated information provided based on ongoing engineering design estimates this increase to be 29 percent.

Under subsection 9(1) of the IAA the Minister may, by order, designate a physical activity that is not prescribed in the Regulations. The Minister may do this, if, in the Minister's opinion, the physical activity may cause adverse effects within federal jurisdiction or adverse direct or incidental effects, or public concerns related to those effects warrant the designation.

The carrying out of the Project has not substantially begun and no federal authority has exercised a power or performed a duty or function that would permit the Project to be carried out, in whole or in part³.

Given this understanding of the Project, the Agency is of the view that the Minister may consider designating this Project pursuant to subsection 9(1) of the IAA.

Potential adverse effects within federal jurisdiction

The potential for adverse effects within federal jurisdiction, as defined in section 2 of the IAA, is summarized below and in Annex I. The Agency is of the view that project design, mitigation measures proposed by the Proponent, provincial environmental assessment conditions, existing legislation, and related consultations with Indigenous Peoples would provide a framework to address potential adverse effects within federal jurisdiction.

In its analysis of adverse environmental effects within federal jurisdiction, the Agency considered information provided by the Proponent, federal authorities, the provincial Department of Environment and Climate Change, and the requester and other Indigenous groups.

Federal Lands

There are no federal lands in the vicinity of the Project. The closest federal land is Matimekosh Indian Reserve located approximately 210 kilometres away. As such, the Agency does not expect effects on federal lands from the Project.

² The relevant entry in the Regulations for this type of project is 19 (c): "in the case of an existing metal mine, other than a rare earth element mine, placer mine or uranium mine, if the expansion would result in an increase in the area of mining operations of 50% or more and the total ore production capacity would be 5 000 t/day or more after the expansion."

³ The Minister must not make the designation if the carrying out of the physical activity has substantially begun, or a federal authority has exercised a power or performed a duty or function in relation to the Project (subsection 9(7) of IAA).

Fish and Fish Habitat

The Project has the potential to result in harmful alteration, destruction or disruption of fish habitat in waterbodies and streams within the Project area. The Proponent is in discussions with Fisheries and Oceans Canada regarding the potential requirement for authorization under the *Fisheries Act*. Additionally, ECCC has notified the Proponent that an amendment to its existing tailings impoundment authorization on Schedule 2 of the *Metal and Diamond Mining Effluent Regulations* may be required. The Proponent has noted that the habitat offsetting that may be required by these authorizations would include fully replacing fish habitat that is lost due to tailings deposition, and that offsetting would maintain fish species occurrence, abundance and productivity.

Indigenous groups, including the requester, Uashat, expressed concern about these potential effects, noting the need to establish a baseline for fish presence and number in affected waterbodies, and the potential for effects on waterways that linger beyond the life of the Project. The Proponent completed aquatic baseline studies, including both desktop components, as well as field surveys as part of its requirements for the provincial environmental assessment. The Proponent will be providing reports of these findings as part of the provincial environmental assessment conditions and in support of application for federal authorization under the *Fisheries Act*. Additionally, the Proponent noted that the existing Scully Mine has a well-documented history of water quality monitoring in accordance with the requirements of the *Metal and Diamond Mining Effluent Regulations* and its provincial Certificate of Approval issued by the Pollution Prevention Division of the provincial Department of Environment and Climate Change.

Indigenous groups requested the opportunity to be engaged in the development of offsetting and environmental effects monitoring plans. DFO and ECCC indicated that consultation with Indigenous groups is a requirement of their respective review and authorization processed under the *Fisheries Act* and the *Metal and Diamond Mining Effluent Regulations*. Additionally, provincial environmental assessment conditions include the requirement for the Proponent to establish an environmental effects monitoring plan with participation of Indigenous groups in identifying potentially affected activities, mitigation and follow up monitoring. The Proponent is also required to establish a Stakeholder Consultation Committee with opportunity for participation by Indigenous Governments and Organizations.

The Proponent is responsible to meet the conditions imposed by the provincial environmental assessment. DFO and ECCC, through the potential *Fisheries Act* authorization process and *Metal and Diamond Mining Effluent Regulations* amendment and regulatory requirements, would also provide oversight. The Agency is of the view that the provincial assessment conditions, federal and provincial regulatory processes, and related consultations with Indigenous Peoples would provide a framework to address potential adverse effects to fish and fish habitat.

Migratory Birds

The Proponent indicated that it expects no significant effect to migratory birds as a result of the Project. This is largely due to new activities being very similar to existing activities at the mine, the expansion taking place gradually, and vegetation clearing being timed so as not to coincide with nesting periods. Should a

rare or endangered bird species be encountered, the Proponent will discuss appropriate actions with the relevant authorities.

ECCC indicated that while the activities related to the Project have the potential to cause adverse effects related to migratory birds and to wetlands in the Project area that provide habitat for migratory birds, these effects could be managed under the requirements of the *Migratory Birds Convention Act*, which prohibits the harming of migratory birds, their nests and/or their eggs. In its comments to the Proponent during the provincial environmental assessment, ECCC provided advice on identifying nesting periods for the Project area, and recommendations for timing of clearing, buffer zones and avoidance of nests.

The Agency is of the view that the existing legislation would provide a framework to address potential adverse effects to migratory birds.

Impacts on Indigenous Peoples

In conducting this analysis, the Agency considered potential impacts to rights and title, current use, changes to the environment, archaeological sites, and health, social or economic conditions.

The Agency sought input from five Indigenous groups and received comments from four groups: Uashat, Naskapi, NunatuKavut and Matimekush-Lac John. Innu Nation indicated that they did not have any comments. Additionally, the Agency considered comments provided to the provincial Department of Environment and Climate Change during the provincial environmental assessment. Comments from the Indigenous groups include concerns about the following:

- Boreal Woodland and migratory caribou;
- Aboriginal and treaty rights, including access to areas;
- whether the Project triggers a federal impact assessment;
- dust, air quality and noise;
- Insufficient provincial EA;
- lack of consultation and collaboration with Indigenous groups;
- changes to the Flora South watershed, including fish habitat and offsetting;
- loss of wildlife and aquatic habitat, including impacts on recreational, hunting, fishing, and gathering activities;
- potential impacts to Flora Lake West Management Unit, a part of the Wabush Municipal Habitat Stewardship Agreement with the Provincial Wildlife Division;
- stability and durability of tailings dams;
- greenhouse gases;
- cumulative effects with other mines in the area;
- rehabilitation and Closure Plan; and
- potential archaeological sites.

Regarding impacts to rights and title, Uashat, Naskapi and Matimekush-Lac John assert Aboriginal rights and title where the Project is located. Naskapi is a party to the Northeastern Quebec Agreement, the

territory of which is nearby the Project, and it advised that the Project may have potential adverse effects on its territory in both Quebec and Labrador.

As Innu communities, Uashat and Matimekush-Lac John both assert the collective Innu territory of Nitassinan and that the Project is located in the heart of Nitassinan. Uashat indicated that mining activities are causing immense negative impacts on the rights of the Uashat, and that the Project will have the effect of prolonging these impacts and producing a new series of negative impacts on their rights. They also expressed that the Proponent has made no good faith effort to obtain Uashat's free, prior, and informed consent. Matimekush-Lac John indicated that Nitassinan straddles the border of Quebec and Labrador and the Innu have always used, occupied and managed this territory, regardless of the provincial borders that exist today. Matimekush-Lac John assert Aboriginal rights and title on this territory and these rights have never been ceded or abandoned. Matimekush-Lac John indicated that the Project would have significant impacts on the Innu and on its territory which it continues to use, occupy and manage.

Nunatukavut asserts Aboriginal and treaty rights throughout Labrador, and informed the Agency that the Project would have significant impacts on their rights.

Both Uashat and Matimekush-Lac John indicated that they have never given consent to the existing Scully Mine Project or to this specific expansion Project, although under the United Nations Declaration on Indigenous Peoples, the Project should only proceed given their explicit consent. NunatuKavut emphasized that they require an agreement with the Proponent for the Project to proceed.

With respect to current use, Uashat and Matimekush-Lac John indicated that the Project would have an adverse effect on current use, as they use the Project area for hunting, gathering, fishing, and trapping. In addition, Uashat expressed that they use the area for cultural and spiritual activities. Naskapi and Matimekush-Lac John expressed concern about the potential effects on caribou because while caribou may not currently be present in the Project area, they are of the view that the Project would affect the possibility of caribou returning to the area. Matimekush-Lac John indicated that caribou are sacred to them and Naskapi indicated that caribou are a primary resource for their people. NunatuKavut indicated that the Project has the potential to significantly impact their hunting, fishing and gathering activities.

In relation to archaeological sites, Naskapi expressed that sites could date back further than the five decades examined by the Proponent and the Province, and that given the caribou populations that frequented the area, the presence of historic sites is likely. The Province noted that the Proponent has a process to follow in the event that archaeological artifacts are detected, and procedures to report findings to the Provincial Archaeology Office.

Regarding changes in the health, social or economic conditions of Indigenous peoples, Indigenous groups (including the requester, Uashat) expressed concern about the potential effects of dust. The Proponent noted it is working on controlling fugitive dust at the existing Scully Mine through progressive rehabilitation and revegetation of inactive sectors and this has led to reductions in fugitive dust. A dust suppression system has also been installed at the mine and other mitigation measures such as road watering are ongoing.

The Agency received comments from Health Canada that indicated that the Proponent did not conduct dispersion modelling to support the assertion that the current monitoring program is adequate to address potential impacts to nearby communities, and that information on sensitive receptors and current use would be required to fully understand potential effects on Indigenous Peoples' health.

