2.10 SUMMARY OF RECOMMENDATIONS

The EIS Guidelines require a summary of the prior panel's recommendations provided in the 2010 prior panel report for the previous project proposal. The Guidelines require that the EIS explain how the Proponent will incorporate those recommendations relating to the management of environmental effects as a result of the change to components and activities associated with the new MDP. In addition, the Proponent is required to identify if the implementation of certain recommendations will conflict with the Project.

Taseko has adopted the following approach to address the requirements of the Guidelines:

1. Summarize the prior panel's recommendation provided in the 2010 prior panel report for the previously assessed project
2. Briefly describe the aspect of the previous design that was the basis of the recommendation
3. Briefly describe any change in the design (where applicable) that might affect the need for the recommendation
4. Explain whether and to what extent applicable recommendations relating to the management of environmental effects associated with the new design are to be incorporated
5. Explain why any recommendations have not been incorporated (as appropriate), and
6. Identify if the implementation of certain recommendations will conflict with the Project.

Recommendation 1

Taseko and appropriate parties re-examine the choice of the transmission line corridor to determine whether one transmission line would be an appropriate alternative to serve both the Project and the Tsilhqot'in National Government's proposed biomass fired, thermal electric power plant, should that project proceed prior to construction of the transmission line.

It is not clear to Taseko how the panel's recommendation related to mitigation of a significant adverse environmental effect under the CEAA or was it identified as an accommodation measure relevant to asserted or established aboriginal rights or title.

The March 2009 EIS/Application included an alternatives assessment of transmission line alternatives that was acceptable to both the federal and provincial governments. Both governments concluded that there were no significant adverse effects associated with the transmission line as proposed.

There has been no change in the transmission line with respect to design or refinement of the centreline relative to the previously proposed project.

During the panel hearings testimony from the Tsilhqot'in National Government suggested a particular interest in developing a biomass fired, thermal electric power plant near Hanceville that might provide reconsideration of one of the transmission line alternatives.

On May 31, 2010, BC Hydro issued "The Bioenergy Phase 2 Call Request for Proposals." The purpose of the call was for BC Hydro to seek to acquire three products; hourly firm energy, non-firm energy and Environmental Attributes. The energy to be acquired constitutes Clean or Renewable Biomass. The Call is consistent with government energy policy and legislation, namely the 2007 BC Energy Plan, the 2008 BC Bioenergy Strategy and the Clean Energy Act.

The Tsilhqot'in Power Corporation, a joint venture between Run of River Power Inc. and the Tsilhqot'in National Government, responded to the call with a project proposal called the Tsilhqot'in Power Project, to be built at Hanceville.

On January 20, 2011, eight projects were selected from five preferred proponents representing approximately 1,600 GWh per year of electricity. The Tsilhqot'in Power Project was not one of those selected. On January 26, 2011 Run of River Power Inc. (TSX-V: ROR) (“ROR Power” or “the Company”) announced its Tsilhqot'in Power projects were no longer under consideration in BC Hydro’s Bioenergy Phase 2 Call. On April 13, 2011, Run of River Power Inc. subsequently announced that due to the considerable uncertainty of a future Bioenergy Call and award of an Energy Purchase Agreement by BC Hydro, the Company had decided to write down the carrying value of its investment in its biomass projects of approximately $5.0 million to a nominal value.

The Bioenergy Phase 2 Call process concluded in August 2011 when BC Hydro announced the selection of four projects for Electricity Purchase Agreement (EPA) awards, two projects proposed by West Fraser Mills Ltd. and two projects proposed by Western BioEnergy Inc.

As it is unlikely that the Tsilhqot'in Power Project would proceed prior to construction of the transmission line, no re-examination of the choice of transmission corridor is contemplated at this time and no further consideration of this recommendation is warranted.

Recommendation 2

Taseko monitor water levels in Beece Creek and implement appropriate corrective action in order to minimize flooding at Taseko Lake Lodge.

The previous project design directed overflow from the proposed Prosperity Lake to Beece Creek during operations resulting in increased annual Beece Creek flow volumes of 3.8% during operations which was considered minor in light of the large size of the Beece Creek watershed.

The revised design for New Prosperity eliminates the proposed Prosperity Lake and the water reporting to Beece Creek is reduced relative to the previously assessed project.

