Reed Copper Project

Report on Winnipeg Information Session

April 4, 2013

Hosted by
Hudson Bay Mining and Smelting Co., Limited

Arranged by AECOM

Facilitated by Sheldon McLeod, SLMcleod Consulting

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Introduction

On the evening of April 4, 2013, Hudson Bay Mining and Smelting Co., Limited (HBMS) and its consultant AECOM held a facilitated information meeting at the Holiday Inn South in Winnipeg, Manitoba. The purpose of the meeting was to address comments concerning the HBMS Reed Copper Project.

HBMS retained Sheldon McLeod of SLMcleod Consulting (SLMC) to facilitate the meeting and prepare this report for the public registry. This report is an overview of the meeting, including the background and rationale for the meeting, a description of the information components presented by the project proponent and an outline of the issues raised by participants. No transcript was made, but notes were taken by Morgan Vespa of SLMC. This report attempts to summarize faithfully participants' questions, concerns and comments.

As explained at the meeting, Manitoba Conservation did not organize or participate in this meeting. HBMS has committed to submit its presentation material and this report to Manitoba Conservation for uploading to the site of the public registry and to prepare a supplementary regulatory filing that includes responses to each of the issues raised by participants. As well, participants were advised that they could receive a personal copy of this report.

Background and Rationale for Meeting

HBMS is developing the Reed Copper Project on a site that has been under continuous exploration since 2007. The Reed site is located between Snow Lake and Flin Flon on the southern edge of Grass River Provincial Park, in a portion of the Park which is categorized for "resource management." HBMS has been developing an Advanced Exploration Project (AEP) on the site since November of 2011 pursuant to the approval of the Director of Mines of its closure plan and financial assurance. Public engagement has included open houses in Flin Flon and Snow Lake as well as two meetings with leadership of the Mathias Colomb Cree Nation (MCCN) and a community meeting in Pukatawagan, the results of all of which are summarized in the *Environment Act* proposal materials.

In December of 2012, HBMS filed a proposal for an *Environment Act* licence (EAP) for the future Reed Mine. In response to advertisement of the EAP, Manitoba Conservation received approximately 150 objections to the project. HBMS invited each of the persons who objected to the project to attend a supper and information meeting on the evening of April 4, 2013 to be held in the Holiday Inn South in Winnipeg. In addition, the Wilderness Committee advertised the meeting on its website and invited the general public to attend. HBMS welcomed all persons who appeared at Holiday Inn South to participate in the meeting, no matter the source of their invitation. Approximately 18 - 22 people attended and most remained throughout the evening, even though the meeting ran more than an hour and a half beyond the three hours that had been planned.

Early in the evening, the presentation was interrupted by an approximately 20-minute demonstration by protesters. HBMS Vice President Brad Lantz invited the demonstrators to remain and participate in the information sharing, but none of the demonstrators chose to remain after their demonstration had concluded.
The purpose of the meeting was to share project description and environmental impact assessment information, as had been done for the local communities in the north, and to address the specific questions and concerns raised in the objections filed with Manitoba Conservation.

By the end of a lively evening, everyone in the room had been given a chance to state their positions without interruption and ask their questions. HBMS addressed these concerns either in the course of its presentations or by way of specific responses. Notably, as well, Eric Reder of the Wilderness Committee, Gail Whelan Enns of Manitoba Wildlands and Hugh Arklie spoke about their views on a variety of matters, primarily related to regulatory process and mining in Provincial Parks.

At the close of the meeting, Sheldon McLeod gave every participant the opportunity to make a final statement or ask any remaining question. These questions, too, were addressed. Several participants expressed appreciation for the opportunity to exchange views. Although they continued to oppose the project, they acknowledged the quality of the information that had been shared.