The provincial environmental assessment release requires that the Proponent fulfill conditions related to developing a Dust Mitigation and Monitoring Plan, including monitoring at sensitive receptors including nearby communities. The Proponent is also required to develop an environmental effects monitoring program that identifies potential effects on traditional, cultural, spiritual and recreational activities in the Project area, proposed mitigations, and monitoring to confirm efficacy of mitigation. These plans must be developed with opportunity for Indigenous groups to participate.

Based on available information, the Agency is of the view that the Project has the potential to cause adverse effects on Indigenous groups, including impacts on Aboriginal rights and title, current use, health conditions and archaeological sites. However, federal authorities would consult with Indigenous groups before granting any authorizations or exemptions that may be required for the Project. Also, the Province has imposed conditions on the Proponent and would also consult regarding any potential permits and approvals. As such, the Agency is of the view that provincial assessment conditions and federal and provincial regulatory processes would provide a framework to address effects within federal jurisdiction on Indigenous peoples and impacts on the rights to Indigenous peoples.

Transboundary Effects

Consideration of transboundary effects under federal jurisdiction includes greenhouse gases and other air emissions.

Given the proximity of the Project to the Quebec border (approximately 10 kilometres), there is the potential for fugitive dust emissions to have transboundary effects. The Agency notes that the closest town is in Quebec and is approximately 16 kilometres away (Town of Fermont). The Agency also notes that the Proponent indicated that the area contains prevailing westerly winds, therefore transboundary effects from air emissions are unlikely to occur.

The Project would allow for the mine life to be extended, which would result in additional greenhouse gas emissions over time. ECCC noted that the construction, operation, and decommissioning of the Project may result in greenhouse gas emissions. The Proponent did not provide a greenhouse gas emission estimate but noted that emissions from the existing Scully Mine in 2019 accounted for one percent of the total emissions for Newfoundland and Labrador. The Proponent noted that its emissions in that year included six months of start-up operations, and activities related to tailings would have been a small fraction of this greenhouse gas tabulation.

The Province has developed a framework for emission reduction targets for greenhouse gases. The Climate Change Branch of the provincial Department of Environment and Climate Change regulates greenhouse gas emissions under the provincial *Management of Greenhouse Gas Act* and associated regulations. The Proponent is required to submit an annual report to the provincial Climate Change Branch as a part of the requirements for mine operations. The provincial environmental assessment decision included advice to the Proponent regarding consideration of climate change in the planning of the Project, and noted that clearing of trees and brush can contribute to climate change and would require permitting through the Department of Fisheries, Food and Agriculture.

The Agency also notes that projects that emit over 10,000 tonnes of carbon dioxide equivalent per year are required to report those emission levels under ECCC's Greenhouse Gas Reporting Program, pursuant to the *Canadian Environmental Protection Act*. Based on the Proponent's one percent contribution to 2019

provincial greenhouse gas emissions totals, the Agency understands that Scully Mine emissions exceed this reporting threshold.

The Agency is of the view that as a result of these mitigation measures and the nature of the Project, there is little potential for transboundary effects with respect to greenhouse gas emissions and other air emissions.

Other Considerations

Cumulative Effects

Should the Proponent proceed with the expansion, this would result in a life extension for the mine which would result in the potential for cumulative effects. However, this potential is tempered by the Project being a continuation of existing operations, with expansion confined to an already-affected watershed.

Cumulative effects are a concern to Uashat, Naskapi, NunatuKavut and Matimekush-Lac John. Uashat commented that a project of this size would contribute to cumulative effects of all the mining activity in the region, since they exercise Aboriginal rights in the area and the current mines and proposed expansions like this Project, affect their ability to exercise their rights. Comments from Indigenous groups during the provincial environmental assessment also highlighted this concern.

In its response to the Agency's information request, the Proponent stated that expansion of the current tailings impoundment area and continued deposition of tailings into the Flora South watershed would ensure negative effects from tailings disposal are contained within the same watershed that has already been affected by operation of the mine since 1965. Further, it noted that the Project is comprised of an activity, tailings disposal that is already ongoing as part of Scully Mine's operations, and environmental interactions as a result of the Project will not change substantially from what is already occurring. The Proponent stated that mitigation measures, environmental effects monitoring and water quality monitoring are in place and functioning as required as part of existing activities at Scully Mine.

The Agency acknowledges the potential for cumulative effects, particularly given that the area is already heavily mined. The Agency is of the view that federal regulatory authorizations required under the *Fisheries Act* and *Metal and Diamond Mining Effluent Regulations* will include offsetting and other mitigation requirements to reduce the potential for the Project to contribute to cumulative effects. The Province also noted that the Proponent would develop comprehensive mitigation measures based on input from 23 federal and provincial authorities. Provincial departments monitor past, present and planned activities by the Proponent, and have required progressive rehabilitation of the Project as it proceeds. Additionally, the Proponent is required to conduct surveys, studies and monitoring to minimize the potential effects of the Project over time, and further mitigations may be required. The provincial Minister's decision letter and the comprehensive measures committed to by the Proponent includes requirements to mitigate adverse environmental effects throughout the life of the Project. Further, the existing Scully Mine and other mines in the area are operated under the regulatory oversight of federal and provincial government departments, and contraventions of regulatory requirements are subject to applicable penalties.

The Agency is of the view that the provincial assessment conditions, federal and provincial regulatory processes, and related consultations with Indigenous Peoples would provide a framework to address cumulative effects.

Species at Risk

The Proponent noted that no provincially or federally listed species at risk were directly observed during field surveys conducted for the Project area in 2021. The Proponent indicated it plans to conduct additional field surveys for raptors in 2022. Based on historical data paired with field survey results, the Proponent is of the view that Little Brown Bat and Northern Myotis are the primary species at risk with potential to occur within the Project area. The provincial environmental assessment release requires the Proponent to develop a bat monitoring program in consultation with the Wildlife Division of the Department of Fisheries, Forestry and Agriculture and the Proponent is working with them to design follow-up monitoring, consisting of the deployment of acoustic bat detectors in multiple locations. Additionally, the Project will require a permit under the Province's *Endangered Species Act* for approaching bats, bat houses or roosts.

Indigenous groups raised concerns about potential effects to both Boreal Woodland and migratory caribou. The Agency notes that Boreal Woodland Caribou are listed on Schedule 1 of the *Species at Risk Act* (SARA). Migratory caribou (particularly the George River caribou herd) are not a SARA-listed species, however the population is considered Endangered by the Committee on the Status of Endangered Wildlife in Canada. The Proponent acknowledged that the western Labrador region is historically within the range for Boreal Woodland Caribou and migratory caribou (specifically the George River herd). It noted however, that the current ranges of these caribou do not overlap the Project area and do not overlap any critical habitat currently defined in any recovery strategies.

The Proponent stated that land near the Project area has been subject to mining activity over the past five decades and has not been utilized by Boreal Woodland or migratory caribou for any sensitive life cycle stages (e.g., breeding or calving). Given the population declines and historical avoidance of western Labrador since the origins of the Scully mine, the Proponent stated that it is unlikely caribou would have any interactions with the Project. The provincial Department of Fisheries, Forestry and Agriculture also advised that there are currently no caribou in the Project area.

ECCC noted the potential for species at risk in the Project area, and indicated that if any species listed in Schedule 1 of the SARA as Extirpated, Endangered or Threatened would be affected by the Project, a SARA permit may be required. ECCC also requested that sightings of any federally listed species at risk be reported to the Canadian Wildlife Service. ECCC confirmed that the Project area does not directly overlap with the critical habitat of Boreal Woodland Caribou, but noted that there is potential for individuals from the Lac Joseph and Quebec range subpopulations to be present.

The Agency notes the concerns with respect to recovery of caribou populations. As stated by the Proponent and the Province, caribou are not present in the area despite their historical occurrence in the region. Furthermore, the Project area does not overlap with critical habitat for Boreal Woodland Caribou. The Agency is of the view that the provincial assessment conditions and existing federal and provincial legislation would provide a framework to address potential adverse effects to species at risk.

Accidents and Malfunctions

ECCC advised that there is potential for adverse environmental effects within federal jurisdiction from accidents and malfunctions, including containment failure at tailings storage facilities, as well as slope failure in the pits or waste rock storage areas, equipment malfunction and accidents, and spills of hazardous materials such as diesel fuel, or other explosive materials such as ammonium nitrate/fuel oil

mixture. ECCC further advised that Part 8 of the *Canadian Environmental Protection Act (CEPA) 1999* on environmental emergencies (sections 193 to 205) addresses the prevention of, preparedness for, response to and recovery from environmental emergencies caused by uncontrolled, unplanned or accidental releases. It also addresses the reduction of any foreseeable likelihood of releases of toxic or other hazardous substances listed in Schedule 1 of the *Environmental Emergency Regulations*. This legislation may apply if Schedule 1 substances onsite meet or exceed the threshold to be regulated under CEPA 1999. The Proponent noted that current operations are subject to the company's environmental protection plan, which documents environmental management and emergency response procedures and requires training of all employees. Spill kits will be available at key locations and workers will be trained in their use and other emergency response procedures.

Uashat (the requester) expressed concern about the potential for tailings dam failure, citing a lack of confidence in the Proponent's choice of dam design. The Proponent noted that its dam design is consistent with the Canadian Dam Safety Guidelines published by the Canadian Dam Association, and that design will be undertaken by an Engineer of Record with review by the Proponent's nominated Independent Design Reviewer. In the event of a failure, the collapsed area would be a slump of tailings with short or localized spread distance on the surrounding land. Given this localized spread, the consequences or impacts of a failure are significantly reduced. Further, the provincial Department of Environment and Climate Change advised the Proponent that construction of dams/dikes requires approval by the Water Resources Management Division.