As a result of the design changes in the Project there is a reduced risk of flooding at Taseko Lakes Lodge as a result of the Project relative to the previously assessed project.

Taseko will monitor water flows and quality consistent with the monitoring program referenced in Section 2.8.3 and as per the Table of Commitments developed during the review of the Project assessed previously. Refer to Section 2.9, Commitment 8.6 to confirm predictions and ensure that the risk of flooding at Taseko lakes Lodge as a result of the Project is negligible. Monitoring results will be reported to MoE as per discharge permit requirements, which will be discussed with MoE during permitting.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 3

A long-term follow-up and monitoring program be designed and implemented to verify the predicted seepage rates and concentration of contaminants from the tailings storage facility toward Big Onion Lake and the effectiveness of the proposed primary mitigation measures. Should the results show that the movement and concentration of contaminants is higher than predicted, additional mitigation measures should be put in place, such as the addition of more interception wells.

The prior panel concluded that seepage from the tailings storage facility would not result in a significant adverse effect on water quality in Big Onion Lake, noting that Taseko would have sufficient time to undertake its commitments to gather further hydrogeological information to be incorporated in the final design of a seepage collection system, if necessary, for the west ridge. Further the prior panel recognized that interception wells are considered to be an appropriate practice to intercept seepage.

The revised design and change in location of the TSF for New Prosperity is predicted to result in a shorter length of ridge through which seepage into the Big Onion Lake system may occur. A reduced area of seepage affected groundwater flow should translate into a smaller seepage rate from the TSF into this catchment.

Despite the reduced risk of impacting water reporting in the direction of Big Onion Lake, Taseko will implement a long term follow-up and monitoring program to verify the predicted seepage rates and concentration of contaminants from the tailings storage facility as referenced in Section 2.8.3.

This recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously. Refer to Section 2.9, Commitments 8.6 and 16.1 and therefore additional measures will be taken at the beginning of project development to reduce any remaining uncertainty concerning seepage issues through the west embankment and ridge. Details of the measures and monitoring will be discussed and with the BC MoE during permitting based on predicted seepage rates and contaminant concentrations related to the new project design. Should seepage occur, mitigation measures will be proposed and discussed with MoE.

This activity is standard responsible environmental practise and will not conflict with the Project.

Recommendation 4

Further detailed terrain hazard and soils mapping should be done by Taseko in areas of the transmission line right-of-way that have been identified as having potentially hazardous terrain and sensitive soils to assist in finalizing the centreline.

Although the prior panel concluded the Project would not result in a significant adverse effect on terrain and soils, they noted that there would be some slopes along the transmission line that would warrant further consideration to assist in further minimizing effects on terrain and soils.

There has been no change in the transmission line's 500 m wide corridor relative to the previously assessed project.

Terrain hazards are an integral consideration in the final alignment of the right-of-way within the corridor and areas of steep slopes, erodible soils and sensitive soils are avoided where possible. Should areas of

hazardous terrain and sensitive soils remain within the right-of-way after final alignment, an assessment by a qualified professional will be done by Taseko in these areas prior to construction.

This recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitment 15.2). Commitment 15.2 specifically details avoidance of terrain hazards as a mitigation strategy to be followed when finalizing the alignment of the centre line.

The presentation of a final alignment of the transmission right-of-way, construction details and management plans are a requirement of the review and consultation process for a License of Occupation with the BC Forests, Lands and Natural Resources Operations.

Refer to Environmental management plan for Construction phase, specifically geotechnical stability as outlined in Section 2.8.1.

The implementation of this recommendation is standard engineering practise and will not conflict with the Project.

Recommendation 5

Taseko complete an additional assessment of areas of slope instability on the access road at Tête Angela Creek crossing.

Although the prior panel concluded the Project would not result in a significant adverse effect on terrain and soils, they noted that further assessment of slope instability on the access road at the Tête Angela (Vedan) creek crossing was warranted.

There has been no change in the transportation access relative to the previously assessed project.

Taseko has not proposed building any new access road or crossing in the vicinity of Tête Angela Creek. Assessment of areas of slope instability on any creek crossings will be done by Taseko as part of upgrading the 4500 Road access and permitted through the BC Ministry of Forests, Lands and Natural Resources, or done in coordination with the BC Ministry of Transportation and Infrastructure as part of any upgrading of the Taseko Lake Road.

The implementation of this recommendation is standard engineering practise and will not conflict with the Project.