Process for the Meeting

1.1 Approximate Timeline

6:00	Attendees began to arrive and sign-in
6:15 – 7:00	Light meal was served, attendees browsed poster displays
7:00 – 7:10	Meeting began, introductions
7:10 – 7:30	Demonstration
7:30 – 8:00	Presentations from HBMS and AECOM
8:00 – 10:50	Question and answer/discussion period

1.2 Summary of Process

Session attendees were greeted and welcomed to sign-in as they entered the session. Once participants entered they were able to view several poster boards displaying maps and other project information set up in the room. The evening began with Sheldon McLeod welcoming everyone in attendance and asking for the representatives from HBMS and AECOM to introduce themselves and their teams. At that point Stephen West from Hudbay introduced Jay Cooper, Joel Nilsen, and Shirley Neault. Then, Cliff Samoiloff from AECOM introduced Somia Sadiq, Don McDonald, Mark Hadfield and Jen Murray. Vice President Brad Lantz also was present in the audience and was able to respond to some questions later in the evening. As well, Ed Huebert of the Mining Association of

Manitoba Inc. (MAMI) was in attendance, though not introduced until later in the evening.

Sheldon McLeod explained that HBMS had reviewed the participants' comments submitted to Manitoba Conservation and prepared material for the issues they had identified, including: site clearing; caribou; recreation and mining uses in Provincial Parks; water quality; carbon footprint; noise; and concerns relating to the regulatory approval process for advanced exploration and mining and closure planning and financial assurance. Some of this material was displayed on the poster boards around the room as well as contained in the opening presentation.

HBMS proposed to do an overview of the project description and environmental impact assessment information that had been presented in meetings in the north before the application had been filed and then address each of the specific issues that had been identified, with ample time for questions and comments. Also, it was hoped that there would be time at the end for any additional questions or concerns that participants wanted to raise that evening. The meeting proceeded along these lines, although the give and take of questions, comments and responses was quite informal and the meeting ran considerably overtime.

Sheldon McLeod then introduced Jay Cooper, Assistant Superintendent of Environment for HBMS, to begin the project description portion of the presentation. The presenters used two slide projectors, one with text, diagrams and figures, and the other with photos and maps. Shortly after Jay Cooper began the presentation there was a short demonstration by some individuals who spoke about Aboriginal concerns but did not identify themselves either individually or as representing any group. Once the demonstration was complete, Jay Cooper continued his presentation. After the explanation of the project, Cliff Samoiloff of AECOM took over the presentation to explain the environmental assessment process and the results. Jay Cooper concluded the presentation with information about closure planning and three central messages. It should be noted that although none of the demonstrators stayed for the meeting, various meeting participants spoke from or about an Aboriginal perspective, as summarized below.

Those in attendance were attentive during the presentations, with only a few questions from the audience during the presentations. Once the presentations were complete the questions from those in attendance began. Some audience members had prepared for the meeting with maps, figures and photographs of their own to accompany their questions, while others listened for most of the meeting. Taking turns, attendees had a chance to ask their questions in a question-response manner while the representatives from HBMS and AECOM provided answers. Attendees were permitted to speak about whatever concerned them in an uninterrupted fashion and were encouraged to ask as many questions as they liked, either during or after the evening's activities.

The main topics covered during the session were: site clearing, caribou, recreation and mining uses in Provincial Parks, water quality, carbon footprint, noise, concerns relating to the regulatory approval process for advanced exploration and mining, closure planning and financial assurance, as outlined above. Other topics raised by participants and addressed in the course of the meeting were heritage resources, First Nation involvement and use of language appropriate to consultation, flora and fauna, exploration, traffic and roads, monitoring, protected areas and spill prevention and response.

1.3 Process for Presentations

HBMS opened the presentation with an outline of the history and an overview of the project itself, including location. The presentation provided information about what has happened at the Reed site to date and what changes will occur if the Reed Copper Mine goes into production. The background information, along with aerial photography of the site, gave a sense of where the site is situated and the environment surrounding it. The production processes and technical activities on site were discussed including road use, freshwater supply, water management, electrical power, domestic and hazardous waste management, and waste rock management.