The Agency is of the view that the Project design and the existing legislation would provide a framework to address potential risk of adverse effects resulting from accidents and malfunctions.

Potential adverse direct or incidental effects

Direct or incidental effects refer to effects that are directly linked or necessarily incidental to a federal authority's exercise of a power or performance of a duty or function that would permit the carrying out, in whole or in part, of a project, or to a federal authority's provision of financial assistance to a person for the purpose of enabling that project to be carried out, in whole or in part.

The Project as described may potentially require the exercise of the following federal powers, duties, or functions:

- *Fisheries Act* authorization, administered by DFO;
- authorization to use a water body frequented by fish as a tailings impoundment area under the *Metal Mining and Diamond Effluent Regulations*, administered by ECCC;
- exemption to the infilling and dewatering prohibitions of the *Canadian Navigable Waters Act*, administered by Transport Canada; and
- *Explosives Act* license or permit, administered by NRCan.

The amendment to Schedule 2 of the *Metal and Diamond Mining Effluent Regulations* will regulate effluent discharges from the Project and has the potential to affect water quality. The Town of Wabush expressed concerns related to the potential for the Project to result in effects to their protected water supply area (Wahnahnish Lake watershed). Health Canada also raised this concern to the Agency. The Proponent

commented that it will not encroach on the Wahnahnish Lake watershed, either through tailings deposition or construction of tailings dikes with any direct or indirect drainage into the Wahnahnish Lake watershed. The Proponent is required, as a condition of the provincial environmental assessment release, to maintain a 100-metre buffer around the Wahnahnish Lake Protected Public Water Supply Area boundary, in accordance with *Newfoundland and Labrador Regulation 4/13*, under the *Water Resources Act*.

The Agency is of the view that the provincial assessment conditions and existing federal and provincial legislation would provide a framework to address the potential adverse direct or incidental effects.

Public concerns

Concerns from the public were collected as part of the provincial environmental assessment process and later provided to the Agency. During the provincial process, concerns were raised by the Town of Wabush, the Town of Labrador City, and a resident. The concerns expressed by the public include:

- dust, including decrease in air quality;
- potential contamination of drinking water;
- potential impacts to Flora Lake West Management Unit, a part of the Wabush Municipal Habitat Stewardship Agreement with the Provincial Wildlife Division; and
- rehabilitation and closure plan.

The Agency is of the view that that the provincial assessment conditions and existing legislation provides a framework to address public concerns and potential adverse effects of the Project (see Annex I).

Regional and strategic assessments

There are no regional or strategic assessments pursuant to sections 92, 93 or 95 of the IAA that are relevant to the Project.

Conclusion

To inform its analysis, the Agency sought and received input from the Proponent, DFO, ECCC, Health Canada, Indigenous Services Canada, Transport Canada, NRCan, and provincial ministries. In addition, the Agency considered Uashat's concerns, submissions from Naskapi, NunatuKavut and Matimekush-Lac John, and comments associated with the Proponent's environmental assessment registration under Newfoundland and Labrador's *Environmental Protection Act*.

The Agency considered the potential for the Project to cause adverse impacts on the rights that are recognized and affirmed by section 35 of the *Constitution Act, 1982*.

The Agency is of the view that the potential for adverse effects, as described in subsection 9(1) of the IAA, would be limited through project design, the application of standard mitigation measures and through the framework provided by existing legislation (Annex I). The concerns expressed by the requester and those

that are known to the Agency are expected to be addressed through the provincial environmental assessment conditions as well as through consultation and oversight processes pursuant to federal and provincial legislation (Annex II), including the *Fisheries Act*, *Metal and Diamond Mining Effluent Regulations*, *Canadian Navigable Waters Act*, and the provincial *Water Resources Act*, *Mining Act*, and *Environmental Control Water and Sewage Regulations*.

ANNEX I

Annex I: Analysis Summary Table

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
<p>A change to fish and fish habitat, as defined in subsection 2(1) of the <i>Fisheries Act</i></p>	<p>Proponent</p> <p>The Project may result in harmful alteration, destruction or disruption of fish habitat in waterbodies and streams within the Project area. However, offsetting will include fully replacing fish habitat that is lost due to tailings deposition. The offsetting plan selected will maintain fish species occurrence, abundance and productivity. The Proponent is committed to meeting the fish and fish habitat offsetting requirements to ensure there are no significant, negative long terms effects to fish and fish habitat as a result of the Project.</p> <p>Since the submission of the provincial environmental assessment registration in 2021, the Proponent completed aquatic baseline studies, including both desktop components as well as field surveys. Reports of these findings are currently in progress and will be provided as part of the provincial environmental assessment conditions and in support of application for federal authorization under the <i>Fisheries Act</i>.</p> <p>The Proponent has indicated that it has conducted surface water monitoring for Scully Mine for many years and there is a well documented history of water quality monitoring results. Monitoring has addressed requirements of the <i>Metal and Diamond Mining Effluent Regulations</i> and the mine’s provincial Certificate of Approval, including effluent quality and toxicity testing, and water quality in receiving waters. The Project is not expected to cause</p>	<ul style="list-style-type: none"> • Authorization pursuant to subsection 35(1) of the <i>Fisheries Act</i> for the harmful alteration, disruption, or destruction of fish habitat may be required. • The Project must comply with the prohibitions and requirements of the <i>Metal and Diamond Mining Effluent Regulations</i>, which includes criteria for effluent and environmental effects monitoring. • Provincial Certificate of Approval and permits for dams/dikes, water use and infilling of waterbody as per Newfoundland and Labrador’s <i>Water Resources Act</i> and <i>Environmental Control Water and Sewage Regulations</i>.

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	<p>changes to water quality at the final discharge points which would negatively affect receiving waterbodies; the track record of environmental compliance for surface water discharge is expected to be maintained throughout Project implementation.</p> <p>Uashat (Requester) The Project will result in the destruction of a large number of fish-bearing water bodies in the South Flora watershed, yet baseline studies are not available to know how many fish are in these water bodies. Uashat also expressed disappointment that fish habitat compensation options are being identified without involving Uashat.</p> <p>NunatuKavut NunatuKavut expressed concerns on potential impacts to aquatic habitat and during the provincial environmental assessment requested to be engaged on any proposed offsetting proposals. Concern was also expressed about inundation and downstream changes in morphology of the waterbodies in the Flora South watershed, and requested that it be engaged on an environmental effects monitoring plan that addresses these areas.</p> <p>Matimekush Lac-John Matimekush Lac-John expressed that the risk of water contamination that will linger long after the mine is closed.</p> <p>Federal Authorities DFO advised that the project has the potential to adversely affect fish and fish habitat, however these adverse effects can be mitigated through the issuance of a <i>Fisheries Act</i> authorization and associated offsetting, if required. It noted that it has begun discussions with the Proponent and conducted site visits to ascertain requirements for baseline data collection, potential impacts to fish and fish habitat and potential offsetting.</p>	

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	<p>ECCC advised that potential adverse effects on fish and fish habitat could be managed, in part, through the <i>Metal and Diamond Mining Effluent Regulations</i>. The Proponent currently utilizes a tailings impoundment area approved under Schedule 2 of the <i>Metal and Diamond Mining Effluent Regulations</i>. ECCC's Minerals and Processing Division (MPD) has notified the Proponent that Schedule 2 amendment under the <i>Metal and Diamond Mining Effluent Regulations</i> may be required. Section 27.1 of the <i>Metal and Diamond Mining Effluent Regulations</i> requires the development and implementation of a fish habitat compensation plan (FHCP) to offset the loss of fish habitat that would occur as a result of the use of a fish-frequented water body for mine waste disposal. The owner or operator of a mine is also required to submit an irrevocable letter of credit to cover the plan's implementation costs. The mining proponent must also demonstrate that the disposal of tailings (including effluents) in these water bodies is the best approach from an environmental, technical, economic and socio-economic perspective in accordance with ECCC's "Guidelines for the Assessment of Alternatives for Mine Waste Disposal" (https://www.canada.ca/en/environment-climate-change/services/managing-pollution/publications/guidelines-alternatives-mine-waste-disposal.html).</p> <p>Province of Newfoundland and Labrador A new or amended Certificate of Approval from the Department of Environment and Climate Change Pollution Prevention Division will be required for the Project as required by the <i>Environmental Control Water and Sewage Regulations</i> under the <i>Water Resources Act</i>.</p> <p>Additionally, approval under the <i>Water Resources Act</i> is also required for the construction of dams/dikes, and a water use</p>	

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	<p>license is required for use of water from any water course including all non-domestic uses. Permits are also required for development within shore water zones and infilling within 15 metres of bodies of water.</p> <p>The Province noted that during its assessment, public concern was expressed regarding Flora Lake West Management Unit, a part of the Wabush Municipal Habitat Stewardship Agreement with the Provincial Wildlife Division. To address this concern, the Proponent is required as a condition of the environmental assessment release to maintain a 100-metre buffer around the Wahnahnish Lake Protected Public Water Supply Area boundary, in accordance with <i>Newfoundland and Labrador Regulation 4/13</i>, under the <i>Water Resources Act</i>.</p>	
A change to aquatic species, as defined in subsection 2(1) of the <i>Species at Risk Act</i>	Not applicable, as this is a freshwater environment and marine plants are not a consideration.	Not applicable
A change to migratory birds, as defined in subsection 2(1) of the <i>Migratory Birds Convention Act, 1994</i>	<p>Proponent</p> <p>Terrestrial and aquatic baseline studies were completed in 2021, including both desktop components as well as field surveys, with additional avian surveys planned in 2022.</p> <p>Avifauna in the Project area are mainly forest-dwelling or wetland-dwelling species. Waterfowl and water-associated birds were observed to be utilizing wetland habitats for foraging, breeding, or staging. The deposition of tailings into the Project Area will follow the same gradual progression as is currently ongoing and effects to wetlands will be confined to the watershed already affected by ongoing operations. The tailings area will expand southward along</p>	<ul style="list-style-type: none"> • Compliance with the <i>Migratory Birds Convention Act, 1994</i>, which prohibits the harming of migratory birds, the nests of migratory birds and/or their eggs.