Recommendation 6

Areas identified as unstable undergo a detailed on-site terrain stability assessment by a qualified professional so that appropriate planning and mitigation measures can be undertaken prior to the commencement of construction activities.

Although the prior panel concluded the Project would not result in a significant adverse effect on terrain and soils, this recommendation was made to assist in further minimizing effects on terrain and soils.

There has been no change in the transmission line 500 m wide corridor with respect to the previously assessed project. On the mine site, there have been changes made with respect to the location of ore and waste stockpiles and the TSF.

Areas of potentially unstable terrain and which cannot be avoided during construction will undergo a detailed on-site terrain stability assessment by a qualified professional as identified in the Geotechnical Stability Management Plan in Section 2.8.1. This will be undertaken through the Mines Act permitting process with the BC Ministry of Energy and Mines.

This is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitment 8.5).

The implementation of this recommendation is standard engineering practise and will not conflict with the Project.

Recommendation 7

Taseko construct the transmission corridor right-of-way in such a manner as to avoid long straight-line sight distances to reduce the negative effect of the right-of-way on predator-prey relationships.

Although the prior panel concluded the Project would not result in a significant adverse effect on wildlife, this recommendation was made to assist in further minimizing effects.

The recommendation would appear to be the result of concerns raised by Esketemc (Alkali Lake Band) during the community hearing sessions regarding the straight line right-of-way created by the transmission line and the potential for this right-of-way to upset the predator/prey relationship.

There has been no change in the transmission line 500 m wide corridor relative to the previously proposed project.

Long line-of-sight runs will be added to the criteria of considerations in the final design and alignment of the right-of-way in addition to other commitments, such as, utilizing existing disturbed and cleared landscapes where possible, and avoiding hazardous terrain, areas of high biophysical values, and sites of cultural or heritage resources.

This recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitments 15.1 and 15.2).

Commitments 15.1 and 15.2 speak to the intent to review design details and proposed construction schedule with provincial Ministry of Environment and other regulatory bodies as appropriate to implement all mitigation strategies relative to the transmission line. The presentation of a final alignment of the transmission right-of-way, construction details and management plans are a requirement of the review and consultation process for a License of Occupation with the BC Forests, Lands and Natural Resources Operations.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 8

Taseko begin discussions immediately with the British Columbia Ministry of Environment and the affected First Nations to develop a wildlife habitat compensation plan for mule deer.

The prior panel concluded that the Project previously assessed would have no significant effect on mule deer and their habitat. Specifically, the effect of the transmission line corridor on mule deer would not be

significant. As well, although the loss of mule deer and moose winter habitat at the mine site would be relatively large, the mine site was not considered to be a regionally important mule deer or moose winter habitat and the Panel was of the opinion that, given the location of the proposed mine site, mule deer would likely still disperse around the mine site to continue their migration.

There has been no change in the transmission line's 500 m wide corridor relative to the previously proposed project. The transmission corridor crosses ungulate winter range (UWR) in the vicinity of the Fraser River. Special mitigation measures and compensation for forest clearing through this area is already required through a Government Acts Regulation (GAR) order and application to the BC Ministry of Forests, Lands and Natural Resources Operations.

The predicted effects of the revised design for New Prosperity on wildlife habitat at the mine site in general are reduced as a result of the reduction in direct impact footprint.

Despite the reduced impact Taseko has developed a draft Habitat Compensation Framework (Appendix 2.7.2.8-B) for discussion with BC Ministry of Environment and Ministry of Forests, Lands and Natural Resource Operations should a decision be made to approve the issuance of authorizations, permits or approvals that would be required to enable this Project to proceed.

This is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitment 11.1).

This commitment applies to the entire project area including the mine site, transmission line and access road areas. Mule deer will be considered in the plan and any compensation implemented will be in accordance with the framework currently under development. As the details of the Habitat Compensation Framework develop and the need for specific compensation to offset identified adverse effects is confirmed the compensation will be implemented.

The implementation of this recommendation in the manner and to the extent described above is above and beyond that required by statute and regulation but will not conflict with the Project.

Recommendation 9

Taseko involve the affected First Nations in the development and implementation of the mitigation measures to address the concerns regarding access along the transmission line right-of-way.