Representing AECOM, Cliff Samoiloff presented the environmental effects assessment and the important components of the assessment. He explained at the outset that the presentation is a shortened version of what was shown in the other meetings and that they tried to include as much information as possible. Cliff encouraged anyone with additional questions to bring them up during the question period or approach a representative from AECOM afterwards for any questions regarding the assessment.

AECOM's portion of the presentation began with the environmental setting for the project, the environmental assessment process and the scope of the assessment. Cliff explained the study of the existing baseline conditions and the evaluation of the inputs and outputs. The remainder of the presentation included details about the main components of the environmental assessment including: soil and geology, vegetation and wildlife, aquatic resources, groundwater, air quality and noise, traffic, heritage resources, recreational use, economic benefits, and community support.

The presentation concluded with Jay Cooper describing closure planning and summarizing three central points of the presentation. As an example of a successful mine closure, Konuto Lake Mine in Saskatchewan was used to demonstrate remediation. The three concluding messages were that: development of the Reed Mine will provide significant economic benefit to Northern Manitoba; the project will have minor, mitigable and reversible impacts to the surrounding environment; and the mine will enable continued operation of the Flin Flon Metallurgical Complex.

In particular, maps were used to illustrate and explain the land uses permitted within Grass River Provincial Park and the location of caribou, based on Manitoba tracking data. HBMS has undertaken to file with Manitoba Conservation, the entire presentation, including both the presentation material and slide deck of photos and maps.

1.4 Summary of Demonstration

In a demonstration of their opposition to the development, protestors entered the session, drumming and singing, followed by individuals exclaiming their message. Some of the demonstrators were holding signs. The demonstrators stated that they were defending the earth and demanded that mining stop. They did not wish to remain and receive more information, though they were invited to do so by Brad Lantz. Some meeting participants left when the demonstration ended but most remained.

2 Topics Addressed During the Meeting

The following discussion is an overview of the topics that were addressed by participants in the course of the meeting. It is not an attempt either to provide a detailed review of the content of the meeting in chronological order or to set out every comment made during a very lively give-and-take discussion. As noted above, no transcript was made. Rather, this section is an outline and summary of the issues, comments and questions that were raised and responded to.

2.1 Exploration and other Regulatory Approval Processes

Several participants asked questions and expressed their views about the process for approval of advanced exploration projects and the environmental regulatory review and approval of mines, commenting about their disapproval of the various processes. Hugh Arklie stated his opposition to a process in which advanced exploration begins before public consultation. He spoke at length about his experience in earlier decades with the process for permitting mining in relation to the establishment and land use planning for Provincial Parks. Hugh Arklie also provided his experience in participating in the environmental approval processes for the establishment of a children's summer camp.

HBMS stated that approval of the AEP does not entitle it to put a mine into production and that, to receive approval, it had to file a closure plan and letter of credit securing the full cost of closure. The closure plan and letter of credit will be updated for Reed Mine. The concept of a letter of credit was explained. A comment was made that the closure plan (outlined in the EAP) was lacking in detail, but it was pointed out that a detailed closure plan had been filed in reference to the AEP and that it would be updated for Reed Mine.

Several participants, notably Gail Whelan Enns and Hugh Arklie, spoke about their long time experience and views on the Provincial environmental regulatory approval process, including requirements for public consultation or in their view, lack thereof. Gail Whelan Enns provided some criticisms of other Provincial approval processes in which she had participated. She also mentioned her view that there are not enough public hearings and that public access to information is inadequate and deteriorating, though HBMS pointed out that its entire submission, as well as its baseline report and all the comments submitted by the public, have been uploaded to Manitoba's website. Gail Whelan Enns felt that HBMS would have benefited from talking to environmental organizations in the early stages of project development. She also suggested that HBMS

consult environmental researchers (notably on caribou protection) who are not affiliated with Manitoba's programs.

