

Minutes of the 208th meeting of the Kativik Environmental Quality Commission, held in Montreal on November 20, 2013.

Present: Peter Jacobs Eli Aullaluk
Pierre-Michel Fontaine Lisa Koperqualuk
Marie-Ève Fortin
Daniel Berrouard

Absent: Putulik Papigatuk
Charlie Arngak

Executive Secretary: Stéphane Cossette

The 208th meeting of the KEQC was held in Montreal on November 20, 2013. The agenda was amended to add a point to item 10, and the minutes of the 206th meeting were adopted following a revision. The first item of discussion was rehabilitation work at the Eldor property. Commerce Resources Corp provided the Commission with a report of work done. The members expressed appreciation for the company's efforts and requested it submit a report on the rehabilitation of all sites stripped once exploration work is complete. The second subject of discussion was a request made by Tata Steel Minerals for amendment to their certificate of authorization. The proponent asked for an extension to the deadline for fulfilling certain conditions. Members decided that this request could be approved. In addition, Tata Steel Minerals submitted reports in connection with four conditions. The members decided that only one of the conditions had been met, as the other reports were incomplete. Next, members discussed the wind farm project at Katinniq by Raglan Mine, and agreed upon the contents of a document to be sent to the Administrator requesting additional information on the project. Also on the subject of Raglan Mine, representatives from Glencore and SNC-Lavalin came to make a presentation on Phase 2 of the mine. Glencore's purpose of the presentation was to seek guidelines from the Commission for planning the next steps of the project and obtaining the necessary environmental authorizations. In light of the information presented, Commission members concluded that they were not at the time able to rule on whether the project would be handled as an amendment to the certificate of authorization or as a new project, in which case it would require a new impact study. Finally, the members participated in a brief discussion on the KEQC website. They were provided with a list of elements that might be included in the website, and invited to study it and indicate which elements they wanted included. This exercise is intended to clarify the needs of the Commission so that a web design company can be granted a mandate.

1. Adoption of the agenda

The agenda was adopted as written.

2. Adoption of the minutes of the 206th meeting

The minutes of the 206th meeting were adopted following an amendment.

3. Matters arising from the last meeting

4. Commerce Resources Corp - Rehabilitation work following stripping activities at the Eldor property

In its decision rendered in December of 2012 regarding the exempting stripping activities at the Eldor site from impact assessment, the KEAC asked Commerce Resources Corp to keep the Commission informed on the effectiveness of the rehabilitation work performed. Members reviewed the report on the methods and effectiveness of rehabilitation measures at stripped sites that was produced by Dahrouge Geological Consulting. Although the Commission does not have specific requirements in connection with such exploration and rehabilitation work, the members appreciated the efforts the proponent made. It sets a precedent that will encourage other companies to do the same. Members noted that not all the areas stripped were rehabilitated, and requested that the proponent send a report on rehabilitation of all sites once exploration work is complete.

Action: Forward comments from the Commission to the Administrator.

5. Tata Steel Minerals Canada – Request to amend the certificate of authorization and technical reports received for information

Analysis is complete on the application from Tata Steel Minerals Canada to amend their certificate of authorization and the terms of certain conditions. First, the proponent wanted to extend the deadline for fulfilling some conditions. The members agreed to the extension, but proposed that the deadline be tied to the starting date of open pit mining rather than the date of issuance of the certificate of authorization. Even at that, exploration must start within the three years specified by the MDDEFP in authorizing the project. The other amendments the proponent requested concern monitoring of the caribou. Members decided that the proposed changes would produce the same results, and so could be authorized.

The second part of the request from Tata Steel Minerals Canada concerned the provision of documents related to compliance with of conditions. The proponent believes they have met conditions 1, 2, 12 and 13. However after reading the documents, members concluded that conditions 1, 2 and 12 had not been met because the information was incomplete. These conditions include the baseline characterization, and the implementation of a sampling program to identify potential acid/neutral mine drainage from waste rock and potential leaching from

tailings. Condition 13 refers to permits issued by the government of Newfoundland and Labrador, which were forwarded to the Commission as requested.

A draft letter covering the elements of the analysis has already been prepared but needs some revision. Members agreed that the letter should be sent as soon as the corrections are made.

Action: Transmit the decision of the Commission concerning amendments to the certificate of authorization and comments regarding the documents supporting compliance of conditions.

6. Raglan Mine - Wind farm project at Katinni

A new version of the document containing the Commission's questions and comments on the wind farm project was sent to members. Some of the questions in the first version were removed, and others will be included as conditions for authorization of the project. Members decided on a clarification to Question 8 concerning the possibility of construction of components and handling maintenance of the turbines in Quebec, and then agreed that the document could be forwarded to the Administrator.