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	<p>the Flora Basin over a long period of time allowing time for avifauna to adapt to changing environments. The species of avifauna currently present will acclimate to these gradual changes and may alter their behaviours to use the newly disturbed area in different ways. As such, no significant negative effects to avifauna is expected as a result of the Project. TACORA will continue ongoing measures for protection of wildlife outlined in its existing Environmental Protection Plan. Relevant authorities will be notified in the event of an encounter with endangered bird species, and chipping of vegetation will be timed to avoid coinciding with bird nesting periods in the region.</p> <p>Uashat (Requester)</p> <p>Uashat noted the absence of recent data on fauna and flora in the Project area in the Proponent's 2021 provincial environmental assessment registration document.</p> <p>Federal Authorities</p> <p>ECCC advised that the Project has the potential to cause adverse effects on migratory birds. The Project may also affect wetlands through construction of terrestrial components as well as changes to water quality. Effects on wetlands may include wetland loss, reduction, alteration, and change in wetland function, with related potential effects on availability and/or quality of wetland habitat for migratory birds and other wildlife.</p> <p>ECCC advised that potential adverse effects on migratory birds could be managed under the prohibitions of the <i>Migratory Birds Convention Act</i>.</p>	

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A change to the environment that would occur on federal lands	No adverse environmental effects on federal lands are anticipated, as there are no federal lands in the vicinity of the Project. The closest federal lands are Matimekosh Reserve located approximately 210 kilometres away.	<ul style="list-style-type: none"> Licences, permits and approvals required for the Project pursuant to the <i>Fisheries Act, Metal and Diamond Mining Effluent Regulations</i>, and provincial regulatory approvals would set requirements to ensure that environmental effects are localized and mitigated.
A change to the environment that would occur in a province other than the one in which the project is being carried out or outside Canada	<p>Proponent</p> <p>With respect to greenhouse gas emissions, greenhouse gases produced by the Scully Mine in 2019 accounted for one percent of the total greenhouse gas emissions of Newfoundland and Labrador⁴. The Proponent noted that that activities related to tailings disposal would only account for a fraction of its total greenhouse gas emissions. The Proponent is developing a long-term emissions plan that will result in a 12 percent reduction in greenhouse gas emission intensity by 2027.</p> <p>As a result of the localized effects and ongoing and future mitigation, no transboundary effects in other provinces or outside of Canada are anticipated.</p>	<ul style="list-style-type: none"> Project would be subject to federal greenhouse gas emissions reporting, pursuant to the Canadian <i>Environmental Protection Act, 1999</i>, if it emits ten kilotonnes or more of greenhouse gas emissions, in carbon dioxide equivalent units per year. Provincial <i>Management of Greenhouse Gas Regulations</i>, as administered by the provincial Department of Environment and Climate Change. Requirements for the Project pursuant to federal and provincial regulatory

⁴ Based on data from the *National Inventory Report 1990-2020: Greenhouse Gas Sources and Sinks in Canada* ([Canada's official greenhouse gas inventory - Canada.ca](https://www.ec.gc.ca/energy/energy-reports-and-publications/energy-reports-and-publications/2020-national-inventory-report-1990-2020-greenhouse-gas-sources-and-sinks-in-canada)), [the Agency understand that activities at the Scully Mine, including the Project, are above the national reporting threshold for greenhouse gas emissions.](https://www.ec.gc.ca/energy/energy-reports-and-publications/energy-reports-and-publications/2020-national-inventory-report-1990-2020-greenhouse-gas-sources-and-sinks-in-canada)

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	<p>Naskapi Nation of Kawawachikamach The Naskapi Nation of Kawawachikamach expressed an interest in seeing the Proponent's greenhouse gas report detailing site-wide emissions.</p> <p>Federal Authorities ECCC noted that the construction, operation, and decommissioning of the Project may result in greenhouse gas emissions. Furthermore, the Project has the potential to be affected by future climate change, possibly resulting in impacts to the environment.</p> <p>Province of Newfoundland and Labrador The Province noted that the Climate Change Branch of the Department of Environment and Climate Change regulates greenhouse gas emissions under the provincial <i>Management of Greenhouse Gas Act</i> and associated regulations. The Proponent is required to submit an annual report to the Climate Change Branch as a part of the requirements for mine operations. The provincial environmental assessment decision included advice to the Proponent regarding consideration of climate change projects in the planning of the Project, and noted that clearing of trees and brush can contribute to climate change and requires permitting through the Department of Fisheries, Food and Agriculture.</p>	<p>approvals would set requirements to ensure that environmental effects are localized and mitigated.</p>
With respect to the Indigenous peoples of Canada, an impact -	<p>Proponent The Proponent maintains that there are no known historic and heritage resources within the Project Area. Because the mine has</p>	<ul style="list-style-type: none"> Newfoundland and Labrador <i>Environmental Protection Act</i> -

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<p>occurring in Canada and resulting from any change to the environment - on any structure, site, or thing that is of historical, archaeological, paleontological or architectural significance</p>	<p>already been operating for five decades, it is unlikely that the expansion will result in the disturbance or destruction of historic and heritage resources. The Proponent's registration document provided an environmental protection plan, which included procedures for the unexpected detection of historic resources.</p> <p>Naskapi Nation of Kawawachikamach</p> <p>Naskapi expressed that historic sites could date back further than the five decades examined by the Government of Newfoundland and Labrador, and that given the caribou populations that frequented the area, the presence of historic sites is likely.</p> <p>Federal Authorities</p> <p>Indigenous Services Canada (ISC) indicated that generally in regards to projects, Indigenous communities may be concerned with impacts to sacred sites and other cultural and heritage-sensitive areas.</p> <p>Province of Newfoundland and Labrador</p> <p>The Province notes that the Provincial Archaeology Office reviewed the registration and recommended release without any conditions or requirements for surveys. The provincial <i>Historic Resources Act</i> states that all archaeological sites and artifacts are the property of the Crown. The Province noted the Proponent's commitments in its registration document regarding the process to be followed in the event that archaeological artifacts are detected, as well as procedures to report all detected artifacts to the Provincial Archaeology Office.</p>	<p>conditions of environmental assessment release.</p>

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	<p>As a condition of the release from the provincial environmental assessment, the Proponent is required to establish a Stakeholder Consultation Committee with opportunity to participate on the Committee extended to Indigenous Governments and Organizations. The Proponent is also required to develop an environmental effects monitoring program that identifies potential effects on traditional, cultural, spiritual and recreational activities in the Project area, proposed mitigations, and monitoring to confirm efficacy of mitigation. The plan must be developed with opportunity for participation of Indigenous Governments and Organizations.</p>	
<p>With respect to the Indigenous peoples of Canada, an impact - occurring in Canada and resulting from any change to the environment - on current use of lands and resources for traditional purposes</p>	<p>Uashat (Requester) Uashat asserts that the entire Wabush region is of great cultural and spiritual importance to their people, especially to the Vollant family.</p> <p>Members of Uashat, including the Vollant family, still use the Project area and its surroundings for cultural and spiritual practices and are eager to reclaim the entire area once the Scully Mine operations are completed. Extending the lifecycle of the mine is of great concern to them. Uashat members also use the area for hunting, fishing, gathering and trapping.</p> <p>Naskapi Nation of Kawawachikamach</p> <p>Naskapi notes that the Scully Mine is located within their traditional territory and that harvesting both Boreal Woodland and migratory caribou within their traditional territory is extremely important to Naskapi. While migratory caribou are not currently present in the</p>	<ul style="list-style-type: none"> • Newfoundland and Labrador <i>Environmental Protection Act</i> - conditions of environmental assessment release.