The prior panel recognized that the entire region supports numerous logging roads that already provide access to the land in different areas and that the transmission line right-of-way could allow for increased accessibility to the land and to areas not previously readily accessible.

There has been no change in the transmission line 500 m corridor with respect to the previously proposed project.

The recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitments 2.1, 2.2, 2.3).

Commitments 2.1, 2.2 and 2.3 speak generally to Taseko's commitment to early, open and full communication with First Nations.

Taseko has begun the investigation into potential use of existing disturbed and cleared land in the final alignment of the transmission line right-of-way in order to avoid construction of any new access roads. As an aspect of its Transportation and Access Environmental Management Plan (refer to Section 2.8.1),

Taseko has previously committed to working with First Nations, landowners, the public and appropriate regulatory agencies in the development of an access management plan for the transmission line.

The presentation of a final alignment of the transmission right-of-way, construction details and management plans are a requirement of the review and consultation process for a License of Occupation with the BC Forests, Lands and Natural Resources Operations.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 10

Taseko develop and implement a wildlife habitat compensation plan that provides for the creation of additional wetland/riparian habitat beyond that proposed by Taseko at the mine site, in collaboration with Environment Canada, the British Columbia Ministry of Environment, affected First Nations and appropriate environmental organizations such as Ducks Unlimited.

The prior panel concluded that provided a wildlife habitat compensation plan is developed and implemented, the Project would not result in a significant adverse effect on migratory birds and their habitat.

The design of the Project previously assessed included the draining of Fish Lake and the subsequent use of the footprint of the lake for waste rock storage and an ore stockpile.

The revised design for New Prosperity relocates the waste rock storage and ore stockpile, retaining Fish Lake, and relocates the TSF upstream in the Fish Lake drainage. As a result there is a reduction in direct footprint on migratory bird habitat at the mine site.

Despite the reduced impact, Taseko has developed a draft Habitat Compensation Framework (Appendix 2.7.2.8-B) for discussion with the BC Ministry of Environment and Ministry of Forests, Lands and Natural Resource Operations should a decision be made to approve the issuance of authorizations, permits or approvals that would be required to enable this Project to proceed.

This is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitment 11.1).

This commitment applies to the entire project area including the mine site, transmission line and access road areas. As the details of the Habitat Compensation Framework develop and the need for specific compensation to offset identified adverse effects is confirmed the compensation will be implemented.

The implementation of this recommendation in the manner and to the extent described above is above and beyond that required by statute and regulation but will not conflict with the Project.

Recommendation 11

Local First Nations, the Province and Taseko develop an agreement outlining mitigation measures to avoid or minimize damage to archaeological finds, as well as how found artifacts would be preserved. The agreement should incorporate traditional values of First Nations and be completed prior to the start of construction. In particular, the Panel recommended that as a component of such an agreement Taseko consider the development and implementation of a chance find procedure in collaboration with First Nations and the Province to address all artifacts found

during construction of mine site infrastructure and the transmission line right-of-way, including a process of communication with First Nations to address chance finds and employ a trained archaeological monitor to evaluate effects during construction activity.

On the mine site area, an extensive field assessment conducted in 2006 identified 79 pre-1846 archeological sites

The design of the Project previously assessed included the draining of Fish Lake and the subsequent use of the footprint of the lake for waste rock storage and an ore stockpile. The majority of archaeology sites were located around the shore of the lake.

The revised design for New Prosperity relocates the waste rock storage and ore stockpile, retaining Fish Lake, and relocates the TSF upstream in the Fish Lake drainage.

As a result of the design changes in the Project only 12 sites are within the maximum disturbance boundary, compared to 79 in the previous project design.

This archaeologically related recommendation is consistent the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitments 24.1 and 24.2).

Commitment 24.1 and 24.2 clearly outline steps Taseko must take to outline mitigation measures. This is an area of provincial policy and their guidance will be followed.

Taseko will undertake further efforts during detailed design to avoid those sites remaining at risk in the mine site area. Additional archaeological impact assessment work will be conducted in the areas previously unsurveyed in the new location of the waste rock stockpile.

The Tsilhqot'in National Government has been a participant in all past archaeological investigations on the mine site. Invitations will continue to be extended to First Nations to participate in the field assessments, as well as to develop mitigation measures for any identified sites proposed for disturbance and handling of artifacts.