Assuming that no such work had been done, she also expressed the view that HBMS should have consulted Aboriginal elders about medicinal plants and other matters and that it should use terminology appropriate to the consultation process, including terms used by Aboriginal people in the north to describe their natural surroundings. In reply to these comments and others made during the evening about Aboriginal consultation, Stephen West briefly outlined the efforts HBMS had made with respect to Mathias Colomb Cree Nation, pointing out that these efforts are explained in the *Environment Act* application material available for review on Manitoba's website. He also explained that, in response to MCCN allegations about the extent of their traditional territory, HBMS and Manitoba had funded MCCN to carry out a traditional knowledge and use study and third party expert review by consultants of their choice. One participant inquired whether the indigenous people involved in the studies knew the source of the funding. Steph West described the process that had been used to fund the studies.

In describing their public consultation choices, HBMS explained that they had consulted Manitoba Conservation with respect to caribou. HBMS participates in the caribou tracking program and routinely uses the data to avoid adversely affecting caribou with its activities. HBMS held meetings about the project in Snow Lake and Flin Flon, because it is the population in those areas who live, work and enjoy recreational opportunities in the "backyard" of the project. There also was some discussion between Gail Whelan Enns and Steph West about the Provincial process used for identification of heritage resources. Both Gail Whelan Enns and Steph West remembered activities in that regard through the 1970s and Steph West reminded her of additional heritage work that had been done in the 1980s.

Both Gail Whelan Enns and Steph West also recalled participation in the Mineral Exploration Liaison Committee (MELC), a Provincial process designed to bring the mining industry together with environmental activists to identify areas that should/could become protected from development and those which should remain open for mineral development. Both agreed that it had been a worthwhile process and that it should be resumed. Ed Huebert of the Mining Association of Manitoba Inc. (MAMI) also contributed background information about MELC and expressed support on behalf of MAMI for resumption of the process. He and Stephen West explained that miners, including HBMS, had pulled back mineral leases and claims so that certain areas could be turned into protected areas. Ed Huebert stated that in 2000 there had been an audit by the International Institute for Sustainable Development (IISD) that ranked the MELC process as world-leading. HBMS was not willing to commit to advocate for percentage increases in protected areas, but it is ready to participate in a resumption of the MELC process. Ed Huebert pointed out that, of the areas identified by MELC, there remain thousands of hectares still not acted upon by Manitoba.

2.2 Caribou

Caribou was one of the most prominent topics of the evening, with questions regarding the data, the range and migration of herds, and the potential effects of the Reed Copper Mine on caribou. AECOM brought along figures and maps displaying the location of the caribou, based on Manitoba Conservation data. As noted by AECOM, the data displayed were from 2009 to 2012, but these herds have been monitored since the 1970s.

2.2.1 Data

Eric Reder and others also brought maps based on older data. Eric Reder complained that he had had difficulty getting access to updated data and he also made reference to the Federal recovery strategy, which he quoted in various particulars about percentage of habitat destroyed by anthropogenic activity or fire, the reliance by caribou on undisturbed habitat in order to sustain their population, and their tendency to avoid clearings.

Cliff Samoiloff commented that Manitoba Conservation's data set is more recent and therefore more reliable than that contained in the Federal strategy document. It was pointed out that caribou were affected by a fire in 2010 in the north of Grass River Provincial Park. Fires can change the migration routes of caribou for some time. The Manitoba project partly funded by HBMS uses telemetric data from collared caribou and aerial reconnaissance to determine the patterns of caribou in the region. Stephen West pointed out that in response to the fire of 2010, Manitoba, supported by HBMS and others, had doubled the number of collars on caribou in order to reach an understanding of how patterns of movement had changed, if at all, from 2009.