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	<p>Project area, if and when they do return, Naskapi would harvest them.</p> <p>Matimekush Lac-John Matimekush-Lac John indicates that the Project is within their traditional territory and would have significant impacts on their ability to exercise their Aboriginal rights through hunting, fishing, trapping and gathering.</p> <p>Matimekush Lac-John also indicates that the Project should be considered in a way that accounts for any shifting baselines, in order to avoid minimizing Project impacts and the impacts of surrounding industrial development.</p> <p>NunatuKavut NunatuKavut expressed concern about the loss of wildlife and aquatic habitat and is also concerned that the Project has the potential to significantly impact their ability to exercise their rights including hunting, fishing and gathering.</p> <p>Federal Authorities ISC did not provide any project-specific information. ISC did indicate that in general, information on project effects could include proposed changes from Project activities interfering with land use/access, loss of traditional lands and ability to hunt, fish gather and/or trap as well as the ability for Indigenous People to practice their culture. ISC noted that consideration should be given to displacement of wildlife/wildlife relocation, reduced access to traditional foods (which could affect food security), and potential</p>	

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	<p>changes to quality in soils, waters, and fish habitat (changes to water environment for fish).</p> <p>ISC also noted that common concerns that Indigenous communities have about project-related impacts include loss of food security (traditional foods); loss of lands with native habitats and associated wildlife; impacts to soils, waters, and fish habitat; loss of habitat for migratory birds; localized climatic changes due to potential emissions during construction, operation, and decommissioning; and cumulative effects due to significant oil, gas, forestry, and/or mining development activities over the past several decades.</p> <p>Federal authorizations from DFO, ECCC and Transport Canada may be required for the Project, all of which require consultation with Indigenous groups to ascertain potential effects on current use of lands and resources for traditional purposes (refer to Annex II for more information).</p> <p>Province of Newfoundland and Labrador</p> <p>The Province noted that concerns regarding caribou were reviewed by the provincial Department of Fisheries, Forestry and Agriculture, who advised that there are currently no caribou in the Project area.</p> <p>As a condition of the release from the provincial environmental assessment, the Proponent is required to develop an environmental effects monitoring plan that identifies the potential effects of the Project on traditional, cultural, spiritual, and recreational activities in the Project area, proposed mitigations, and monitoring that will be conducted to confirm the efficacy of the mitigations. The plan will demonstrate the participation of</p>	

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	Indigenous peoples and the public in identifying potentially affected activities, mitigations and follow-up monitoring and adaptive management.	
Any change occurring in Canada to the health, social or economic conditions of the Indigenous peoples of Canada	<p>Uashat (Requester) and NunatuKavut Uashat and NunatuKavut have concerns about dust in the Wabush area, and is concerned that the Project will exacerbate these conditions.</p> <p>Federal Authorities</p> <p>Health Canada noted that the information provided by the Proponent in its provincial environmental assessment registration did not indicate whether there are any sensitive receptors in or near the Project area. It noted that the requester indicated that cultural and traditional activities take place within and in proximity to the Project area, and more information would be needed to fully understand the potential effects of the Project on the health of Indigenous peoples, including effects from air emissions, noise and effects on traditional foods.</p> <p>Health Canada noted that the Proponent undertakes air monitoring as part of its existing operations, however, the monitoring program does not include metals and the Proponent did not indicate plans to make adjustments to the current monitoring program as part of the Project. The Proponent noted that prevailing winds are westward, away from local communities, however Health Canada noted that dispersion modeling was not conducted to support the assertion that the current monitoring program is adequate to address potential impacts to nearby communities.</p>	<ul style="list-style-type: none"> • Newfoundland and Labrador <i>Environmental Protection Act</i> - conditions of environmental assessment release.

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	<p>As part of the general information provided on project effects, ISC flagged that consideration should be given to potential changes in the health, socio-economic conditions and community well-being (including mental health related to stress) due to reduced access to land, resources, and sites of spiritual and cultural importance. ISC also spoke to examining impacts on the social well-being and economic prosperity of Indigenous communities.</p> <p>Province of Newfoundland and Labrador</p> <p>The provincial environmental assessment release requires the Proponent to fulfill the following conditions related to the health, social or economic conditions of Indigenous peoples:</p> <ul style="list-style-type: none"> • develop a Dust Mitigation and Monitoring Plan (DMMP) for the Project. The DMMP will propose monitoring of total suspended particulate and fine particulate levels at sensitive receptors including nearby communities, in addition to the existing air quality monitoring stations in and around the towns of Labrador City and Wabush. The DMMP will identify, in consultation with the public and Indigenous Governments and Organizations, potential receptors of dust from the Project, including human, plant and animal receptors, and implement and monitor measures to mitigate the effects of dust. • maintain a 100-metre buffer around the Wahnahnish Lake Protected Public Water Supply Area boundary, in accordance with the province's <i>Water Resources Act</i>. 	

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	<ul style="list-style-type: none"> • develop an environmental effects monitoring plan that identifies effects of the Project on traditional, cultural, spiritual and recreational activities in the Project area. Participation of Indigenous peoples must be demonstrated in identifying potentially affected activities, mitigations and follow-up monitoring and adaptive management. <p>Additionally, the provincial <i>Occupational Health and Safety Act</i> and its regulations would apply to the Project, which include requirements for dust suppression.</p>	
Adverse direct or incidental effects	<p>The Project as described would potentially require the exercise of the following federal powers, duties, or functions:</p> <ul style="list-style-type: none"> • DFO commented that the Proponent may require an authorization under subsection 35(2) of the <i>Fisheries Act</i>. • ECCC noted it had notified the Proponent in July 2021 that a Schedule 2 Amendment for the <i>Metal and Diamond Mining Effluent Regulations</i> would likely be required. • Transport Canada noted that should infilling or dewatering of a navigable waterway be required, the Proponent would require an Exemption by Order of the Governor in Council pursuant to Section 24 of the <i>Canadian Navigable Waters Act</i>. • Natural Resources Canada noted that it may be required to administer the <i>Explosives Act</i> in order to allow for the storage and manufacture of explosives for the Project. <p>Proponent</p>	<p>If federal authorizations or permits are required, the carrying out of the Project has the potential to cause adverse direct or incidental effects. Additional information would be required to understand the potential effects; however, effects are expected to be addressed through the requirements set by the relevant federal authorities. DFO, ECCC and Transport Canada undertake consultation with Indigenous groups in their respective regulatory roles. Further, provincial environmental assessment conditions and regulatory approvals will also address potential adverse direct or incidental effects, mitigation of these effects, environmental effects monitoring, and stakeholder engagement.</p>

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	<p>The Proponent commented that it will not encroach on the Wahnahnish Lake watershed, either through tailings deposition or construction of tailings dikes with any direct or indirect drainage into the Wahnahnish Lake watershed.</p> <p>Public Comments during Provincial Environmental Assessment</p> <p>During the provincial environmental assessment, the Town of Wabush expressed concerns related to the potential for the Project to result in effects to their protected water supply area (Wahnahnish Lake watershed).</p> <p>Federal Authorities</p> <p>The amendment to Schedule 2 of the <i>Metal and Diamond Mining Effluent Regulations</i> will regulate effluent discharges from the Project and has the potential to affect water quality.</p> <p>Health Canada raised the issue of the nearby water supply.</p> <p>Province of Newfoundland and Labrador</p> <p>The Proponent is required as a condition of the provincial environmental assessment release to maintain a 100-metre buffer around the Wahnahnish Lake Protected Public Water Supply Area boundary, in accordance with <i>Newfoundland and Labrador Regulation 4/13</i>, under the <i>Water Resources Act</i>.</p>	
Effects on endangered and threatened species and	Proponent	<ul style="list-style-type: none"> • Canada's <i>Species at Risk Act</i>, where applicable.

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<p>their habitats, particularly caribou and bats</p>	<p>Although there is potential for the several federally-listed species at risk to occur in Labrador West (i.e., Wolverine, Boreal Woodland Caribou, Little Brown Bat, Northern Myotis, Olive-sided Flycatcher, Rusty Blackbird and Short-eared Owl), no provincially or federally listed species at risk were directly observed during field surveys conducted for the Project area in 2021. Suitable habitat for several species at risk was observed, however, based on historical data paired with field survey results, most potential species are unlikely to occur within the Project area. The Proponent indicated plans to conduct additional field surveys for raptors in 2022.</p> <p>Little Brown Bat and the Northern Myotis are likely to occur within the Project area. The Proponent is working with the Province's Wildlife Division to design follow-up monitoring, consisting of the deployment of acoustic bat detectors in multiple locations.</p> <p>The Project area will not overlap the current ranges of the Boreal Woodland Caribou and does not contain any critical habitat. As land near the Project area has been subject to mining activity over the past five decades, the area has not been utilized by Boreal Woodland or migratory caribou for any sensitive life cycle stages (e.g., breeding or calving). Given the population declines and historical avoidance of western Labrador since the origins of the Scully mine, it is unlikely caribou would have any interactions with the Project. The Proponent noted that when the George River caribou herd (currently not federally listed, but rated Endangered by the Committee on the Status of Endangered Wildlife in Canada) was at its peak in the early 1990s, mining activity in Scully Mines was at its full historic capacity. The size of the Project area, which is directly adjacent to industrial activity that has been occurring for several decades, is minimal in comparison to other suitable habitat types throughout the region.</p>	<ul style="list-style-type: none"> • Newfoundland and Labrador <i>Environmental Protection Act</i> - conditions of environmental assessment release

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	<p>Naskapi Nation of Kawawachikamach</p> <p>Naskapi noted that caribou have always been the primary resource harvested by the Naskapi and both migratory and Boreal Woodland Caribou are of extreme importance. Concern was expressed about the cumulative impact of mining in the area on caribou. Naskapi noted that historical range of the George River caribou herd included the Wabush Mines area until the beginning of the turn of the century, and that if and when the population of the herd once again increases, it may return to the Wabush area if suitable habitat is available.</p> <p>Matimekush-Lac John</p> <p>Matimekush-Lac John raised similar concerns to Naskapi, noting the importance of developing recovery strategies for sacred caribou in light of effects of the Project on any possible return of caribou to the Project area.</p> <p>Federal Authorities</p> <p>In its comments during the provincial environmental assessment, ECCC noted the potential for bird species at risk noted by the Proponent, in addition to bank swallow and common nighthawk. It also noted the potential for bat species at risk. It recommended that the Proponent consult resources on the Species at Risk Registry (www.sararegistry.ca) for factsheets on the Emergency Listing Order for bats and the requirements of the <i>Species at Risk Act</i> (SARA). ECCC confirmed that the Project area does not directly overlap with the critical habitat of Boreal Woodland Caribou, but noted that there is potential for individuals from the Lac Joseph and Quebec range subpopulations to be present.</p>	