A qualified professional has developed a Chance Find Procedure for Taseko and the opportunity for review of the Archaeology Management Plan for Exploration with the Chance Find Procedure was extended to First Nations. This procedure has been recently utilized during 2012 exploration on the New Prosperity site which included participation by a First Nations nominated professional archaeologist.

Commitment 24.3 refers to the completion of the Archaeological Impact Assessment for the transmission line and a management plan prepared to the satisfaction of the Archaeology Branch prior to commencement of construction.

There has been no change in the transmission line 500 m wide corridor relative to the previously proposed project. Past assessments identified only 2 archaeology sites within 250 m of the corridor.

To enable finalization of the right-of-way alignment within the corridor, Taseko is completing an archaeological impact assessment in order to identify and, where possible, avoid any additional archaeology sites. First Nations have been invited to participate in this assessment.

As outlined in Section 2.5.1.1, Engagement and Consultation, Taseko will continue to extend invitations to First Nations to participate in planning through all phases of mining and will remain receptive to discussing additional mitigation measures. In the absence of participation from others, Taseko will develop archaeology management plans to the best of their knowledge of aboriginal values, and provide the plans to the province during transmission line and mine site permitting for consultation enabling First Nations the opportunity for review and comment.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 12

Taseko consider relocating the transmission line outside the Esketemc Community Forest, or consider options mutually agreeable to all parties involved to minimize or compensate for the effects on the Community Forest.

The transmission line would run through the Esketemc Community Forest, an area that was reported to be important to the Esketemc and in the prior panel's view, efforts should be made to avoid this area given its importance to the Esketemc.

There has been no change in the transmission line 500 m wide corridor with respect to the previously proposed project.

Taseko continues to consider final alignment options that avoids or minimizes interference with the harvestable timber, sensitive biophysical and cultural features Esketemc holds for the Community Forest. If interference is not avoidable, provincial Ministry policy contains provisions to compensate the licensee of any unavoidable interference.

Taseko has met with the Alkali Resources Ltd. on this topic to propose a preferred alignment to minimize impacts on the Community Forest by routing the alignment through existing disturbance and cleared areas. Options for routing the line to the south of the Community Forests were also discussed but an additional challenge associated with invasive weeds with this option arise from enabling ATV and pick-up access off the grasslands on the southern border into the Community Forest. Taseko will continue to extend invitations to Alkali Resources Ltd. to finalize the route of the alignment, and to present the options formally to Esketemc Chief and Council.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 13

Taseko meet with the affected tourism business owners to discuss compensation for lost business as a form of mitigation.

While the prior panel's view was that tourism would not be adversely affected in the region as a whole it heard that Taseko Lake Outfitters relied on the exclusive wilderness setting in which the Taseko Lake Lodge is situated for their business. Further, the prior panel heard that Taseko Lake Outfitters utilized the meadows in the Nabas region to graze their horses.

It is not clear to Taseko whether the prior panel’s finding on this point is in keeping with CEAA’s policy on determining what significant effects are or whether any such effects are the basis of this recommendation.

Taseko is of the opinion that the existence of a mine and its limited footprint with respect to the region available for Taseko Lakes Lodge to conduct its business, coupled with the potential new business opportunities presented by a mine would not have the effect concluded by the prior panel.

However, Taseko is willing to meet with the affected tourism business owners to discuss effects or opportunities that may occur as a result of the Project.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 14

Taseko monitor ground level concentrations of particulate matter at the Taseko Lake Lodge.

The prior panel concluded that emissions of particulate matter from the previously reviewed project would not result in significant adverse effect. While this recommendation was made by the prior panel, there is no finding of significance by the prior panel with respect to particulate matter at the Taseko Lakes Lodge.

The changed project activities and physical works for New Prosperity do not result in substantial changes to criteria air contaminant emissions in any of the Project phases.

This recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitments 17.3 and 17.4)

Commitments 17.3 and 17.4 outline the obligation to develop and implement an AQEMMP as directed by MoE. The installation and operation of a monitoring station in the vicinity of the Taseko Lake Lodge will be discussed with the BC Ministry of Environment during the review of the BC Mines Act Permit prior to construction, and monitoring locations will be considered as a component of the AQEMMP. Establishment of monitoring locations and reporting of monitoring results are formalized through the Air Discharge Permit issued by the BC Ministry of Environment.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 15

Transport Canada hold further discussion with Taseko, First Nations and recreational users to determine whether interim access to other lakes would be desirable and if so, appropriate measures be developed to minimize the environmental effects of creating increased access to navigation and related fishing opportunities elsewhere.