Questions arose about the number of collared caribou and whether that number is sufficient to gather effective data. With regards to sample size, 14 and 17 animals are collared, out of 100 and 150 per herd. Cliff Samoiloff made it clear that the maps used in the session represent all of the data that have been generated and that, in his opinion, it is sufficient for tracking the herds. He also mentioned that too much collaring itself may have an impact on caribou.

2.2.2 Habitat and Migration

There was some discrepancy in the usage of terminology to describe the caribou herds in the project region (Naosap or Reed), which was cleared up by Cliff Samoiloff when he explained that the Naosap and Reed herds had been merged into one herd (Reed/Naosap) in the draft 2012 Manitoba Strategy and in turn, the data represent the merged herds. He went on to show the telemetric plots on the screen to further demonstrate that caribou were already avoiding the project area before the Reed AEP (also supported by discussions with Manitoba Conservation). This is largely because of proximity of the site to the highway. In the summer, there are some caribou in the Reed Islands and on Reed Lake and to the south of the project area. The calving data show similar patterns; there are some caribou in the Reed Lake area, some on Four Mile Island, but few in the project area. Cliff pointed out the corridor which caribou are using to cross the highway, which is well away from the site.

In response to a question about the possibility of changing migratory routes because of fires and vegetation changes, AECOM said that based on the data that have been provided, the Reed Site is not within one of the major caribou corridors. One participant mentioned that traditional knowledge has passed down to her through her family. She is concerned that although fire and logging have depleted the vegetation, which attracts the caribou, it could be that they will change their migration routes again. One elder in her family told her that he knows where the mine will be located and has seen caribou in the area. It was agreed that migration patterns can and do shift.

2.2.3 Disturbance and Increased Traffic

There were additional questions and comments about how roads and logging affect caribou movement. The response was that the existing road is a major disturbance to caribou, and caribou are not entering the site because the road inhibits them from doing so. The Reed site is located on an existing road, in an existing, largely-cleared area. The caribou are staying to the west and the south of the site area, and the caribou travel corridor is to the west of the site.

There was considerable discussion about the nature and increase in traffic that would be caused by the mine, and the impact of such traffic. It was noted that no highway upgrades would be required. HBMS agreed with suggestions that road signs could be put in place to increase driver awareness, such as 'slow down in caribou zones,' although a change in the speed limit on the highway would be a Provincial matter. There was considerable discussion about the amount and nature of traffic and its impacts.

Figures were also used to show where the new Tolko logging road to the northeast of the site will be located and Cliff Samoiloff explained that the impact of the new logging road was taken into account in reaching their conclusions for this assessment.

A participant asked how the noise from the site would affect caribou. Cliff Samoiloff explained that it is well known that noise affects caribou and that noise mitigation measures will be in place to reduce noise as much as possible. Some mitigation measures include not having a crusher on site, the location of the fan below ground and maintaining tree buffers that act as wind barriers.

Another question arose about the effects of emissions from vehicles and how the winds blow onto the calving ground. The participant was asking how the impacts on the caribou would be assessed. Cliff Samoiloff (AECOM) answered by pointing out that a lot of information is covered in the EAP report and that although time does not permit covering all of the information in this meeting, the EAP does address these concerns, including the mitigation measures previously mentioned.

2.2.4 Future Use of the Site

It was pointed out that after the mine has been decommissioned, closure activities would be aimed at restoring the site to natural conditions to the greatest extent possible. Caribou may take up use of the site, though its proximity to the highway will still discourage

caribou use. The mining road will have to stay open until reclamation activities have been completed, but after that it would be scarified and returned to nature.

2.2.5 Other Caribou Research

One or two participants mentioned that consulting with independent researchers, such as Dr. Micheline Manseau, would be beneficial, in addition to the information gathered from Manitoba Conservation. Experts such as Dr. Manseau are exploring new habitat assessment methodology for caribou that avoids collaring. Representatives from HBMS and AECOM expressed interest in obtaining contact information. Gail Whelan Enns agreed to provide it.

