



PRODIGY
GOLD INCORPORATED

Magino Gold Project

MAGINO GOLD PROJECT

Finan Township, Algoma District, Ontario

ENVIRONMENTAL IMPACT STATEMENT

CHAPTER 15: ADDITIONAL ENVIRONMENTAL APPROVALS

Submitted to:

Ontario Ministry of Natural Resources
Wawa - District Office
48 Mission Rd Hwy 101
PO Box 1160
Wawa ON P0S 1K0
Tel: 705-856-2396

Canadian Environmental Assessment Agency
Ontario Region
55 St. Clair Avenue East, Room 907
Toronto, Ontario M4T 1M2
Telephone: 416-952-1576

CEAA Reference Number: 80044

June, 2017



TABLE OF CONTENTS

15.0	ADDITIONAL ENVIRONMENTAL APPROVALS	15.1
15.1	Section 5(2) Effects	15.1
15.1.1	Migratory Birds Convention Act	15.1
15.1.2	Explosives Act	15.1
15.1.3	Fisheries Act and MMER Schedule 2 Authorizations.....	15.2
15.1.4	Transboundary or Changes on Federal Lands	15.7
15.1.5	Potential Effects on Aboriginal Peoples	15.7
15.1.6	Effects of Changes to the Environment that are Directly Linked or Necessarily Incidental to Federal Decisions.....	15.8
15.2	Approvals and Authorizations	15.8
15.3	References	15.11

TABLES

Table 15-1: Summary of total fish habitat (m ²) lost to the Magino Mine	15.4
Table 15-2: Breakdown of stream fish habitat (m ²) by waterbody and watershed lost to the development of the Magino Mine	15.4
Table 15-3: Breakdown of waterbody fish habitat (m ²) by waterbody and watershed lost to the development of the Magino Mine	15.6
Table 15-4: Preliminary Schedule for Other Permits, Approvals and Authorizations.....	15.9

FIGURES

Figure 15-1: Federal Authorizations 15.3

15.0 ADDITIONAL ENVIRONMENTAL APPROVALS

15.1 Section 5(2) Effects

The Magino EIS guidelines (2013) require the proponent to include within the EIS a full description of the changes the project will cause to the environment including changes that are directly linked or necessarily incidental to any federal decisions that would permit the project to be carried out. Described below are federal decisions required for the Magino Project, their potential changes to the environment, and identification of the associated baseline and effects assessments which have been completed.

15.1.1 Migratory Birds Convention Act

The Magino project may affect species protected under the *Migratory Birds Convention Act*. Potential activities that may impact protected species are:

- Site clearing and preparation of infrastructure altering habitat and displacing populations;
- Noise and light disturbances from construction, operation and closure activities (e.g., blasting and building lights); and
- Potential collisions with vehicles resulting in accidental bird mortality.

Chapter 4, Section 4.3.8 presents baseline data of migratory birds within the regional, local and project study areas. Information on available bird habitat and identified species is presented in Section 4.3.8 and supplemented in TSD 17. An assessment of potential effects on migratory birds is presented in Chapter 7, Section 7.4.5. The effects assessment in Section 7.4.5 describes how no significant residual effects to migratory birds are anticipated. Additional mitigation measures are identified in Chapter 7, Section 7.4.5 and Chapter 6, Section 6.5 to further avoid or reduce the severity of adverse effects on migratory and breeding birds.

15.1.2 Explosives Act

The Magino project will require approval under the *Explosives Act* for licenses for magazines, permits for transportation, permits for importation, permits for purchase and possession, and certificates for storage of explosive materials.

The explosives magazine for detonators and explosives storage facilities will be located outside the blast radius of the open pit, and away from the worker accommodations, process plant, and waste management facilities. The explosives magazine will be sized for up to 24 tonnes of product, and the cap magazine will be sized for up to 3.6 tonnes of product. They will be located southeast of the pit. The explosives magazine facility will require 0.09 ha and the storage facility will require 0.25 ha. Prodigy will comply with all licensing, safety, and security requirements set out by the explosives regulations administered by NRCan (Natural Resources Canada).

