

SUMMARY OF COMMENTS/RECOMMENDATIONS

PROPONENT: Victory Nickel
PROPOSAL NAME: Minago Project
CLASS OF DEVELOPMENT: 2
TYPE OF DEVELOPMENT: Metal Mining and Milling
CLIENT FILE NO.: 5463.00

OVERVIEW:

On May 03, 2010, Manitoba Conservation received an Environment Act Proposal, dated April 30, 2010, submitted by Victory Nickel Inc. and prepared by Wardrop Engineering, respecting the proposed construction and operation of a new 10,000 tonnes per day open pit nickel ore mining, milling and concentrating Development (including also the mining of 4,100 tonnes per day of frac sand) named the “Minago Project”, to be located on PTH No.6 approximately 225 km south of Thompson.

On May 31, 2010, copies of the Proposal were placed in the Public Registries at: the Union Station (Main Floor) in Winnipeg; the Millennium Library; Manitoba Eco Network; the Thompson Public Library; and the Manitoba Keewatinowi Okimakanak Inc. (M.K.O.). As well, copies of the Proposal were sent to the applicable members of the interdepartmental Technical Advisory Committee, and were also sent to interested federal departments via the Canadian Environmental Assessment Agency (CEAA) for their review and comment. The Department placed public notifications of the Proposal in the Winnipeg Free Press on Saturday, June 5, 2010, the Thompson Nickel Belt on Wednesday, June 9, 2010 and the Thompson Citizen on Friday, June 11, 2010. The newspaper and TAC notifications invited responses until July 15, 2010.

COMMENTS FROM THE PUBLIC:

- No comments were received from the public within the advertised deadline date.

Norway House Cree Nation

- Comments from Norway House Cree Nation were accepted February 22, 2011:
 - Manitoba’s Duty to Consult. NHCN has not been consulted on the Minago Project EIS. However, the consultation protocol is at its final negotiation stage and it should be signed in the near future.
 - Federal Triggers. NHCN expressed concerns related to the fisheries studies presented in the EIS, and specifically the limited studies of potential impacts on lake sturgeon or how elevated metal levels from polishing pond effluent might impact the lake sturgeon. NHCN expressed concerns that Natural Resources may have a trigger related to the explosives handling and storage. NHCN remains concerned that INAC was not surveyed by CEAA.
 - Process and Inconsistent Statements. NHCN expressed concerns that statements in the EIS were confusing and apparently contradictory and

that the stated methodology for how Traditional Knowledge would be used was not followed. Specific statement that indicate Norway House Resource Use Areas as inactive are based on VNI's opinion only.

Disposition

- The consultation process was initiated following the signing of the consultation protocol. Any environmental recommendations provided in the consultation report will be considered for inclusion in an Environment Act Licence.

COMMENTS FROM THE TECHNICAL ADVISORY COMMITTEE:

Conservation – Sustainable Resource Management and Land Programs

- *No concerns.*

Conservation – Environmental Operations

- *The Minago Project is located within the Norway House Resource Use Area. The Norway House Resource Management Board has the mandate for both land and resource use planning within the Resource Area. The NE Region recommends that throughout the life of the project the Norway House Resource Management Board be kept informed of the planned long term monitoring programs, and given the opportunity to request ongoing information from the monitoring programs.*
- *The EIS recommends that an Access Management Plan be prepared for the access road in anticipation of mine closure, the management of the access road should be stipulated in the E.A. Licence as being the responsibility of Victory Nickel throughout the period of the project until the mine is fully closed with confirmation that no further management of wastes or discharges (including contaminated surface runoff) will be required;*
- *The development of an Access Management Plan for the road should remain the responsibility of Victory Nickel and it should be developed with the Norway House Resource Management Board.*
- *Manitoba Conservation's aerial surveys completed in 2003 and 2005 confirm the EIS's conclusion that there is limited use of this area by large mammals and the impacts on woodland caribou should be minimal.*
- *The EIS proposes to mitigate wildlife crossings with signage. No wildlife crossings were identified during the surveys conducted to support the EIS. The NE Region assumes that Victory Nickel is stating that they would install appropriate signage if evidence of wildlife crossings was encountered during the life of the project.*
- *The EIS proposes that Victory Nickel develop a manual on the mitigation of impacts on wildlife. The NE Region recommends that this not be included as a condition of the Environment Licence, and that Victory Nickel consult with the Regional Wildlife Manager when drafting the plan.*
- *The EIS identifies the need to conduct additional monitoring to confirm its conclusions on wildlife habitat utilization and potential impacts. The NE Region recommends that the Environment Act Licence require Victory Nickel to prepare*

a wildlife monitoring program in consultation with the Wildlife Branch and to make approval of the plan by Wildlife Branch a condition of the Licence.