2.3 Heritage Resources

When questioned about the reported absence of heritage resources in the area, Stephen West pointed out that this issue is covered in the EAP. Heritage resources were studied in the area throughout the 1970s when a trading post and routes were identified and there was a related archaeological study, and more work was done in the 1980s. In January 2012, HBMS met with the Chief and Councilors of Mathias Colomb Cree Nation (MCCN) when Reed was just getting started and offered to bring elders on site at Lalor and Reed and pay for their review of medicinal plants, cultural plants, etc., but this offer was not accepted. One participant pointed out that how one defines 'heritage' is dependent on values and that the differing values of those in the area that have been in that territory for centuries should be considered. As noted above, Steph West advised that HBMS and Manitoba have provided funding for an MCCN traditional knowledge and use study by the consultant of MCCN's choice, The Firelight Group.

2.4 Water Quality

Water quality was a significant topic at the information session. As pointed out by AECOM at one point during the session, the baseline report contains a lot of information about water quality and the report is available at the Millennium Library in Winnipeg and on the Manitoba Conservation website.

A question regarding the standards required for the water being discharged from the polishing pond was originally answered incorrectly but was later corrected, confirming that Manitoba Tier One (which references the Metal Mines Effluent Regulation) standards are proposed. This refers to the testing required for water from the polishing (sedimentation) pond to be discharged onto the ground in a channelized flow into a marsh, which drains indirectly into Unnamed Lake 3. Eric Reder outlined the basis for his disapproval of certain water quality testing associated with the Metal Mines Effluent Regulation, suggesting that the water quality criteria that HBMS proposes to apply to discharge from its polishing pond are not stringent enough in a Provincial Park. Stephen West replied that the selected standard is assessed to be sufficiently protective of water quality in the region.

There also were a number of questions about the unnamed lakes in the vicinity of the site and their connection to water bodies of importance in the region, relating largely to concern about potential impacts of drainage from the polishing pond. HBMS clarified

that Unnamed Lake 3 has no channelized connection to Reed Lake. Unnamed Lake 3 drains into a wetland that eventually drains into Unnamed Lake 2, which drains into Reed Lake. In response to a comment concerning Unnamed Lake 3, Cliff Samoiloff clarified that it did contain minnows but no fish that could be a usable recreational resource.

One participant inquired about the potential for adverse impacts on water in Whitehouse Creek or in the Grass River - anywhere downstream where harvesting could be impacted. AECOM's view is that this is unlikely. There will be some follow-up monitoring in the water bodies that had been included in the baseline assessments, but there is no demonstrable connection between the site and Whitehouse Creek or Grass River.

2.4.1 Provincial Policy concerning Mining in Provincial Parks

Many participants noted their fundamental disagreement with allowing mining in parks. A suggestion was made that HBMS pay entrance fees for using the Park. There were questions raised about the potential for mining in another location instead of in Grass River Provincial Park. Stephen West explained that HBMS did not single out the park to find a resource and that finding an ore body takes a very long time and can be like finding a needle in a haystack. When asked if he thinks mining in parks is the right thing to do, Stephen West said that it is, if done responsibly.

HBMS displayed maps showing the manner in which various uses are provided for in the Grass River Provincial Park. The area in which the Reed site is located is not designated for recreational use. It is in the area which is specifically designated for resource management, including mining. One participant asked if HBMS would support expansion of the Park boundaries to make up for the loss of land to mining. HBMS's view is that the MELC process should deal with additions to protected areas and that the area used for mining is not now and has not been a protected area, i.e., there is no "loss" to make up. This was demonstrated with maps and review of the history of land use planning for Grass River Provincial Park. However, most participants in the meeting stated that they simply could not agree with or support any such development in a Park, no matter what the designated land use.