Chapter 4 presents baseline data of the surrounding area where the explosives magazine for detonators and explosives storage facilities are located. Chapter 7 presents the effects assessment completed for environmental, human and socio-economic valued components (VCs). It shows that no significant residual effects are anticipated to occur from the development of explosives magazine and storage facilities.

15.1.3 Fisheries Act and MMER Schedule 2 Authorizations

Subsection 35(1) of the *Fisheries Act* (administered by Fisheries and Oceans Canada) prohibits the carrying on of a work, undertaking or activity that results in serious harm to fish that are part of a commercial, recreational or Aboriginal fishery or to fish that support such a fishery (DFO, 2013). However, under Paragraph 35(2)(b) of the *Fisheries Act*, the Minister of Fisheries and Oceans (the Minister) may issue an authorization with terms and conditions in relation to a proposed work, undertaking or activity that may result in serious harm to fish (DFO, 2013). The proponent of a project proposing such work is required to prepare an offset plan which follows prescribed guidelines and regulations, in order to receive authorization from the Minister.

Under Section 36 of the *Fisheries Act* (administered by Environment and Climate Change Canada), a mining project that includes a proposal to use a natural water body frequented by fish to deposit mine waste (a deleterious substance) is required to obtain a Schedule 2 amendment of the Metal Mining Effluent Regulations (MMER). To support a Schedule 2 amendment, the project proponent must successfully complete a federal Environmental Assessment as well as:

- prepare an assessment of alternatives for mine waste disposal for consideration;
- prepare a fish habitat compensation plan for consideration as part of the EA; and
- participate in public and aboriginal consultations on the EA, including on possible amendments to the MMER (ECCC, 2013).

Section 27.1 of the MMER requires the project proponent to develop and implement a fish habitat compensation plan to offset the loss of fish habitat that would occur as a result of the proposed addition of a water body to Schedule 2 (ECCC, 2013).

Prodigy proposes work for the Magino Project that may result in serious harm to fish and will require the infilling of waterbodies frequented by fish. Described in the tables below are the waterbodies that will be impacted by the Project and the associated fish habitat that will be lost. Figure 15-1 identifies the waterbodies requiring MMER and *Fisheries Act* authorization.