The prior panel noted that should the previously reviewed project proceed, Transport Canada would require mitigation for the loss of navigation in Fish Lake, (Little Fish Lake) and portions of Fish Creek and that this would need to take into consideration matters related to navigation, including the fishing experience and the spiritual and cultural uses of Fish Lake, Little Fish Lake and portions of Fish Creek that would be lost. The prior panel was of the view that while the recreational fishing experience could not be replaced, it could be mitigated by the provision of increased access to other lakes as an interim measure and the ultimate development of the proposed Prosperity Lake. However, the prior panel also recognized that this would create additional pressure on other lakes that are also used by First Nations.

The design of the Project previously assessed included the draining of Fish Lake and the subsequent use of the footprint of the lake for waste rock storage and an ore stockpile. This design resulted in the loss of Fish Lake, Little Fish Lake and portions of Fish Creek but proposed the development of Prosperity Lake as compensation.

The revised design for New Prosperity relocates the waste rock storage and ore stockpile, retaining Fish Lake, and relocates the TSF upstream in the Fish Lake drainage. The revised design for New Prosperity

retains Fish Lake, establishing a new public access to the Lake, and an appropriately revised fish compensation plan.

The recommendation put forward by the panel is directed at access developed to other lakes as part of potential compensation for the losses associated with the Project previously assessed. The recommendation is not applicable to the revised design and no further consideration of this recommendation is warranted.

Recommendation 16

Taseko provide access to the proposed Prosperity Lake within the same season that the lake becomes available as a compensation fishery – in approximately Year 7 of the operation phase.

One of the components of the Project previously assessed was the development of the proposed Prosperity Lake as compensation for the loss of Fish Lake. With the design of New Prosperity, Fish Lake is retained and there is no justification to develop Prosperity Lake. As a result, no further consideration of this recommendation is warranted.

Recommendation 17

Taseko establish access to the proposed Prosperity Lake to allow for boat launching, camping and fishing to replicate as much as possible the water bodies it would replace.

One of the components of the Project previously assessed was the development of the proposed Prosperity Lake as compensation for the loss of Fish Lake. With the design of New Prosperity, Fish Lake is retained, including a new public access and there is no justification to develop Prosperity Lake. As a result, no further consideration of this recommendation is warranted.

Recommendation 18

Taseko monitor arsenic and mercury in fish tissue as a precautionary matter to verify predictions and the results of the monitoring be provided to appropriate federal and provincial authorities.

Although the prior panel concluded that the previously assessed project would not result in a significant adverse effect on fish health in the Taseko River, they noted that there is a fear on the part of First Nations that the mine would contaminate the Taseko River and that the fish would no longer be fit for consumption.

Although the location of the waste storage, ore stockpile, and TSF have changed relative to the Project previously assessed, all components remain upstream of the open pit and the prediction of quality of water discharging from the open pit post closure remains similar as that of the Project previously assessed.

With the retention of Fish Lake as a viable fishery under the New Prosperity design it is also anticipated that a Fish Lake monitoring program will be required as well.

A fish tissue monitoring program that addresses concerns with respect to both Fish Lake and the Taseko River will be developed and implemented as directed by the BC Ministry of Environment and by Fisheries and Oceans, Canada during the permitting and authorization processes, respectively.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 19

Taseko collaborate with the Secwepemc when determining the final alignment of the transmission line centreline in order to minimize disturbance resulting from the Project to areas of importance to the Esketemc (Alkali Lake Band) and Stswecem'c/Xgat'tem (Canoe Creek Band).

The prior panel noted that the Secwepemc people indicated they used the area of the proposed transmission line corridor for traditional purposes and that the transmission line may affect their ability to continue their current use practices due to increased access, loss of cultural connectivity with the land, and direct impacts to wildlife. The prior panel also noted that the area of the proposed transmission line crossing over the Fraser River has been identified as an area that is rich in archaeological and burial sites.

There has been no change in the transmission line 500 m wide corridor with respect to the Project previously assessed.

The recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitments 2.1, 2.2, 2.3)

Commitments 2.1, 2.2 and 2.3 speak generally to Taseko's commitment to early, open and full communication with First Nations.

