



Conservation and Water Stewardship
Climate Change and Environmental Protection Division
Environmental Approvals Branch
123 Main Street, Suite 160, Winnipeg, Manitoba R3C 1A5
T 204 945-8321 F 204 945-5229
www.gov.mb.ca/conservation/eal

File: 5652.00

July 30, 2013

Mr. Stephen West, P.Eng.
Hudson Bay Mining and Smelting Co., Limited
P.O. Box 1500
Flin Flon, MB R8A 1N9

Dear Mr. West:

Re: Hudson Bay Mining and Smelting Co., Limited (Hudbay) – Lalor Concentrator Environment Act Proposal

The initial review of the Lalor Concentrator Environment Act Proposal (EAP) has been completed.

The review has generated requests for additional information. Please address and provide detailed responses to the comments and requests for additional information from the Technical Advisory Committee (TAC) that are presented in the attached items. The EAP review process will continue upon receipt of your response.

It is our understanding that Hudbay has filed a Project Description for the proposed Lalor Concentrator with the Canadian Environmental Assessment Agency, for consideration under *CEAA, 2012* and that this Project Description is currently under review by the Canadian Environmental Assessment Agency.

If you have any questions, please contact me at 204-945-7012.

Yours truly,

“Original signed by”

Jennifer Winsor, P.Eng.
Environmental Approvals Branch

Enclosures

- c. Chris Beaumont-Smith, A/Director – Mines Branch, Manitoba Innovation, Energy and Mines
Janet Scott – Canadian Environmental Assessment Agency
Public Registries

Winsor, Jennifer (CWS)

From: Kubish, Cheryl (OFC)
Sent: June-24-13 9:17 AM
To: Winsor, Jennifer (CWS)
Cc: Schafer, Dave (OFC)
Subject: RE: Request for review & comments- Closing date: JULY 22, 2013 - HBM&S Lalor Concentrator - File: 5652.00

Good Morning,

The Office of the Fire Commissioner (OFC) has reviewed the proposal for the construction of the Lalor concentrator at the proposed Lalor mine site within the town of Snow Lake.

The OFC recommends that the licence stipulate that the applicant obtain the required building and occupancy permits from the OFC at 508-401 York Avenue in Winnipeg as the AHJ for this building project, and that an Emergency Response and Fire Safety Plan be filed and approved by the Snow Lake Fire Department in accordance with 2.8 of the Manitoba Fire Code.

Cheryl Kubish
Administrative Assistant
Office of the Fire Commissioner
508-401 York Avenue
Winnipeg
Phone: 945-3328
Fax: 948-2089

E-Mail address: Cheryl.Kubish@gov.mb.ca

From: Steele, Tania (CWS)
Sent: June-20-13 9:22 AM
To: Schindler, Dennis (MAFRI); Kaita, Adara (CWS); Labossiere, Don (CWS); Molod, Rommel (CWS); Streich, Laurie (CWS); Kanya, Veronika (CWS); Firlotte, Nicole (CWS); Kelly, Jason (CWS); Keenan, Phil (CWS); Missyabit, Ron (CWS); Hay, David (CWS); Phipps, Graham (CWS); Janusz, Laureen R (CWS); Stibbard, James (CWS); Matthews, Rob (CWS); Reimer, Geoff P (CWS); +WPG574 - HRB (CHT); Cunningham, Neil (CWS); Crone, Jim (IEM); Roberecki, Susan (HEALTH); Roberts, Tracy (HEALTH); +WPG969 - MIT Environmental Services Section (MIT); Shaler, Samantha (MLG); Allum, Brad (MIT); Schafer, Dave (OFC); Kubish, Cheryl (OFC); Nedotiafko, Rob (CWS); Campbell, Lyle (CWS); 'Sigurdson,Shauna [CEAA]'; Armitt, Ernest (IEM); Lowdon, Keith (IEM); Poleschuk, Larry (LAB); Roberts, Wayde (CWS); Armstrong, Mike (CWS)
Cc: Bell, Cory; Winsor, Jennifer (CWS)
Subject: Request for review & comments- Closing date: JULY 22, 2013 - HBM&S Lalor Concentrator - File: 5652.00

Your review and comments would be appreciated for the attached Proposal submitted pursuant to *The Environment Act*:

<http://www.gov.mb.ca/conservation/eal/registries/5652lal/index.html>

The contact person assigned to co-ordinate review and assessment of the Proposal is:

Contact Person: Jennifer Winsor @ 204-945-7012. Email replies are programmed to automatically deliver to Jennifer Winsor.