Figure 15-1: Federal Authorizations

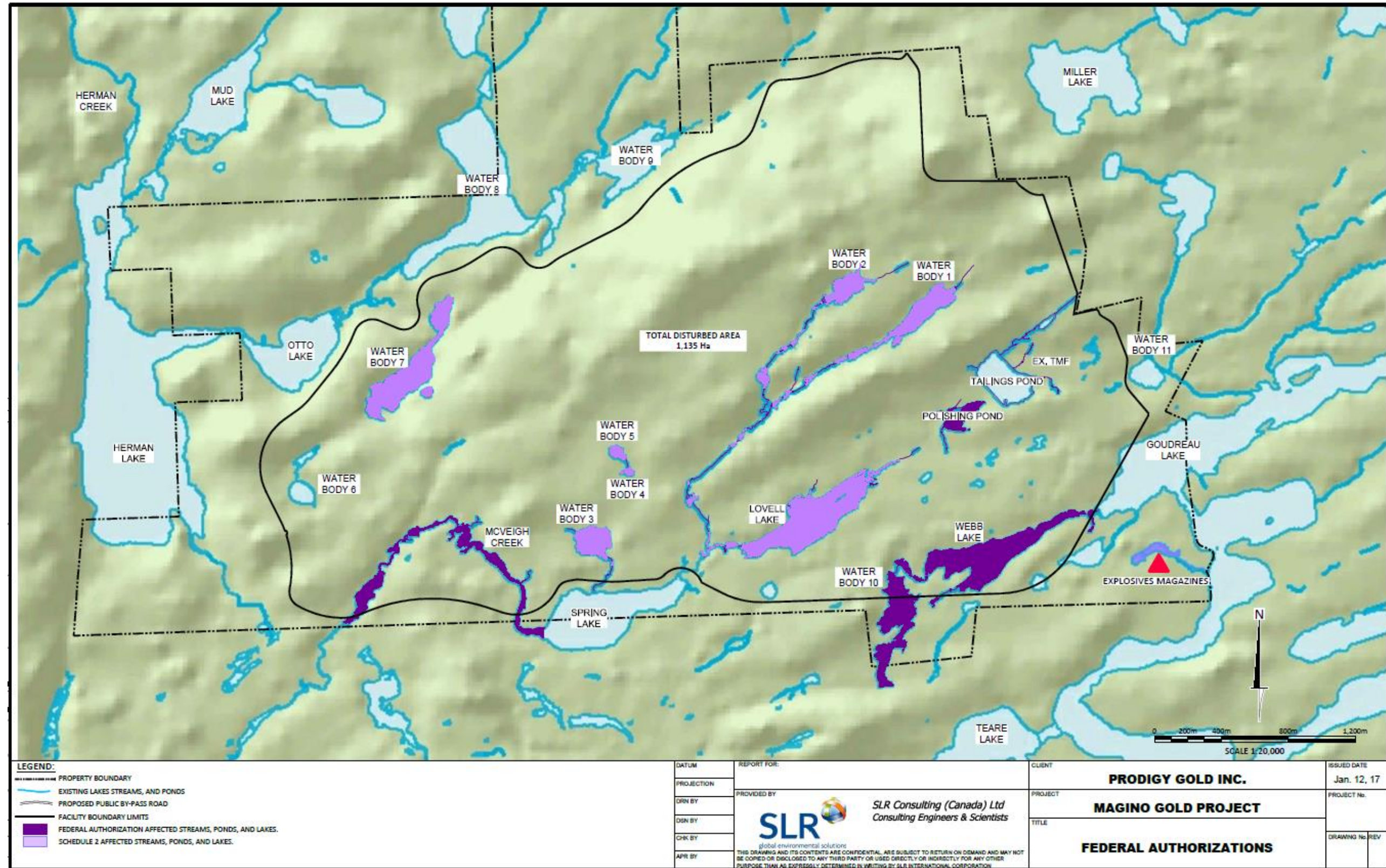


Table 15-1: Summary of total fish habitat (m²) lost to the Magino Mine

Habitat	Schedule 2 (m ²)	Fisheries Act Authorization (m ²)	Total Fish Habitat Lost (m ²)
Stream	22,024	84,705	106,729
Waterbody	313,835	202,363	516,198
Total	335,859	287,068	622,927

Table 15-2: Breakdown of stream fish habitat (m²) by waterbody and watershed lost to the development of the Magino Mine

Stream	Study Area	FAA/Schedule 2	Mine Infrastructure Affecting Waterbody	Distance (m)	Area (m ²)
McVeigh Creek Watershed					
Inlet to Waterbody 2	PSA	Schedule 2	TMF/MRMF	85.1	43
Waterbody 2 to confluence with McVeigh Creek Tributary	PSA	Schedule 2	TMF/MRMF	1010.2	6,572
Waterbody 1 to confluence with Unnamed Tributary	PSA	Schedule 2	TMF/MRMF	962.3	8,270
McVeigh Creek Tributary to Confluence with McVeigh Creek	PSA	Schedule 2	TMF/MRMF	1160.7	3,609
Clarification/Polishing Pond to Lovell Lake	PSA	Schedule 2	Stockpile/Fill Area	493.1	981
Lovell Lake to Spring Lake	PSA	Schedule 2	TMF/MRMF	511.4	2,313
Waterbody 3 to Spring Lake	PSA	Schedule 2	TMF/MRMF	197.2	223
McVeigh Creek (downstream of Spring Lake)	PSA	FAA	TMF/MRMF/ Stockpile/Fill Area and Decrease in Water	1,743.4	40,007

Stream	Study Area	FAA/Schedule 2	Mine Infrastructure Affecting Waterbody	Distance (m)	Area (m ²)
			Flow		
	LSA		Decrease in Water Flow	2,283.0	29,354
McVeigh Creek (downstream of Spring Lake) to Summit Lake	RSA	FAA	Decrease in Water Flow	731.9	5,107
Total				9,178.3	96,477
Webb-Goudreau Lake Watershed					
Waterbody 10 to Web Lake and upstream Inlets to Webb	PSA	FAA	Open Pit	428.9	4,997
	LSA	FAA	Open Pit	120.8	4,778
Webb to Goudreau Lake	PSA	FAA	Open Pit	128.5	462
Total				678.3	10,237
Herman Otto Lake Watershed					
Outlet of Waterbody 7	PSA	Schedule 2	Stockpile/Fill Area	84.1	19
Total				84.1	19

