

June 14, 2013

Ms. Tracey Braun, M.Sc.  
Director, Environmental Assessment & Licensing Branch  
Manitoba Conservation and Water Stewardship  
123 Main Street, Suite 160  
Winnipeg, Manitoba  
R3C 1A5

Dear Ms. Braun:

RE: *Environment Act* Application for Reed Mine  
Your File 5621.00

I write in reply to your letter of March 13, 2013 which requests that we provide additional information in response to comments submitted by the public and the Technical Advisory Committee (TAC).

### **TAC Comments**

Please see the enclosed submission which sets out the proponent's reply to each of the questions raised by the TAC (the TAC Response Submission).

### **Public Comments**

With respect to comments by the public, please see my letter of March 4, 2013, which you received and uploaded to the Public Registry on March 6, 2013 (Submission of March 6).

### **Information Sharing Meeting in Winnipeg**

I also wish to report on the information sharing meeting held in Winnipeg on April 4, 2013, which was facilitated by Sheldon McLeod of SLMcleod Consulting (SLMC). SLMC prepared a record of the meeting.

I enclose the materials that were generated in relation to the meeting of April 4, 2013, as follows:

1. E-mail list (spread sheet) setting out the names of persons invited to the April 4, 2013 meeting;
2. Register of persons who replied to the invitation, indicating who attended the meeting;
3. AECOM Register of Attendees and Comment Sheets;
4. Copies of personal invitation letters;
5. Memo describing a telephone conference between Stephen West and Kate Storey (of the Green Party of Manitoba) dated March 13, 2013 (Ms Storey indicated that she couldn't attend the meeting but wanted to discuss her concerns);
6. Three Power Point presentations used in the meeting, as follows:
  - a. Project description presented by HBMS and summary of environmental impact assessment (EIA) presented by AECOM;

- b. Slide deck with the photographs and maps used to illustrate the project description and EIA;
  - c. Presentation on the specific issues raised in public comments:
    - i. Site clearing,
    - ii. caribou protection (NOTE: these slides contain the five maps showing caribou locations)
    - iii. mining in Provincial Parks,
    - iv. water quality,
    - v. carbon footprint,
    - vi. noise and traffic,
    - vii. recreation values,
    - viii. exploration approval process, and
    - ix. Spruce Point Mine;
7. Meeting record by SLMC describing the process and content of the meeting; and
8. Photographs taken at the meeting.

Please upload this letter and the enclosed items to the Public Registry, with the exception of Items 1 - 3, which contain names and/or email addresses of members of the general public. Based on questions or comments we received from a few of these individuals, we ask that you treat these items as confidential pursuant to section 47 of *The Environment Act*. The SLMC meeting record enclosed herewith contains the names only of leaders of organizations or persons publicly associated with environmental advocacy and therefore, in our view, it is appropriate for uploading in its entirety.

We suggest as well that you confirm with the Wildlife Branch whether the caribou maps should be uploaded.

We also will provide a copy of the meeting record to everyone who signed the register at the meeting or indicated to us in advance that they wanted to receive the material but were unable to attend the meeting.

We find the meeting record prepared by SLMC to be accurate and we adopt its contents. However, as noted in the meeting record, it is based on notes taken at the meeting and should not in any way be taken as a verbatim record. We did permit a video recording to be made by a videographer who attended the meeting and who later advised that he had been retained by the Wilderness Committee. We requested access to the video, but the Wilderness Committee refused permission for us to purchase same.

### **Additional Information**

Upon review of the meeting record prepared by SLMC, our March 6 Submission, and the enclosed TAC Response Submission, we are satisfied that the concerns and questions posed by members of the public have been addressed. However, for the further information of the public, we wish to provide some additional clarification on a few points discussed at the meeting:

## Closure Plans

There was some discussion at the meeting about the requirements for closure plans for mines in Manitoba. Upon review of the meeting record, it appears that we may not have provided a sufficiently clear explanation of the legal authority for the requirement of closure plans and financial assurance. The requirement to file a closure plan and financial assurance is separate from the environmental assessment and licensing requirements contained in *The Environment Act*. It is contained in section 74 of *The Mines and Minerals Act*, which provides that the holder of a claim may not commence an advanced exploration project until it has filed a closure plan prepared in accordance with the regulations (the Mine Closure Regulation, Manitoba Regulation 67/99) and the Director of Mines has approved the plan and accepted the security for performance of rehabilitation.

Pursuant to this provision, the Director of Mines holds security for the full cost of rehabilitation of the Reed AEP site. Section 111 of *The Mines and Minerals Act* contains a similar requirement with respect to the operation of a mine and it will apply to Reed Mine. Please see the question and answer in this regard in the enclosed TAC response submission.

## Caribou

There was considerable focus on caribou both in the public comments that were answered in our submission of March 6 and at the meeting in Winnipeg held April 4, 2013. Please see the TAC comments, in which the Wildlife Branch contributed some additional information about caribou and please also see the five maps we provided with our TAC response submission. These maps were displayed at the April 4, 2013 meeting.

As well, we refer members of the public to the further commitments we have made in relation to caribou as they are stated in our TAC Response Submission.

## Concerns about Water Quality and Discharge from Polishing Pond

Please see the further information and commitments on this subject made in our TAC Response Submission.

## Access to Information

One person inquired whether HBMS would make the above-listed documents and other reports related to the proposed project available on line. HBMS is doing so through the Public Registry maintained by Manitoba Conservation.