Taseko has begun to implement their engagement strategy for access management planning and has initiated efforts to work with First Nations on this topic. Invitations have been extended to both the Esketemc (Alkali Lake Band) and Stswecem'c/Xgat'tem (Canoe Creek Band) to participate in 2010 field studies on wildlife, rare plants, and archaeology along the transmission line corridor. Invitations will continue to be extended in hopes of encouraging participation in planning the final alignment of the right-of-way and minimizing impacts on values of importance to Aboriginal people. Results of the studies will be submitted by Taseko to the BC Ministry of Forests, Lands and Natural Resource Operations during the review and consultation process for the License of Occupation for the transmission line.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 20

Taseko commit to monitoring of transplanted *Schistidium heterophyllum* populations and the implementation of appropriate adaptive management measures to ensure its survival.

The prior panel heard that the moss, *Schistidium heterophyllum*, was considered to be at the limit of its range, as it was represented by only a few specimens; for these reasons, it was considered to be endangered in the region. The prior panel noted that Taseko has proposed to move the boulders hosting the moss and considerers this to be an acceptable mitigation measure to protect this species.

Schistidium heterophyllum, as in 2009 is not listed by the *Species at Risk Act* (SARA), and has since been downlisted from red listed to blue listed.

This recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitment 10.5).

Commitment 10.5 specifically refers to the Vegetation and Wildlife Management Plan mitigation measures outlined in Volume 5, Section 6.4.1. Follow-up monitoring for *Schistidium heterophyllum* is included amongst the mitigation measures.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 21

Taseko investigate pit wall stability prior to closure to minimize any post-closure stability problems.

The prior panel noted that if a pit wall failure were to occur after closure, and certainly once the open pit was filled with water, a large volume of water would be released into Fish Creek and hence the Taseko River. Also, in the event of a pit wall failure once the open pit was filled, the stability of the Pit Lake would be disrupted and water from the bottom of the open pit, which would be higher in contaminants, could be brought to the surface and released into Fish Creek and the Taseko River. While these would appear to be unlikely events, the prior panel commented that consideration be given to future emergency response planning when the open pit would start to fill with water after closure of the mine.

The design of the Project previously assessed included the draining of Fish Lake and the subsequent use of the footprint of the lake for waste rock storage and an ore stockpile

The revised design for New Prosperity relocates the waste rock storage and ore stockpile and retains Fish Lake but there is no change in the pit design. Open pit stability will be continually monitored during operations and long-term stability will be assessed prior to closure. The pit design is reviewed by provincial Ministry of Energy Mines and Petroleum Resources (MEMPR). The Mines Act Permit will also detail specific requirements to investigate and address any potential post-closure stability issues.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 22

Taseko develop a revised emergency response plan before mine closure to address a possible embankment failure.

With respect to a possible embankment failure, the prior panel noted that for the operating life of the mine as proposed in the Project previously assessed, in the event of a failure, water from the tailings storage facility would flow into the open pit. Also, the geotechnical instrumentation that would be installed in the embankments should alert Taseko if any changes occur from design predictions and allow corrective action to be taken.

The location of the TSF has changed relative to the Project previously assessed but remains in the same watershed and upstream of the open pit. The design leaves Fish Lake intact between the main embankment and the open pit. The design also incorporates a low permeability core for the full height of the embankment as compared to the previous design which utilized a low permeability core for the early stages only. Despite the design changes the geotechnical monitoring approach remains the same.

This recommendation is consistent with the Table of Commitments developed during the review of the Project assessed previously (refer to Section 2.9, Commitment 23.1).

Commitment 23.1 refers to the implementation of a risk management approach for the design, construction, operation and closure of the Project.

The operational emergency response plan is revised continually and will be revised at closure. This is a requirement of the Mines Act Permit and the Health, Safety and Reclamation Code for Mines in British Columbia.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 23

The federal and provincial governments establish an independent monitoring committee as soon as possible to assist in building trust between Taseko and First Nations and to demonstrate that Taseko is implementing its commitments as intended throughout the mine life; the committee would consist of appropriate government agencies and/or independent experts, First Nations affected by the Project and local non-First Nation members, and would be funded by Taseko.