Table 15-3: Breakdown of waterbody fish habitat (m²) by waterbody and watershed lost to the development of the Magino Mine

Waterbody	Study Area	FAA/Schedule 2	Mine Infrastructure Affecting Waterbody	Area (m ²)
McVeigh Creek Watershed				
Waterbody 2	PSA	Schedule 2	TMF/MRMF	23,236
Waterbody 1	PSA	Schedule 2	TMF/MRMF	36,189
		FAA	TMF/MRMF (outside the footprint)	5,656
Lovell Lake	PSA	Schedule 2	TMF/MRMF/ Stockpile/Fill Area	131,977
Clarification / Polishing Pond	PSA	FAA	Plant-Crusher Pad Area	18,601
Waterbody 3	PSA	Schedule 2	TMF/MRMF	28,871
Waterbody south of Lovell Lake	PSA	Schedule 2	TMF/MRMF	5,319
		FAA	TMF/MRMF (outside the footprint)	1,028
Total				250,876
Webb-Goudreau Lake Watershed				
Webb Lake	PSA	FAA	Open Pit	114,408
Waterbody 10	PSA	FAA	Open Pit (drawdown)	14,176
	LSA			48,494
Total				177,078
Herman Otto Lake Watershed				
Waterbody 7	PSA	Schedule 2	Water Quality Control Pond/Stockpile/Fill Area	88,243
Total				88,243

Chapter 4, Section 4.2 presents baseline data on waterbodies found within the regional, local and project study areas. Descriptions of groundwater, surface water hydrology, surface water quality, and stream and lake sediments conditions are provided. Baseline data is further supplemented by TSDs 3, 4, 7 and 16. Chapter 4, Section 4.3.4 presents baseline data of fish and fish habitat in waterbodies found within the regional, local and project study areas. Baseline data is further supplemented by TSD 15. No aquatic SAR was identified in baseline studies.

An effects assessment of fish and fish habitat is presented in Chapter 7, Section 7.4.1. The effects assessment in Section 7.4.1 shows that no significant residual effects are anticipated. Additional mitigation measures to further avoid or reduce the severity of the adverse effects on fish and fish habitat are also identified in Chapter 7, Section 7.4.1 and Chapter 6, Section 6.5. Environmental management plans describing monitoring and adaptive management measures for fish and fish habitat are presented in TSD 20 (EMPs 20-13 and 20-14). Monitoring and adaptive management measures will continue to evolve throughout the course of the Project to ensure compliance with provincial and federal conditions, permitting and regulations.

TSD 5 presents the Schedule 2 assessment of alternatives for mine waste management. Additional wildlife species that may utilize the impacted waterbodies are described in Chapter 4, Section 4.3 and TSD 17.

Prodigy is committed to developing offset plans that compensate for any potential losses to fish and fish habitat. This work is ongoing and will continue throughout the EA process. As permitting for authorizations under the *Fisheries Act* and MMER Schedule 2 progresses, Prodigy will continue to consult with government, public and Aboriginal groups to ensure feedback is considered and incorporated into the design of monitoring and compensation plans. It is important to note that offsetting and compensation approval processes under the *Fisheries Act* and MMER Schedule 2 occur during the licensing phase of the project. Required approvals will be obtained from the Department of Fisheries and Oceans, and Environment and Climate Change Canada prior to initiation of site preparation.

15.1.4 Transboundary or Changes on Federal Lands

The Project is located in Northern Ontario, approximately 40 kilometres (km) northeast of Wawa. The nearest provincial or national border is the Lake Superior boundary with the United States located 150 km south-southwest. The Project is not situated on federal lands, nor are there federal lands in the vicinity of the Project site. No residual effects from the Project are anticipated to occur outside of Ontario or Canada.