One person inquired about the value of the mineral resource. The appropriate links to information of this nature may be found on the Hudbay Minerals Inc. website at <http://www.hudbayminerals.com/>

Another participant asked for access to the complete presentations on the Reed project given by HBMS in earlier meetings (held in the North). We wish to advise that these presentations were already available on the Public Registry for this project, File No. 5621, at <http://www.gov.mb.ca/conservation/eal/registries/5621reedmine/index.html> Members of the public who would like to see these presentations should go to the site listed above and open the files called "February 21, 2013 Submission" and "Environment Act Proposal, Appendix E, Reports of Public Engagement."

## First Nation Information Sharing Process

We also wish to update you on the information provided in our *Environment Act* Proposal and in our March 8, 2013 Submission, in which we advised that studies were in the process of being carried out by Firelight Group on behalf of Mathias Colomb Cree Nation (MCCN). These studies were funded by HBMS and Manitoba in specific response to requests by MCCN and their counsel, Robert Freedman and Mark Gustafson, of Janes Freedman Kyle (JFK), who wrote to our lawyers on January 27, 2012. MCCN took the position that MCCN would require HBMS and/or Manitoba to fund: a study of traditional knowledge and use to be carried out by the consultant of their choice, who was identified as Dr. Craig Candler of the Firelight Group; and a third party review of HBMS's environmental impact assessments to be performed by an environmental expert of their choice, Dr. Ginger Gibson (also of the Firelight Group).

MCCN provided a preliminary technical memorandum by Firelight on MCCN traditional uses and proposals for the two studies.

Meetings were held in Winnipeg on May 3, 2012 and July 5, 2012 to discuss these matters. At these meetings and in subsequent telephone conferences, HBMS, Manitoba and MCCN agreed on the terms of reference for the studies that had been proposed by MCCN. Firelight committed to share their report on traditional knowledge and use within six months. HBMS and Manitoba agreed to share the costs. The work was to include interviews of First Nation members, followed by mapping and written reports on the First Nation's traditional uses. MCCN, HBMS and Manitoba committed to return to the table to discuss the results of the studies and any comments prepared by Dr. Gibson during her expert review. Dr. Gibson was to help the MCCN membership respond to the environmental information presented by HBMS.

The work on both studies began in October, 2012. AECOM worked with Drs. Candler and Gibson to assemble the materials they would need to carry out both pieces of work, including providing assistance with digital mapping of background information needed by Dr. Candler for his work in mapping traditional uses.

AECOM sent their environmental studies concerning both the Lalor and Reed Projects directly to Dr. Gibson and reviewed them with her in telephone conferences. Next, HBMS and its consultant, AECOM, attended in Pukatawagan to meet with Dr. Gibson and members of MCCN to discuss HBMS mining projects. We reported to you on that meeting in our March 8, 2013 Submission.

Firelight expected to complete its reports by the end of March, 2013. The information sharing process was to have been completed between April and June of 2013.

Unfortunately, this has not been the case. During February, 2013, HBMS, through legal counsel, attempted to set dates for the three-party information sharing meetings to resume, in the expectation that the process would be continued in April with the benefit of the completed studies. To the best of HBMS' knowledge, Dr. Candler and his team completed the interviews needed to map MCCN traditional uses. HBMS paid Firelight's invoices, as had been agreed. However, JFK was unable to obtain instructions to resume the three-party meetings. Subsequently, MCCN terminated its relationship with JFK.

On March 26, 2013, HBMS wrote to Dr. Candler to seek information on completion of Firelight's work. On April 4, 2013, Dr. Candler replied that Firelight's work was "on hold based on a request from MCCN received earlier this year." Dr. Candler further indicated that Firelight would require written authorization from MCCN before "picking up pens again."

By letters dated April 15 and 16, 2013, Manitoba Mines Branch and HBMS wrote to MCCN to inquire whether Firelight's work was going to be completed. In that letter, HBMS advised that if a link were to be demonstrated between adverse effects of proposed projects and activities practiced by a member(s) of MCCN, HBMS would do all that is necessary to avoid, mitigate or compensate for any loss so occasioned. In its letter, Manitoba advised of the steps it intends to take to complete its consultation process. I attach copies of these letters for your information.

At the end of April, HBMS was advised that MCCN has retained new counsel. Through our legal counsel, HBMS reiterated that it would stand by the various commitments made in my letter of April 16, 2013, which included the following:

1. Should MCCN choose to provide instructions to Firelight to resume its work, HBMS would meet with them to discuss the results;
2. If Firelight's work and the three-party discussions were done in time, HBMS would provide the results to regulators for consideration in the licensing applications for its various projects;
3. Even once licenses have been issued, HBMS would honour its invitation to welcome the participation of elders and resource harvesters in environmental information collection and monitoring programs; and,
4. If there were any link between adverse effects of any HBMS project and activities practiced by a member(s) of MCCN, HBMS would do all that is necessary to avoid, mitigate or compensate for any loss so occasioned.

HBMS continues to be committed to further information sharing should MCCN decide to resume the process.

We trust that this submission contains the information needed to complete your review of this application. However, please do not hesitate to contact us should you need anything else. We would be pleased to provide anything more that you might require.

Sincerely,



Stephen West, P.Eng.  
Superintendent, Environment Control

cc. ADM John Fox  
Sheldon McLeod of SLMcleod Consulting