Action: Forward the Commission's questions and comments to the Administrator.

7. Raglan Mine – Presentation by Glencore on the next phase of the mine project

Commission members listened to a presentation on the second phase of the Raglan Mine given by representatives from Glencore (Joël Pagé and Trevor Blair) and SNC-Lavalin (Éric Giroux, Richard Melançon and Jean-Noël Duff). A copy of their presentation is attached to these minutes. The purpose of the presentation was so that the Commission could provide Glencore with guidelines for planning the next phases of the project, thus allowing the company to obtain the necessary environmental approvals.

The proponent began with a review of the economic benefits of the project for the province and for Nunavik from 2008 to 2012. The economy of Nunavik saw an injection of \$64 million during this period, including \$52 million in profit sharing. Initially, the project had a projected life span of 15 to 20 years, but based on the results of exploration, this projection has doubled. The full project is composed of three phases and the second phase will be begun around the end of 2018 or early 2019. There is still some question about the exact activities and installations in Phase II. Two scenarios are currently being considered: the first involves an increase in ore extracted (> 1.32 Mt/year), a new concentrator and new underground mining areas, while the second will have the same level of extraction (1.32 Mt/year) and may or may not include a new concentrator and new mined areas.

They stated that since the start of operations, monitoring efforts have provided greatly improved knowledge about the natural environment and mine impacts. Whichever scenario is chosen, the project will need environmental approvals. The proponent had questions about this requirement,

in particular whether a new impact assessment is necessary if the amount extracted the same, the scope of such a study, and the sensitive issues that should be given priority.

Members of the Commission replied that they could not provide a decision at this point on whether the project will be treated as a new project or as an amendment to the certificate of authorization, because they do not have the necessary information to make such a decision. There are also some legal aspects that have to be checked. They pointed out that the proponent should include any new factors that have arisen since the start of mining operations -- whether those include a new mine, the cumulative impacts, or the effects of climate change. Furthermore, although social considerations were taken into account 15 years ago, they were not addressed with the same detail as they would be today. The proponent should take these factors into consideration when providing the preliminary information for the Commission, so that it can make an informed decision.

Action: None

8. Commission website

In preparation for the modernization of the website, the Executive Secretary provided members with a list of elements that might be included on the new site. Members were asked to review the list and indicate which components they would like to see included. This process will help identify the Commission's needs so that a web design firm can be given a mandate.

9. Other business

10. Next meeting

The next meeting will be held at the end of February, with the precise date and location to be determined.

Stéphane Cossette
March 12, 2014

SCHEDULE 1 – ANNEXE 1

Administrative follow-up – Suivi administratif des dossiers

- a) Raglan Mine: Wind farm project at Katinniq / Mine Raglan : Projet d'éoliennes à Katinniq.
Status: The Commission has received the environmental and social impact statement from the Administrator (June 13, 2013) / Statut : La Commission a reçu l'étude d'impact sur l'environnement et le milieu social de la part de l'Administrateur (13 juin 2013)
- b) Tata Steel Minerals Canada Ltd: Documents sent for information and request to amend the certificate of authorization/ Tata Steel Minerals Canada Ltd: Documents transmis pour information et demande de modification au certificate d'autorisation.
Status: The Commission has received documents from the Administrator (September 9, 2013) / Statut : La Commission a reçu les documents de la part de l'Administrateur (9 septembre 2013)
- c) Canadian Royalties: Request to amend the certificate of authorization / Canadian Royalties : Demande de modification au certificat d'autorisation.
Status: The Commission has sent its decision to the Administrator (October 16, 2013) / Statut : La Commission a envoyé sa décision à l'Administrateur (16 octobre 2013)
- d) Dahrouge Geological Consulting: Effectiveness of measures taken to restore stripped sites / Dahrouge Geological Consulting : Efficacité des mesures de restauration des sites décapés.
Status: The Commission has received information from the Administrator (October 18, 2013) / Statut : La Commission a reçu de l'information de la part de l'Administrateur (18 octobre 2013)
- e) Canadian Royalties: Marine infrastructures project in Deception Bay / Canadian Royalties : Projet d'infrastructures maritimes à Baie Déception.
Status: The Commission has sent comments to the Administrator (October 30, 2013) / Statut : La Commission a envoyé des commentaires à l'Administrateur (30 octobre 2013)
- f) Canadian Royalties: 2011 Environmental monitoring report / Canadian Royalties: Rapport annuel de surveillance environnemental 2011.
Status: The Commission has sent comments to the Administrator (November 8, 2013) / Statut : La Commission a transmis des commentaires à l'Administrateur (8 novembre 2013)