15.1.5 Potential Effects on Aboriginal Peoples

Authorizations required for the Project under the *Fisheries Act* and MMER Schedule 2 may affect the ability of Aboriginal peoples' to fish in affected waterbodies. The infilling of waterbodies and diversion of streams will result in the loss of fish habitat. Within the proposed offset plans, new fish habitat will be created and stocked. The proposed compensation can potentially provide improved fish habitat, offering more fishing opportunities for local Aboriginal peoples. It is important to note that the development of any approved offset or compensation plans under the *Fisheries Act* or MMER Schedule 2 requires that local Aboriginal peoples are consulted. Prodigy has engaged local Aboriginal groups and will continue to do so; ensuring their feedback is incorporated into proposed monitoring and compensation plans.

Authorizations under the *Fisheries Act* and MMER Schedule 2 are not anticipated to effect physical and cultural heritage, the current use of lands and resources, or health and socio-economic conditions. An effects assessment on Aboriginal interests is presented in Chapter 7, Section 7.7 and in TSD 14. TSD 18 presents Stage 1 and Stage 2 archaeology reports, which identify that the Project will have no effects on any structure, site or thing that is of historical, archaeological, paleontological or architectural significance to Aboriginal peoples.

15.1.6 Effects of Changes to the Environment that are Directly Linked or Necessarily Incidental to Federal Decisions

Project work undertaken through authorizations required under the *Explosives Act*, *Fisheries Act* and MMER Schedule 2 are not expected to have any significant environmental or socio-economic effects. Prodigy will continue to work with the necessary Federal agencies to acquire approvals, ensure compliance, and to mitigate any potential adverse effects. It is important to note that offsetting and compensation approval processes under the *Fisheries Act* and MMER Schedule 2 will occur during the licensing phase of the project. As the EA process progresses and consultation with public and Aboriginal stakeholders continues, detailed compensation and offset plans will be provided for approval and review to the Department of Fisheries and Oceans, and Environment and Climate Change Canada.

15.2 Approvals and Authorizations

Prodigy is committed to seeking approvals and maintaining compliance with all relevant permits, approvals and authorizations that will allow the Project to be constructed, operated, decommissioned and closed in a safe and environmentally responsible manner.

Chapter 1 identifies the key Federal and Provincial environmental permits, approvals, and authorizations required to allow for the development and eventual closure of the Project. Certifications of compliance under various laws and regulations will also be sought.

Table 15-4 provides a preliminary schedule for obtaining these additional environmental approvals.

Table 15-4: Preliminary Schedule for Other Permits, Approvals and Authorizations

PERMIT/APPROVAL / AUTHORIZATION	ACT / REGULATION	REGULATORY AGENCY
Federal		
Environmental Assessment Approval	<i>Canadian Environmental Assessment Act</i>	Canadian Environmental Assessment Agency (CEAA)
Fish Habitat Authorization	<i>Fisheries Act (Sec 35 (2))</i>	Department of Fisheries & Oceans (DFO)
Metal Mining Effluent Regulation (MMER)	MMER Schedule 2 (Fisheries)	DFO and Environment and Climate Change Canada (ECCC)
Licenses for Magazines, permits for vehicle transportation, importation, purchase, possession and storage	<i>Explosives Act</i>	Natural Resources Canada
Transportation of Dangerous Goods	<i>Transportation of Dangerous Goods Act</i>	Transport Canada
Requirement for Certification of Compliance, or preparation of an Environmental Emergency Plan	<i>Canadian Environmental Protection Act; Regulations (Environmental Emergencies)</i>	Environment and Climate Change Canada (ECCC)
Provincial		
Environmental Compliance Approval (ECA) - Industrial Sewage Waste Discharge (ISW)	<i>Environmental Protection Act O.Reg 560/94</i>	Ministry of the Environment and Climate Change
Environmental Compliance Approval (ECA)- Noise/Air/Vibration	<i>Environmental Protection Act S.14 (1) O.Reg 419/05</i>	Ministry of the Environment and Climate Change
Environmental Compliance Approval (ECA)- Operations-related discharge of contaminants	<i>Environmental Protection Act (Sec.19)]; O. Reg. 255/11</i>	Ministry of the Environment and Climate Change
Environmental Compliance Approval (ECA)—Tailings Management Facility	<i>Water Resources Act (Sec. 53) (Industrial Sewage Works)</i>	Ministry of the Environment and Climate Change
Permits to Take Water (PTTW)	<i>Water Resources Act O.Reg 387/04 (Taking Water)</i>	Ministry of the Environment and Climate Change
Licensing Sewage Works	<i>Water Resources Act O.Reg 129/04 (Licensing Sewage Works Operators)</i>	Ministry of the Environment and Climate Change
Well licenses	<i>Environmental Protection Act; O. Reg. 903 (Wells) amended as O Reg. 372/07</i>	Ministry of the Environment and Climate Change
Compliance	<i>Environmental Protection Act; O. Reg.560/94 (Effluent Monitoring and Effluent Limits –</i>	Ministry of the Environment and Climate Change