2.5 Baseline Studies

In response to the suggestion that the baseline studies were minimal, Stephen West explained that the baseline studies went well beyond the information required for an *Environment Act* application, including extensive information on water, terrestrial components, aquatic life, and aerial photography studies (as well as others). The full baseline assessment is available on Manitoba's site for anyone who would like to read the detailed version. In reply to a specific question, Cliff Samoiloff stated that ground truthing had been conducted by a team of individuals from AECOM, including biologists and terrestrial biologists.

2.6 Flora

There was a question relating to pitcher plants, which are caribou food, and the reason for conclusions in the EAP about them. AECOM clarified that even though there were pitcher plants in the Project Area and agreed that caribou eat them, it was not assessed to

be a problem because they are not rare in the region and would not be impacted by the development of the Reed Mine.

2.7 Fauna

One participant had a number of questions about aquatic life in the water bodies in the region surrounding the project site, and other fauna such as bats and amphibians. There was some clarification provided about the nature of life in the various water bodies, some of which are intermittent and shallow, and an explanation of why such water bodies do not support fish that could be a usable resource for recreation. Cliff Samoiloff indicated that he understood that this information had been greatly condensed for the presentation, which tended to marginalize it a bit, but mentioned that the baseline study contains the extremely detailed information about both aquatic and terrestrial fauna that forms the background for the conclusions in the EAP. He invited participants to review that information.

2.8 Camp on Site

A number of questions were asked about the impacts of the presence of workers living in camp on the site. It was explained that access to the camp is from Highway 39, where there is a road used to access an MTS tower (unrelated to mining). The camp is located along the access road and the trailers are only about 100 meters apart. The access road and campsite are included in the scope of the project.

There was concern expressed about potential activities by workers living on site, such as hunting and snowmobiling. HBMS workers are not allowed to hunt. They are on 12 hour shifts, and use most of their down time to sleep. HBMS further committed to limiting the use of snowmobiles and quads for recreational purposes in or near the camp.

2.9 Other Exploration in Grass River Provincial Park

There were several questions about other exploration in the area, in response to which HBMS described the nature of its drill equipment and the footprint it makes (approximately three meters by three meters). HBMS has explored north of the highway about a kilometer and there are "juniors" with holdings in the area, including the one that discovered this deposit in 2007. There was some clearing done in association with that early exploration. One participant whose experience included working in gold exploration mentioned a concern that the impacts of trenching can last 30 years. Stephen West indicated that trenching is associated with gold exploration and it is not a method that has been used by HBMS for exploration in this area.

Even though the drilling is low impact, HBMS agrees that it is important to take this activity into account in assessing the impact of its projects

2.10 First Nations Involvement and Trap Lines

In reply to questions about First Nation involvement and trapping in the area, HBMS advised that MCCN have advanced the view that the region in which the Reed project is located is included in their traditional lands and that HBMS has followed up as described

in the EAP. HBMS advised that there is one registered trap line and it is not associated with an Aboriginal community. HBMS also advised that (commercial) traplines do need to be registered.

2.11 Monitoring

One participant asked why no monitoring program had been included in the proposal, but Cliff Samoiloff stated that there were monthly monitoring programs set out. The specific monitoring requirements developed for the license also will take into account the comments of the Technical Advisory Committee (TAC).

Some participants stated their views that Manitoba is not doing its job with respect to environmental monitoring. HBMS noted that it voluntarily supports Provincial monitoring efforts such as caribou research.

2.12 Spills

There were some questions about potential for accidents. A question was asked about potential failure of the polishing pond. HBMS and the consultants confirmed that they do have spill response procedures in place if something were to happen. There is a program, and measures are in place to address those issues. HBMS environmental management, including spill response, is provided for in an ISO 14001 environmental management system, which is subject to both internal and external audits.

With respect to fuel storage on site, HBMS will be using SCAT (self-contained above-ground storage tanks) and they will put a liner underneath them. These measures will prevent any impacts from fuel storage.