Proponent's Response

- The proponent accepted the recommendations.

Disposition

- The foregoing will be addressed in the Environment Act Licence.

Conservation – Pollution Prevention

- Potential dust and emission from several identified sources should be addressed in detail in the final Environmental Protection Plan.
- There was no ore composition that might indicate the presence of heavy metals that may be emitted into the air as particulate/dust.
- If a dryer is to be installed in the mill for the concentrate, it will be necessary to address particulate matter (PM) emissions.
- The potential for noise nuisances will not be significant, given the project location.
- Based on the submitted quantification of greenhouse gas (GHG) emissions, it may be necessary to perform GHG inventory reporting under the Western Climate Initiative.

Proponent's Response

- *The proponent provided additional information as requested regarding ore composition and agreed in principle with the remaining comments.*

Disposition

- The foregoing will be addressed in the Environment Act Licence.

Conservation – Parks and Natural Areas

- *No concerns.*

Conservation – Environmental Services

- Respecting the Proposal's Spill Contingency and Emergency Response Plan, the Provincial regulations related to the storage of petroleum products are pursuant to the Dangerous Goods and Transportation Act, not the Environment Act;
- It is not recommended that non hazardous waste be burned. Such waste should be disposed of in accordance with the requirements of the Waste Disposal Grounds Regulation pursuant to the Environment Act;
- Both proposed sewage treatment facilities must meet standard design and discharge criteria.
- The proposed land farming of soils impacted with petroleum products should be designed operated and decommissioned in accordance with MB Conservation *Guideline for the treatment and Disposal of Petroleum Contaminated Soil*

Proponent's Response

- *The proponent responded that the foregoing was acceptable in principle.*

Disposition

- *The foregoing will be addressed in the Environment Act Licence.*

Conservation – Aboriginal Relations

- *The Government of Manitoba has a duty to consult in a meaningful way with First Nations, Métis communities and other aboriginal communities.*
- *We assume that we do not know all of the aboriginal rights that are beyond the assertions already made and therefore information gathering and consultation results in these issues being brought forward by the people who practice them and use the land. Issues are accommodated and building relationships in a process like this includes assessments on the following: Traditional Ecological Knowledge (TEK), capacity building and education, adequate information sharing and access, environmental impacts, heritage, cultural and significant sites, socio-economic impacts and public involvement in the process from the start.*
- *This project is in close proximity to the Cross Lake First Nation and the Norway House First Nation. Other First Nations potentially affected are Moose Lake Cree Nation and Grand Rapids Cree Nation. The site is within the Cross Lake Trapline District, and is near the northern border of the Norway House First Nation Resource Management Area.*
- *This project will cover a span of approximately 10 years of operation, but disruption to the surrounding area may last longer than that.*
- *The proposed tailings pond is a concern, as release of the water into the local drainage system may affect heavy metal levels in local fish populations. The water released from these ponds may also change the quality of drinking water in the area.*
- *The Branch recommends that consultation take place prior to granting approval to this project.*

Proponent's Response

- The Proponent provided a list of engagement meetings that were held with numerous regional First Nations and Metis groups, and also provided responses to the various comments.

Disposition

- The consultation process was carried out with the communities identified above in parallel to the environmental assessment and licensing process. Any environmental recommendations provided in the consultation report will be considered for inclusion in an Environment Act Licence.

Culture, Heritage and Tourism – Heritage

- No comments.