PERMIT/APPROVAL / AUTHORIZATION	ACT / REGULATION	REGULATORY AGENCY
	<i>Metal Mining Sector)</i>	
Spill Prevention and Contingency Plan	<i>Environmental Protection Act; O. Reg. 224/07 (Spill Plans); O. Reg. 222/07 (Environmental Penalties)</i>	Ministry of the Environment and Climate Change
License to collect fish	<i>Fish and Wildlife Conservation Act</i>	Ministry of Natural Resources and Forestry
Authorization to remove beaver dams	<i>Fish and Wildlife Conservation Act</i>	Ministry of Natural Resources and Forestry
Fish collection and transport for scientific purposes	<i>Fish and Wildlife Conservation Act</i>	Ministry of Natural Resources and Forestry
Release of Reservation	<i>Crown Forest Sustainability Act</i>	Ministry of Natural Resources and Forestry
Forestry Resource License	<i>Crown Forest Sustainability Act</i>	Ministry of Natural Resources and Forestry
Lakes and Rivers Improvement Act Approval	<i>Lakes and Rivers Improvement Act (LRIA)</i>	Ministry of Natural Resources and Forestry
Work Permits	<i>Public Lands Act</i>	Ministry of Natural Resources and Forestry
Overall Benefits Approval	<i>Endangered Species Act</i>	Ministry of Natural Resources and Forestry
Burning of wood debris	<i>Forest Fire Prevention Act</i>	Ministry of Natural Resources and Forestry
Approval for Operation of a Non-Municipal, Non-residential Water System, Water Works Permit and Certificate for System Operator	<i>Safe Drinking Water Act</i>	Ministry of Health and Long-Term Care
Pre-development Review Approval	<i>Occupational Health and Safety Act, (Section 29 [2] and [3]) and Mines and Mining Plants Regulation 854, (Section 22)</i>	Ministry of Labour
Certified Closure Plan	<i>Mining Act</i>	Ministry of Northern Development and Mines
License of Occupation	<i>Mining Act</i>	Ministry of Northern Development and Mines
Work site approvals	<i>Fire Protection and Prevention Act; O. Reg. 388/97 (updated as 213/07) (Fire Code)</i>	Ministry of Community Safety and Correctional Services

15.3 References

Canadian Environmental Assessment Act, 2012 (S.C. 2012, c. 19, s. 52). (2014). Retrieved from the Justice Department of Canada website: <http://laws-lois.justice.gc.ca/eng/acts/C-15.21/index.html>

Environment and Climate Change Canada. (2013). Guidelines for the Assessment of Alternatives for Mine Waste Disposal. Retrieved from the Environment and Climate Change website: <https://ec.gc.ca/pollution/default.asp?lang=En&n=125349F7-1&offset=1&toc=hide>

Department of Fisheries and Oceans Canada. (2013). An Applicant's Guide to Submitting an Application for Authorization under Paragraph 35(2)(b) of the *Fisheries Act*. Retrieved from the Department of Fisheries and Oceans website: <http://www.dfo-mpo.gc.ca/pnw-ppe/reviews-revues/application-eng.html>