One question addressed the history of chemical or effluent spills at other HBMS sites and whether they have been cleaned up to a satisfactory degree. Stephen West responded with his account of experiences since starting work for HBMS 35 years ago. He said there had been the odd leak in tailings pipes over the years, but that site drainage goes through treatment and there is clean up of any spills that occur. Other effluent discharge may come from different mining operations. If a leak occurs, it is detected, corrected and cleaned up promptly and effectively. He said that fuel spills occur on occasion, for instance with an overturned truck. Emergency crews respond to these incidents and then the area is tested for hydrocarbons according to Canadian Council of Ministers of the Environment (CCME) guidelines. Other times someone may step away, causing an accident when they are filling up a truck, and reports must be initiated when these incidents happen. The HBMS ISO 14001 EMS is audited every six months externally. The EMS includes requirements for reports and notifications of accidents so that they can be better at preventing and responding to them. To say it will not happen would not be appropriate because trucks can overturn. Sometimes they belong to contractors but HBMS still responds to them.

One participant asked if the distance to Flin Flon would be of concern in an emergency. HBMS has mine rescue equipment and response procedures on site. The site is only

about an hour or so away from Snow Lake so HBMS personnel there also can respond if need be.

2.12.1 Closure of Other Mines

In response to comments about the former Spruce Point Mine, Stephen West (HBMS) displayed a selection of photos. While showing the photos he explained the structures left at the site and how the components of the existing site relate to mine closure (fire guard, road, etc.,). Stephen West pointed out the oxidation of the rock on the road and went on to explain that more is known about rock today than at the time that Spruce Point Mine was in production. At the Reed Mine site, rock will be managed on designed storage pads and put back underground within two years. He also noted that HBMS continues to monitor Spruce Point every year.

After the discussion and slideshow about the Spruce Point Mine, Eric Reder displayed personal photos taken at Namew Lake (mine operations ended in 1993), questioning HBMS' ability to restore a site after mine closure. Stephen West responded by saying he does not agree with Eric Reder's characterization of the Namew Lake site. Stephen West said that HBMS is still monitoring the Namew Lake site and it is showing signs of re-vegetation. He also noted that rehabilitation of the Namew Lake site is not yet complete. HBMS takes samples there every year as part of the monitoring program and will return this summer to review the portion of the site pointed out by Eric Reder.

2.13 Carbon Footprint and Air Quality Impacts

Participants took exception to the conclusion relating to impact from greenhouse gas generation. There was some discussion about potential carbon taxes. HBMS will comply with any regulation applicable to it, including any that is made in the future that levies a carbon tax.

One participant referred to a newspaper article published in 2007 that suggested that there are risks to the health of children from soil impacts caused by emissions from the smelter in Flin Flon. Stephen West pointed out both that the smelter has been closed and that HBMS had just completed a multi-year human health risk assessment, working together with a citizens' advisory group in Flin Flon, which indicated that there is no basis for such concern. Anyone who wants information about it can consult the dedicated website, which contains detailed information, including the results of the studies.

2.14 Closure Planning and Financial Assurance

Helios Hernandez commented that the closure plan outlined in the EAP was lacking in detail, but it was pointed out that a detailed closure plan and a $3.2 million letter of credit had been filed in reference to the AEP and that it would be updated for Reed Mine. As noted above, Stephen West pointed out that HBMS could not commence advanced exploration without approval of its closure plan and acceptance of its financial assurance. The concept of a letter of credit was explained.

2.15 Other Matters

One participant asked if HBMS had hired personnel to "surveil" anyone in Manitoba. Stephen West replied that the only surveillance going on was in relation to caribou.

3 Conclusion

HBMS hosted this meeting in Winnipeg as an opportunity for those who have objected to the project to express their concerns and have questions answered. A variety of topics were brought forward, many of them identified previous to the meeting through the comments on the public registry. The discussion varied in that some of it was value-based and other topics were technical in nature. The range of issues and healthy discussion at the Reed Copper Project Information Session represent some of the many different perspectives and values that exist within the province of Manitoba.