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	<p>ECCC advised that for any species listed in Schedule 1 of the SARA as Extirpated, Endangered or Threatened, a permit may be required from ECCC (section 73 of SARA) for activities that affect a listed terrestrial wildlife species, any part of its critical habitat, or the residences of its individuals, where those prohibitions are in place. Such permits may only be issued: if all reasonable alternatives to the activity that would reduce the impact on the species have been considered and the best solution has been adopted; all feasible measures will be taken to minimize the impact of the activity on the species or its critical habitat or the residences of its individuals; and if the activity will not jeopardize the survival or recovery of the species. It is also possible that, over the course of the assessment or after the assessment, additional species could be listed under SARA; permits may be required for project activities that affect these additional species.</p> <p>ECCC also requested that sightings of any federally listed species at risk be reported to the Canadian Wildlife Service. The provincial environmental assessment decision letter also notes ECCC's request to be provided information on monitoring design and results for bats, avifauna and any other species at or of special conservation concern.</p> <p>Province of Newfoundland and Labrador</p> <p>The Province stated that the provincial Department of Fisheries, Forestry and Agriculture advised that there are currently no caribou in the Project area.</p>	

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	<p>The provincial environmental assessment release requires the Proponent to develop a bat monitoring program in consultation with the Wildlife Division of the Department of Fisheries, Forestry and Agriculture. Additionally, the Project will require a permit under Newfoundland and Labrador's <i>Endangered Species Act</i> for approaching bats, bat houses or roosts. Further, the Proponent is required to provide reports of all wildlife surveys and studies for provincial Wildlife Division review to determine adequacy of information and required mitigation measures. The Province has also requested the Proponent to provide digital location data for inclusion in the Atlantic Canada Conservation Data Center database.</p> <p>The Proponent is also required to develop an environmental effects monitoring plan, with participation from Indigenous peoples, to identify potential effects of the Project on traditional, cultural, spiritual and recreational activities, as well as proposed mitigations and monitoring.</p>	
<p>Applicability of the <i>Physical Activities Regulations</i> under the <i>Impact Assessment Act</i></p>	<p>Proponent</p> <p>The Proponent indicated in its 2021 provincial environmental registration that as a result of the Project, the area of mining operations would increase from 3,152 hectares to a maximum of 4,563 hectares, for a maximum expansion of 1,411 hectares. This represents a maximum 45 percent increase of the area of mining operations.</p> <p>The Proponent further noted in its response to the Agency that preliminary engineering study results indicate that the Project area could be considerably decreased from the conservative estimate in</p>	<ul style="list-style-type: none"> The Project, as described in the information provided by the Proponent, is an expansion of an existing metal mine by a maximum 45 percent with a total output of more than 5000 tonnes per day, and as such is not included in the <i>Regulations</i>. The Agency notes that engineering design is ongoing, but preliminary results indicate that the area of expansion will be considerably

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	<p>the 2021 provincial environmental assessment registration document. Currently, the option being considered to meet DFO requirements for fish habitat compensation is to direct water away from the tailings. This water would be directed into a dammed valley to create a pond with buffers (size to be determined) to keep this area separate from the tailings storage. This pond falls within the original expansion area and removes the necessity to significantly raise the water level in the pond south of the expansion area. The Proponent noted that the tailings deposition plan is currently being evaluated to accommodate these details.</p> <p>Based on this ongoing design work, the Project area could be reduced from 1,411 hectares to 906 hectares. This would represent an expansion of 29 percent in mining operations; considerably lower than the maximum of 45 percent estimated in the provincial environmental assessment. The Proponent noted that this figure could further fluctuate, based on ongoing engineering.</p> <p>Uashat (Requester)</p> <p>Uashat noted that it is possible that the Proponent has underestimated the geographical areas that could still be affected by the Project, and Uashat requested that the Agency verify whether the Project, realistically analyzed, will result in an increase of the mining area of 50 percent or more.</p>	<p>smaller than predicted in the Proponent's 2021 provincial environmental assessment registration.</p>
Consideration of alternatives	<p>Proponent</p> <p>The Proponent noted that project alternatives were considered in its environmental assessment registration in accordance with provincial requirements. It further noted that thorough alternatives assessment will be required in support of its application for</p>	<ul style="list-style-type: none"> The Project must comply with the prohibitions and requirements of the <i>Metal and Diamond Mining Effluent Regulations</i>.

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	<p>Schedule 2 amendment to the <i>Metal and Diamond Mining Effluent Regulations</i>.</p> <p>Uashat (Requester)</p> <p>Uashat expressed concern about the need to further consider potential alternatives to the Project, including options for tailings disposal such as in-pit tailings storage or dry-stacking.</p> <p>Federal authorities</p> <p>ECCC noted that as part of the application for a Schedule 2 amendment under the <i>Metal and Diamond Mining Effluent Regulations</i>, the Proponent must demonstrate that the disposal of tailings (including effluents) in proposed water bodies is the best approach from an environmental, technical, economic and socio-economic perspective in accordance with ECCC's "Guidelines for the Assessment of Alternatives for Mine Waste Disposal" (https://www.canada.ca/en/environment-climate-change/services/managing-pollution/publications/guidelines-alternatives-mine-waste-disposal.html).</p> <p>Province of Newfoundland and Labrador</p> <p>The Province noted that alternatives to the Project were considered in the environmental assessment registration, and that the Department of Industry, Energy and Technology also requires a development plan to further assess the Project for approvals. Indigenous consultation is included in this process.</p>	<ul style="list-style-type: none"> • Newfoundland and Labrador <i>Mining Act</i>.

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
<p>Mine Closure and Rehabilitation</p>	<p>Proponent</p> <p>The Rehabilitation and Closure Plan (RCP) for the Scully Mine has been reviewed and approved by the Newfoundland and Labrador government. The plan details the rehabilitation processes to be implemented at Scully Mine up to and including closure. The RCP will be updated to include the activities associated with the Project.</p> <p>Uashat (Requester)</p> <p>Uashat was closely following the planned closure of the Scully Mine to ensure that it was restored as close as possible to the original state. While the mine was reactivated instead of being permanently closed, Uashat remains concerned about the rehabilitation of the mine upon its eventual closure and noted that more information should be provided by the Proponent about the plan.</p> <p>Naskapi Nation of Kawawachikamach</p> <p>Naskapi strongly believes that proper rehabilitation efforts must be practiced and strongly enforced; the environment must be restored with an aim to attain a natural landscape continuous with surrounding landscapes and encourage the repopulation of a flourishing ecosystem. The plan must be flexible and updated with time to account for new information, evolving technologies, and climate changes.</p>	<ul style="list-style-type: none"> Newfoundland and Labrador <i>Mining Act</i> requires the Proponent to submit a development plan and a rehabilitation and closure plan for approval by the Department of Industry, Energy and Technology.

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	<p>Matimekush- Lac John</p> <p>Matimekush-Lac John states that the impact of the Project on its community extend long after the closure of the mine including soil and water contamination that may persist after the mine is closed.</p> <p>Province of Newfoundland and Labrador</p> <p>The Newfoundland and Labrador <i>Mining Act</i> requires the Proponent to submit a development plan and a rehabilitation and closure plan, including provision of financial assurance, for approval by the Department of Industry, Energy and Technology. The Province advised that Indigenous groups are required to be consulted during the development of the plan.</p>	
Aboriginal and Treaty Rights	<p>Proponent</p> <p>The Proponent identifies the Indigenous governments/organizations potentially being affected by the Project as the Innu Nation of Labrador, the Naskapi Nation of Kawawachikamach, the Innu Nation of Matimekush-Lac John, the Innu Nation of Takuaihan Uashat Mak Mani-Utenam and NunatuKavut Community Council). These groups may have overlapping land claims covering western Labrador. The Naskapi is the only group with a finalized comprehensive land claim agreement; the others are in various stages of negotiation with the federal and provincial governments. However, the land claims of Quebec Indigenous groups in Labrador have not been accepted for negotiation by the Government of Newfoundland and Labrador.</p>	<ul style="list-style-type: none"> • Federal authorizations/exemptions under the <i>Fisheries Act</i>, <i>Metal and Diamond Mining Effluent Regulations</i>, and <i>Canadian Navigable Waters Act</i> potentially required for the Project would include consultation with Indigenous groups about effects of the proposal on Aboriginal and Treaty Rights. • Newfoundland and Labrador <i>Environmental Protection Act</i> - conditions of environmental assessment release.