Please indicate to the contact person if you are unable to review the proposal. A non-reply will be considered as indicating your department has reviewed the proposal and has no concerns.

Any comments you have on the Proposal should be emailed by July 22, 2013.

****No hard copies will be provided****

Thank you.

Sent on behalf of:

Jennifer Winsor, P.Eng.
Environmental Engineer
Environmental Approvals Branch
Conservation and Water Stewardship
123 Main St., Ste. 160
Winnipeg, MB R3C 1A5
Ph: 204-945-7012
Fax: 204-945-5229

Memorandum

Date: July 16, 2013

To: Jennifer Windsor
Climate Change and Environmental
Protection Division
Environmental Approvals Branch
123 Main Street, Suite 160
Winnipeg MB R3C 1A5

From: Kevin Jacobs
Water Quality Management Section
Manitoba Conservation and Water
Stewardship
123 Main Street, Suite 160
Winnipeg MB R3C 1A5

<http://www.gov.mb.ca>

Subject: EAP 5652.00 HUDSON BAY MINING AND SMELTING CO., LIMITED-LALOR CONCENTRATOR
Telephone: 204-945-4304
Facsimile: 204-948-2357
E-Mail: Kevin.Jacobs@gov.mb.ca

Hello Jennifer

Please find below comments regarding the proposed Lalor Concentrator:

The proposal is for a new metal concentrator to be constructed at the site of the Lalor advanced exploration site with tailings disposal to continue at the Anderson Lake tailings facility. Tailings, fresh water, and reclaim water would be piped to the site.

Further to the comments submitted June 25, 2012 regarding the Lalor Mine it was noted the Anderson Lake Tailings facility is nearing capacity and that either a new or expanded tailings facility will be required during the lifetime of the proposed Lalor Mine. It is understood that such an expansion would require a new Environment Act Proposal to be filled. It is noted Anderson Lake has capacity to receive tailings based on projected rates until 2017 (Stephen West Response to TAC comments December 17, 2012)

Given that pipelines will traverse several kilometres there is always a risk of accidents or malfunctions resulting in pipeline rupture. It is understood the pipeline will be continuously monitored with pressure sensitive electronic leak detection equipment. A condition of a licence is recommended in addition to pressure sensitive leak detection equipment is to require the proponent to have a comprehensive spill response plan in place in the event of an accidental spill or malfunction at the site.

It is noted that Anderson Lake had limited discharge to Wekusko Lake during recent environmental effects monitoring studies. How might discharge rates and timing change with operation of the new concentrator at anticipated throughput rates?

With respect to monitoring, aquatic monitoring requirements could be coordinated with potential licenses for the Lalor Mine, Lalor Concentrator, and operation of the Anderson Lake tailings facility. It is understood there are several concurrent aquatic programs associated with the various facilities and Federal Metal Mining Effluent Regulation environmental monitoring studies. The Stall Lake Concentrator and Anderson TIA are operated in accordance with Clean

Environment Commission Orders 765 and 766. As the Clean Environment Commission Orders are relatively old a review could be considered to ensure the clauses are still appropriate in the context of potential new development.

Given the proponent has a number of mining facilities in the area we recommend an annual environmental report be produced that would among other things report on:

- A summary of monitoring results, including and exceedances of license criteria, or Manitoba Water Quality Standards, Objectives, and Guidelines.
- Include reporting of any water quality results, and trends in water bodies monitored by the company.
- Summarize any accidents, or malfunctions at the site and how these were addressed
- Summarize the results of acid base accounting
- Summarize the type and volume of chemical reagents used
- Report on any progressive remediation activities that have occurred in the area.