Infrastructure and Transportation – Environmental Services

- *No concerns.*

Innovation Energy and Mines - Mines

- Reviewed the Proposal for the Minago Project, and questioned if there may be an impact created on the overall TWRMF by the cone of depression from the pit dewatering wells. Since the location of the TWRMF is close to the open pit and the pumping wells will be working 24/7, 365 days/year, would they draw water from underneath the TWRMF? Would this increase the amount of water pumped, or introduce hardship in order to keep the water cover?
- In section 2.13.1 there are details on the TWRMF design criteria, however it's noticed that in the dam (dyke) design criteria, dewatering cone is considered, but no mention about the entire TWRMF.

Proponent's Response

- *The Proponent responded that no impacts were anticipated due to the cone of depression due to the dewatering pit. The cone of depression was registered mainly within the limestone aquifer, and was insignificant on the overburden layer. Furthermore, the TWRMF will be largely contained within the overburden that has a low hydraulic conductivity. Additional geotechnical investigations will be undertaken to quantify impacts of pit dewatering operations on the TWRMF for the detailed engineering design phase.*

Disposition

- The Environment Act Licence requires verification of the effects due to the cone of depression established during groundwater pumping.

Water Stewardship

- *Manitoba Water Stewardship requested clarification on several matters. Following receipt of the response from Victory Nickel Manitoba Water Stewardship recommends an Environment Act Licence to include the following requirements:*
 1. *a requirement to comply with Manitoba Water Stewardship's Wetland Policy;*
 2. *a requirement to limit the phosphorus content to no greater than 1.0 mg/L in their effluent streams;*
 3. *a requirement not to cause water quality exceedances of the Tier 2 Manitoba Water Quality Objectives, and not exceed the effluent quality limits laid out in the federal "Metal Mining Effluent Regulation;*
 4. *a requirement to line the tailings management facility with clay or other material capable of achieving a hydraulic conductivity not to exceed a 1×10^{-7} cm/s to limit seepage losses;*
 5. *a requirement to verify "no effects" on the baseline flow of surface waters from the cone of depression established during groundwater pumping;*

6. *a requirement to protect riparian areas with 30 metres of undisturbed native vegetation, and to limit the combined alteration to no more than 25 percent of the shoreline length;*
7. *during subsequent stages of the mine operation, to confirm the predictions of runoff from the model used with a continuous runoff model that includes a comprehensive formulation of hydrologic process for the generation of flows;*
8. *to develop and implement a separate monitoring program for the fish community, subject to review and approval by Fisheries Branch;*
9. *to conduct a comprehensive monitoring program, including water quality, sediment quality, fish tissue and toxicity testing. In order to reduce duplication, monitoring components shall be harmonized with the federal Environmental Effects Monitoring Program. Te comprehensive monitoring program shall be submitted for approval to Manitoba Water Stewardship's Fisheries Branch and Water Quality Management Section.*

Proponent's Response

- The Proponent responded to Water Stewardship's initial comments on September 1, 2010, whereupon Water Stewardship issued a revised list of recommendations, which were forwarded to the Proponent for comment/response.

Disposition:

The foregoing will be addressed in an Environment Act Licence.

Canadian Environmental Assessment Agency (CEAA)

- CEAA was provided with complete copies of Victory Nickel's Minago Project Proposal for their review and comment. CEAA informed the Director that based on the responses to the federal survey, the Canadian Environmental Assessment Act will not apply to the Project.
- *Natural Resources Canada, Fisheries and Oceans Canada and Health Canada have indicated they are willing to provide specialist advice, that may assist in the environmental review of the project, upon request. Additional advice may also be provided by Environment Canada.*

PUBLIC HEARING:

There were no requests received for a public hearing. A public hearing is not recommended.

RECOMMENDATION:

It is recommended that the Development be licensed under *The Environment Act* subject to the limits, terms and conditions as described in the attached Draft Environment Act Licence, pending the completion of the consultations with First Nations communities. It is further recommended that the enforcement of the Licence be assigned to the Environmental Assessment and Licensing Branch until construction is completed. Once the facility is commissioned, enforcement should be assigned to the Northeast Region.

The Mines Branch, on August 22, 2011, provided notice to Environmental Assessment and Licensing that the Crown consultation had been completed to the point where a decision on the Environment Act Licence can be made.

PREPARED BY:

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