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	<p>The Proponent has focused the consultation process on Project awareness, following indigenous consultation guidelines recommended by the Government of Newfoundland and Labrador.</p> <p>Uashat (Requester)</p> <p>Uashat assert Aboriginal title, Aboriginal rights and treaty rights where the Project is located.</p> <p>Uashat asserts that it has never given consent to the Scully Mine Project and that it was built and has operated in violation of Uashat's Aboriginal title, Aboriginal rights and treaty rights.</p> <p>They contend that mining activities are causing immense negative impacts on the rights of the Uashat, and that the Project will have the effect of prolonging these impacts and producing a whole new series of negative impacts on their rights. They also assert that the Proponent has made no good faith effort to obtain the free, prior and informed consent of the Uashat.</p> <p>Uashat's rights would be affected due to impacts on current use.</p> <p>Naskapi Nation of Kawawachikamach</p> <p>Naskapi expressed that it is a party to the Northeastern Quebec Agreement, (NEQA), a modern treaty, signed in 1978, and that its members hold treaty rights on the Territory outlined in the NEQA in Northeastern Quebec. It also expressed that it holds Aboriginal rights and title on the portion of its traditional territory located in Labrador. Therefore, it asserts that its treaty rights in Quebec and</p>	

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	<p>Aboriginal rights and title in Labrador must be taken into account, and that the Project may have potential adverse effects on its territory in both Quebec and Labrador.</p> <p>Matimekush-Lac John</p> <p>From time immemorial, the Innu of Matimekush-Lac John indicated it has been using, occupying and managing traditional territory that it calls Nitassinan. Although the two reserves of the Matimekush-Lac John community are located in Quebec on the Labrador border, Nitassinan straddles the border between Quebec and Labrador and the Innu have always used, occupied and managed this territory, regardless of the provincial borders that exist today.</p> <p>The Scully Mine is located on the traditional territory of the Innu of Matimekush-Lac John and the proposed Project would have significant impacts on the Innu and on its territory which it continues to use, occupy and manage.</p> <p>The Innu of Matimekush-Lac John assert Aboriginal rights and title on this territory and these rights have never been ceded or abandoned.</p> <p>NunatuKavut</p> <p>NunatuKavut asserts Aboriginal and treaty rights to lands and resources within Labrador, including rights to hunt, fish and gather.</p> <p>Federal Authorities</p>	

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	<p>ISC recommended that consideration be given to the impacts on Indigenous rights caused by the Project, and that the Proponent seek to obtain free and informed consent from the concerned communities.</p> <p>Province of Newfoundland and Labrador</p> <p>During the provincial environmental assessment registration review, the Province consulted the five Indigenous groups also being consulted by the Agency. The Province informed Indigenous groups of the registration, and provided information related to the registration and an opportunity to submit comments, request meetings, have their comments reviewed and responded to from the Proponent. A response to their comments was also provide by the Environmental Assessment Division. The Province is of the view that all comments received were given full and fair consideration and informed the review of the Project and final release conditions. The Province noted that some Indigenous groups recommended that the province require the Proponent to develop an Environmental Impact Statement, however, no provincial or federal government departments made this recommendation. It further noted that provincial approvals and authorizations required for the Project provide further opportunity to address potential impacts on Aboriginal rights, with up-to-date information provided to Indigenous Governments and Organizations during the consultation period required for each authorization.</p> <p>Conditions of provincial environmental assessment release under the <i>Environmental Protection Act</i> include requirements to develop an environmental effects monitoring program for potential effects on traditional, cultural, spiritual and recreational activities in the</p>	

Adverse Effect or Public Concern in Relation to Subsection 9(1) of the <i>Impact Assessment Act</i>	Effects and Mitigation Proposed by the Proponent and Advice from Federal and Provincial Experts	Relevant Legislative Mechanisms
	Project area. The Proponent must demonstrate Indigenous participation in monitoring program development. A Stakeholder Consultation Committee is also a required, with opportunity for participation by Indigenous Governments and Organizations.	

ANNEX II

Annex II: Potential Federal and Provincial Authorizations Relevant to the Project

Authorization	Description
<p>Authorization to use a water body frequented by fish as a Tailings Impoundment Area under subsection 5(1) of the <i>Metal and Diamond Mining Effluent Regulations</i> of the <i>Fisheries Act</i>.</p> <p>An amendment may be required to Schedule 2 of the <i>Metal and Diamond Mining Effluent Regulations</i>, by Order of Governor in Council (upon recommendation of Minister of Environment and Climate Change)</p>	<ul style="list-style-type: none"> • Scully Mine currently utilizes a tailings impoundment area approved under Schedule 2 of the <i>Metal and Diamond Mining Effluent Regulations</i>. • The Proponent is in discussions with ECCC’s Minerals and Processing Division on the likely requirement for a Schedule 2 amendment under the <i>Metal and Diamond Mining Effluent Regulations</i>. If any new or modifications to Final Discharge Points are planned, the Proponent would be required to do so in accordance with <i>Metal and Diamond Mining Effluent Regulations</i> requirements for establishing or modifying Final Discharge Points. • Consultation with affected Indigenous groups and the public would be conducted prior to any amendment to Schedule 2 of the <i>Metal and Diamond Mining Effluent Regulations</i>.
<p>Authorization issued by Fisheries and Oceans Canada (DFO), pursuant to 35(2)(b) of the <i>Fisheries Act</i>.</p>	<ul style="list-style-type: none"> • A <i>Fisheries Act</i> paragraph 35(2)(b) authorization includes requirements to assess and mitigate effects arising from carrying out a work, undertaking or activity that results in harmful alteration, disruption or destruction of fish habitat. The authorization must identify measures to offset those effects and monitoring commitments to address and assess the effectiveness of the offset measures. • An authorization will be required if the Project is likely to cause the harmful alteration, disruption, or destruction to fish habitat. • In considering an “Application for Authorization” under subsection 35(2) of the <i>Fisheries Act</i>, DFO will consult with Indigenous groups regarding potential impacts to fish and fish habitat on Indigenous rights, traditional use of land, and cumulative effects. When designing measures to avoid, mitigate, or offset the death of fish or HADD to fish habitat, the concerns expressed by Indigenous groups will be taken into consideration prior to issuance of any <i>Fisheries Act</i> Authorization.

Authorization	Description
<p>Exemption by Order of Governor in Council pursuant to Section 24 of the <i>Canadian Navigable Waters Act</i> (CNWA), as administered by Transport Canada</p>	<ul style="list-style-type: none"> • Infilling or dewatering of any navigable waterway is prohibited under the CNWA and requires an Exemption by Order of the Governor in Council. • This requirement can only be ascertained once the proponent submits an Application for Approval detailing the work, its effects, and the nature of the water bodies that may be involved. • If an exemption is required, consultation with the public and affected Indigenous groups would be conducted prior to its issuance.
<p><i>Cross-border Movement of Hazardous Waste and Hazardous Recyclable Material Regulations</i>, administered by ECCC</p>	<ul style="list-style-type: none"> • Regulations under the <i>Canadian Environmental Protection Act</i> 1999 pertaining to imports, exports or conveyances in transit (including inter-provincial) of hazardous wastes or hazardous recyclable materials involving Canada. Could be applicable depending on Project activities.
<p>Permit authorizing and activity affecting listed wildlife species, issued by ECCC pursuant to section 73 of the <i>Species at Risk Act</i> (SARA)</p>	<ul style="list-style-type: none"> • For species listed in Schedule 1 of the SARA as Extirpated, Endangered or Threatened, a permit may be required from ECCC (section 73 of SARA) for activities that affect a listed terrestrial wildlife species, any part of its critical habitat, or the residences of its individuals, where those prohibitions are in place. • Such permits may only be issued: if all reasonable alternatives to the activity that would reduce the impact on the species have been considered and the best solution has been adopted; all feasible measures will be taken to minimize the impact of the activity on the species or its critical habitat or the residences of its individuals; and if the activity will not jeopardize the survival or recovery of the species. It is also possible that, over the course of the assessment or after the assessment, additional species could be listed under SARA; permits may be required for project activities that affect these additional species. • If a permit is required, consultation with affected Indigenous groups would be conducted prior to its issuance.
<p>License issued by Natural Resources Canada pursuant to the <i>Explosives Act</i></p>	<ul style="list-style-type: none"> • A license for the storage and manufacture of explosives may be required.

Authorization	Description
Government of NL – Municipal and Provincial Affairs – Development Permit	<ul style="list-style-type: none"> The Proponent is required to apply for a development permit from the Town and the development is to abide by the Town’s development regulations.
Government of NL – Environment and Climate Change (ECC) - Approval on Incorporating Sewage Sludge into Tailings Vegetation program	<ul style="list-style-type: none"> The Proponent should seek approval from the Department prior to the incorporation of any sewage sludge into the tailings vegetation program.
Government of NL – Environment and Climate Change (ECC) - Certificate of Approval, <i>Environmental Control Water and Sewage Regulations</i> under the <i>Water Resources Act</i>	<ul style="list-style-type: none"> A new or amended Certificate of Approval will be required for the Project.
Government of NL - Environment and Climate Change (ECC) – Water Resources Management Division (WRMD) - Water Use License – Industrial (Mining)	<ul style="list-style-type: none"> Includes consultation with Indigenous Governments / Organizations. For more information, please refer to the permit at: https://www.gov.nl.ca/ecc/files/WUL-21-12126.pdf.
Government of NL - Environment and Climate Change (ECC) – Water Resources Management Division (WRMD) - Permit to Alter a Body of Water (Instream Works)	<ul style="list-style-type: none"> Includes consultation with Indigenous Governments / Organizations. For more information, please refer to the permit at: https://www.gov.nl.ca/ecc/files/ALT11041-2020.pdf.
Government of NL - Environment and Climate Change (ECC) – Water Resources Management Division (WRMD) - Dam/dyke Construction	<ul style="list-style-type: none"> Includes consultation with Indigenous Governments / Organizations. For more information, please refer to the permit at: https://www.gov.nl.ca/ecc/files/ALT11070-2020.pdf.
Government of NL - Environment and Climate Change (ECC) – Water Resources Management Division (WRMD) - Water Use Licence	<ul style="list-style-type: none"> Includes consultation with Indigenous Governments / Organizations. For more information, please refer to the permit at: https://www.gov.nl.ca/ecc/files/WUL-21-12126.pdf.
Government of NL - Environment and Climate Change (ECC) – Water Resources Management Division (WRMD) - Non-domestic Well Permit (dewatering, etc.)	<ul style="list-style-type: none"> Includes consultation with Indigenous Governments / Organizations. For more information, please refer to the permit at: https://www.gov.nl.ca/ecc/files/GW11578-2021.pdf.