Concerning pipeline installation and maintenance:

- It is recommended any potential license include clauses that require implementation of all necessary measures to prevent the erosion of soil into waterbodies.
- In addition: measures to prevent the introduction and spread of foreign aquatic and terrestrial biota along the pipelines are recommended.

The concentrator proposes to utilize several chemical agents in the processing of ore, the proponent should provide and retain on site toxicological information on these reagents. While final discharge would have to pass toxicology tests, such information would be helpful in the event of accidental spills or malfunctions, and interpreting biological data.

Should you have any questions, please do not hesitate to contact me at the above telephone number.

Kevin Jacobs
Water Quality Management Section

Winsor, Jennifer (CWS)

From: Phipps, Graham (CWS)
Sent: July-18-13 10:53 AM
To: Winsor, Jennifer (CWS)
Subject: RE: Request for review & comments- Closing date: JULY 22, 2013 - HBM&S Lalor Concentrator - File: 5652.00

Jennifer,

I have reviewed the application for areas that pertain to groundwater and have the following comments/questions:

Section 5.3.1 and 5.6 indicates that the waste rock pad will be lined with crushed limestone to neutralize the migration of acidic drainage and refers to section 2.1.1 and 2.1.1.2 for information on the pad. However section 2.1.1 and 2.1.1.2 do not include information on the limestone pad. This information should be provided.

In preventing the penetration of leachate from the ore stock pile it is noted the ore stockpile will be lined with a synthetic liner. Its effectiveness on preventing leaching will depend upon the liner integrity. How will the liner be protected from damage while handling the ore to maintain its integrity?

Regards,

Graham Phipps, Ph.D., P.Geo.
Groundwater Management Section
18-200 Saulteaux Cres.
Winnipeg, MB R3J 3W3
P(204) 945-8359 F(204) 945-7419



From: Steele, Tania (CWS)
Sent: June-20-13 9:22 AM
To: Schindler, Dennis (MAFRI); Kaita, Adara (CWS); Labossiere, Don (CWS); Molod, Rommel (CWS); Streich, Laurie (CWS); Kanya, Veronika (CWS); Firlotte, Nicole (CWS); Kelly, Jason (CWS); Keenan, Phil (CWS); Missyabit, Ron (CWS); Hay, David (CWS); Phipps, Graham (CWS); Janusz, Lauren R (CWS); Stibbard, James (CWS); Matthews, Rob (CWS); Reimer, Geoff P (CWS); +WPG574 - HRB (CHT); Cunningham, Neil (CWS); Crone, Jim (IEM); Roberecki, Susan (HEALTH); Roberts, Tracy (HEALTH); +WPG969 - MIT Environmental Services Section (MIT); Shaler, Samantha (MLG); Allum, Brad (MIT); Schafer, Dave (OFC); Kubish, Cheryl (OFC); Nedotiafko, Rob (CWS); Campbell, Lyle (CWS); 'Sigurdson,Shauna [CEAA]'; Armitt, Ernest (IEM); Lowdon, Keith (IEM); Poleschuk, Larry (LAB); Roberts, Wayde (CWS); Armstrong, Mike (CWS)
Cc: Bell, Cory; Winsor, Jennifer (CWS)
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Contact Person: Jennifer Winsor @ 204-945-7012. Email replies are programmed to automatically deliver to Jennifer Winsor.

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Any comments you have on the Proposal should be emailed by **July 22, 2013.**

****No hard copies will be provided****

Thank you.