The prior panel noted that should the previously assessed project proceed, it would be important to attempt to build trust with First Nations and to operate in a fully transparent manner with them. Involving First Nations in the environmental management plans would be a means to assist in this regard. In the prior panel's view, this could be accomplished through the establishment of an independent monitoring committee with costs to be borne by Taseko. The committee would involve appropriate government agencies and or independent experts, First Nation and local non-First Nations members. The committee would have the responsibility to independently review and monitor the previously assessed project effects and the implementation of mitigation measures.

This recommendation is directed at the federal and provincial governments and should the Project proceed Taseko is committed to working with the appropriate regulatory agencies with respect to monitoring project effects and the implementation of mitigation measures as part of the permitting process.

The implementation of this recommendation in the manner and to the extent described above will not conflict with the Project.

Recommendation 24

The responsibilities of the independent monitoring committee should include the following:

- **Reviewing and monitoring surface water quality and arsenic and mercury levels in fish tissue**
- **Reviewing the hydrogeological data collected as per commitment 8.6**
- **Reviewing and monitoring the data collected from the long-term follow-up and monitoring program to verify the predicted seepage rates and concentration of contaminants from the tailings storage facility toward Big Onion Lake and the effectiveness of the proposed primary mitigation measures**

- **Reviewing and monitoring data collected on the implementation of the fish and fish habitat compensation plan**
- **Reviewing the effectiveness of measures to control invasive plant species along the transmission line**
- **Reviewing the information collected on any Project-related grizzly bear-vehicle collisions or near misses**
- **Participating in the development of and reviewing the implementation of the access management plan for the transmission line**
- **Participating in the development of and reviewing the implementation of the wildlife habitat compensation plan, and**
- **Other matters that may arise during the construction, operation, and closure of the mine, as a result of monitoring and adaptive management measures.**

The prior panel noted that should the previously assessed project proceed, it would be important to attempt to build trust with First Nations and to operate in a fully transparent manner with them. Involving First Nations in the environmental management plans would be a means to assist in this regard. In the prior panel's view, this could be accomplished through the establishment of an independent monitoring committee with costs to be borne by Taseko. The committee would involve appropriate government agencies and or independent experts, First Nation and local non-First Nations members. The committee would have the responsibility to independently review and monitor the Project effects and the implementation of mitigation measures.

Taseko is committed to working with the appropriate regulatory agencies with respect to the mandate of independent monitoring committees that may result from the permitting process.

2.11 ASSESSMENT SUMMARY AND CONCLUSION

This section summarizes the overall findings of the EIS by providing a detailed scope of the assessment, characterization of Project-related environmental effects and cumulative environmental effects, a concise summary of potential effects and mitigation, and assessment of significance. The section also provides a summary of the alternatives assessment approach, previous panel conclusions, potential accident and malfunction scenarios, and the proponents overall conclusion with respect to significant adverse environmental effects. .

Environmental Effects Assessment Approach

The environmental effects assessment approach used in this assessment involves the following four steps.

5. Scoping of the overall assessment.
6. Characterization of Project-related Environmental Effects.
7. Characterization of Cumulative Environmental Effects.
8. Assessment of whether any Significant Adverse Effects are Likely.

Scope of Assessment

In his referral of the Project to a review panel, the Minister of the Environment instructed the Agency to design a process that would thoroughly assess whether the proposal addresses the environmental effects identified in the environmental assessment of the original Prosperity Gold-Copper Mine Project and to ensure that information obtained during the previous environmental assessment is used to the extent possible to ensure a timely decision.

To this end Taseko has scoped the project as including four elements (mine site, transmission line, access road and concentrate load-out), and the components, features and activities associated with the project description as described in Section 2.2.3. As stipulated in the EIS Guidelines this EIS assesses the potential environmental effects of the Project and identifies the significance of any adverse residual effects, the focus of the assessment is on environmental effects associated with those aspects of the Project that have changed or are new from the previous project proposal and on corresponding changes to the environmental effects previously predicted.

There are no new or changed components, features or activities associated with the Transmission Line, Access Road and Transportation Corridor and the Gibraltar Mines Concentrate Rail Load-Out Facility. For those Project elements, this EIS makes use of or references existing relevant information generated as part of the 2009/2010 review process to provide a rationale as to why the previously predicted environmental effects remain the same.

Only at the mine site does the Project contain new or changed components, features and activities compared to the previously assessed project. Fundamentally these changes were made to preserve Fish Lake and are limited to the relocation of the TSF to place the main embankment 2.5km upstream of Fish