Authorization	Description
<p>Government of NL - Environment and Climate Change (ECC) – Water Resources Management Division (WRMD) - Development within shore water zones and infilling within 15 metres of bodies of water</p>	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • The Proponent must apply for and obtain a permit under the <i>Water Resources Act</i>, specifically section 48, for any infilling work within fifteen (15) metres of a body of water prior to the start of infilling. • The construction of dams/dikes will require approval under section 48 of the <i>Water Resources Act</i> as these will be considered dams. • For more information, please refer to the <i>Water Resources Act</i> at: http://assembly.nl.ca/Legislation/sr/statutes/w04-01.htm. • For more information, please refer to the permits at: https://www.gov.nl.ca/ecc/files/ALT11490-2020.pdf and https://www.gov.nl.ca/ecc/files/ALT11329-2020.pdf
<p>Government of NL - Environment and Climate Change (ECC) – Water Resources Management Division (WRMD) - Hydrogeological assessment of the Project area</p>	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations.
<p>Government of NL - WRMD - Non-Domestic Water Use for Any Purpose</p>	<ul style="list-style-type: none"> • Prior to the start of construction, the Proponent must apply for and obtain a water use licence under the <i>Water Resources Act</i> for the use of water from any water source for any purpose. • This must be stated for all non-domestic uses with an existing, new or planned water use from any water source. • For more information, please refer to the <i>Water Resources Act</i> at: http://assembly.nl.ca/Legislation/sr/statutes/w04-01.htm.
<p>Government of NL - WRMD - Development in Shore Water Zones</p>	<ul style="list-style-type: none"> • The Proponent must apply for and obtain a permit under the <i>Water Resources Act</i>, specifically section 48 for any work in Shore Water Zones prior to the start of construction. • For more information, please refer to the <i>Water Resources Act</i> at: http://assembly.nl.ca/Legislation/sr/statutes/w04-01.htm.

Authorization	Description
Government of NL - ECC – Pollution Prevention Division - Certificate of Approval – Amendment (#AA18-015646)	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • For more information, please refer to the existing approval at: https://www.gov.nl.ca/ecc/files/Tacora-AA18-015646-with-Amendment-Letters-1.pdf.
Government of NL - ECC – Pollution Prevention and Environmental Assessment Divisions - Dust Mitigation and Monitoring Plan (DMMP)	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • The DMMP will be reviewed by applicable government departments and conditions may be applied.
Government of NL - ECC – Environmental Assessment Division - Environmental Effects Monitoring Program	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • The EEMP will be reviewed by applicable government departments and conditions may be applied.
Government of NL - Industry, Energy and Technology (IET) - Surface lease	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • The Proponent requires a surface lease for the area of the proposed tailings impoundment area expansion project.
Government of NL – IET - Quarry Permit/Lease	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations.
Government of NL – IET - Development Plan (Amendment)	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • The development plan is a requirement under sections 4(b)(i) and 6 of the <i>Mining Act</i>. • It is vital that the project be designed and developed with rehabilitation and closure in mind, but the development plan and the rehabilitation and closure plan must be submitted as separate documents. • The development plan must be updated at a minimum of every five years or if there is a significant change to the project. It is understood TACORA will include the Tailings Impoundment Area Expansion project with the five year (2023) update the Scully Mine development plan.

Authorization	Description
	<ul style="list-style-type: none"> • The following outline highlights the requirements for the development plan: <ul style="list-style-type: none"> ◦ Introduction, ◦ Project Description, ◦ Geology and Exploration, ◦ Acid Rock Drainage and Metal Leaching, ◦ Mineral Reserve Estimate, ◦ Description of the Mining Process, ◦ Processing / Recovery Methods, ◦ Tailings Management Facility (TMF), ◦ Water and Waste Management, ◦ Site Infrastructure, ◦ Mine Rehabilitation and Closure, ◦ Costs and Economics, and ◦ Possible Changes to the Development Plan. • It should be noted all deficiencies in the plans are typically addressed by the Proponent prior to the approval/acceptance of the plans by the Minister of Industry, Energy and Technology. • For more information, please refer to the <i>Mining Act</i> at: https://www.assembly.nl.ca/legislation/sr/statutes/m15-1.htm.
Government of NL – IET - Rehabilitation and Closure Plan (Amendment)	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • The Rehabilitation and Closure Plan (RCP) is a requirement under subsection 4(b), and sections 8, 9 and 10 of the <i>Mining Act</i>. The RCP provides a comprehensive description of the mining project, outlines how the affected land will be rehabilitated and monitored post closure and the costs associated with rehabilitating the site. An RCP ensures the project has been developed using prudent resource management methodology and designed in such a way to promote long term physical and chemical stability at the operation’s ultimate closure. This ensures maximum benefits to the local area surrounding the mine site and the Province of Newfoundland and Labrador, while reducing

Authorization	Description
	<p>the potential of any long term negative side effects of the mining operation and associated facilities.</p> <ul style="list-style-type: none"> • The RCP must be for the full life of mine, however details and submitted financial assurance must cover rehabilitation and closure activities required to address all development during the next five (5) years of mine life from date of submittal. The RCP must follow the format prescribed in this guidance document. An updated RCP must be submitted at a minimum of every five years or if there is a significant change to the project. The RCP must be a stand alone document and be in accordance with the mine development plan. • The rehabilitation and closure plan must be updated at a minimum of every five years or if there is a significant change to the project. It is understood TACORA will include the Tailings Impoundment Area Expansion project with the five year (2023) update the Scully Mine rehabilitation and closure plan. • The following outline highlights the requirements for the rehabilitation and closure plan: <ul style="list-style-type: none"> ○ Introduction; ○ Future Land Use Statement; ○ Project Description; ○ Mining Process Overview; ○ Tailings Management Facility (TMF); ○ Acid Mine Drainage and Metal Leaching; ○ Site Infrastructure; ○ Studies, Investigations and Reports; ○ Site Revegetation; ○ Progressive Rehabilitation; ○ Final Cost of the Mine; ○ Closure of Plant Area; ○ Closure of TMF; ○ Closure Water and Waste Management; ○ Closure Monitoring and Maintenance; ○ Closure Schedule; ○ Closure Cost Proposal; and

Authorization	Description
	<ul style="list-style-type: none"> ○ Possible Changes to the Rehabilitation and Closure Plan. ● It should be noted all deficiencies in the plans are typically addressed by the Proponent prior to the approval/acceptance of the plans by the Minister of Industry, Energy and Technology. ● For more information, please refer to the <i>Mining Act</i> at: https://www.assembly.nl.ca/legislation/sr/statutes/m15-1.htm.
Government of NL - Fisheries, Forestry and Agriculture (FFA) - Commercial Operating/Cutting Permit	<ul style="list-style-type: none"> ● Includes consultation with Indigenous Governments / Organizations. ● Terms and conditions for commercial cutting permits criteria vary from district to district, the Proponent is required to submit an application at the local Forestry office. Operating permits are available at the local forestry office, they are required prior to cutting activities during the fire season. Operation permits have information pertaining to safe practices during forest fire season.
Government of NL – FFA - Newfoundland and Labrador <i>Endangered Species Act</i> (NLESA)	<ul style="list-style-type: none"> ● A permit under the NLESA will be required for approaching bats, bat houses or roosts.
Government of NL – FFA - Surveys for rare flora and fauna and other vegetation.	<ul style="list-style-type: none"> ● Includes consultation with Indigenous Governments / Organizations. ● FFA is unable to provide specific details regarding terms and conditions as these points cover a variety of Wildlife Division surveys and reports the Proponent has made a commitment to complete. Pending on the species surveyed conditions (e.g. follow-up, specific mitigation measures) may be applied/required.
Government of NL – FFA - Information on proposed detector locations and installation periods for the required bat-monitoring program	<ul style="list-style-type: none"> ● Includes consultation with Indigenous Governments / Organizations. ● FFA is unable to provide specific details regarding terms and conditions as these points cover a variety of Wildlife Division surveys and reports the Proponent has made a commitment to complete. Pending on the species

Authorization	Description
	<p>surveyed conditions (e.g. follow-up, specific mitigation measures) may be applied/required.</p>
<p>Government of NL - Digital Government and Service NL (DGSNL) - Personnel Elevators/Lifts, (Registration)</p>	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • Once a permit is issued the work shall be inspected by DGSNL prior to going into operation/service and an annual inspection once in operation. Frequency of inspection can vary based on type of equipment.
<p>Government of NL – DGSNL - Boilers/Pressure Vessels & Registered Piping Systems (Permit)</p>	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • Once a permit is issued the work shall be inspected by DGSNL prior to going into operation/service and an annual inspection for equipment once in operation, no annual inspection for piping systems. Frequency of inspection can vary based on type of equipment.
<p>Government of NL – DGSNL - Water and/or Sewage Treatment review</p>	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • Terms and conditions are subject to type of system being constructed and environmental requirements.
<p>Government of NL – DGSNL - Building Accessibility and/or Fire and Life Safety review for all buildings</p>	<ul style="list-style-type: none"> • Includes consultation with Indigenous Governments / Organizations. • Terms and conditions are subject to type of construction and Building Accessibility and Fire and Life Safety requirements.