Sent on behalf of:

Jennifer Winsor, P.Eng.
Environmental Engineer
Environmental Approvals Branch
Conservation and Water Stewardship
123 Main St., Ste. 160
Winnipeg, MB R3C 1A5
Ph: 204-945-7012
Fax: 204-945-5229

Winsor, Jennifer (CWS)

From: Stibbard, James (CWS)
Sent: July-19-13 10:33 AM
To: Winsor, Jennifer (CWS)
Subject: Re: 5652.00 HBMS Lalor Mine Concentrator EAP

Ms. Winsor,

The Raw water source for the Town of Snow Lake public water system is snow Lake, which is part of the drainage system for the proposed concentrator. As such, a significant spill of contaminants from the concentrator could affect the water quality in the Town of Snow Lake water system. As such, ODW recommends that the contact information for the Town of Snow Lake water system operators be included in the emergency/contingency plans for the concentrator with instructions that, in the event of a major spill into the surface water, the Town water plant operators be contacted. Beyond this, ODW sees no other cause for concern with the EA or proposed development.

I trust this is satisfactory, but if you have any questions, please call.

Regards,

James Stibbard P. Eng.
Approvals Engineer
Office of Drinking Water
1007 Century Street
Winnipeg MB R3H 0W4
phone: (204) 945-5949
fax: (204) 945-1365
email: James.Stibbard@gov.mb.ca
website: www.manitoba.ca/drinkingwater

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Winsor, Jennifer (CWS)

From: Janusz, Laureen R (CWS)
Sent: July-27-13 8:49 PM
To: Winsor, Jennifer (CWS)
Cc: Kitch, Ian (CWS); Long, Jeff (CWS)
Subject: EAP 5652.00 HBM & S Lalor Concentrator due JULY 22, 2013

Hi Jennifer,

Sorry for the delay in responding.

Fisheries Branch has reviewed this proposal to construct and operate the Lalor Concentrator within the site currently occupied by the Lalor Advanced Exploration Project and future Lalor mine which has been operating since 2007. Lalor concentrator will be connected to the Anderson TIA, Anderson TIA Reclaim pumphouse and Snow Lake pumphouse by pipelines laid in or alongside rights of way. These are the only components of the proposed project.

The concentrator will process ore into a product that can be further refined for market use. It uses a combination of mechanical (crushing and grinding) and chemical processes (flotation) to extract target metals from the ore. Lalor processor will process ore taken from the future Lalor Mine producing zinc and copper/lead concentrates which will be trucked to HBMS facilities in Flin Flon. The Lalor Concentrator will have a design capacity of 4,500 tonnes per day (tpd). It is anticipated that it will operate 24 hours per day, 362 days per year, with scheduled downtime for maintenance as required.

The proponents appear to have identified all the potential project related concerns from a fisheries perspective and have provided mitigation measures that should, if adhered to, minimize fisheries concerns. The following is a brief summary along with recommendations for licence clauses.

Water withdrawal requirements will be within the current amount identified in their Water Rights Act Licence and that even though the throughput of the new Lalor Concentrator will be greater than the throughput of the existing Stall Lake Concentrator the amount of freshwater needed will be less once the Lalor Concentrator replaces the Stall Lake Concentrator.

The tailings generated during the operation phase will be deposited into the Anderson TIA. The consultants have done a comparison of the quality of surface water currently overlying the tailings in the TIA to what the expected quality of water will be from tailings produced from the Lalor Ore and have concluded that the water quality from the tailings from Lalor will have even lower concentrations of metals therefore the potential effect is negligible. The mine will continue to monitor effluent discharged from the Anderson TIA into Anderson Creek weekly to ensure that it meets MMER criteria. W Representatives from Fisheries Branch and Water Science Management participate on the TAC for the EEM program.

We would anticipate that there will be a clause that requires them to comply with the federal EEM program as well as provincial requirements from Water Science Management.

The proponents have indicated that sometime after the Lalor Concentrator has been in operation, there will be the requirement for an expansion of the Anderson TIA. This will be the subject of a separate application. As noted in the review of Lalor Mine EAP it would have been better to have all these separate components presented together as one project.

There will be three pipelines laid along approximately 17 km between the Lalor site and the existing facilities. The proponent has indicated that there will be a daily visual inspection of the lines. Of the three lines the tailings line is the one which could have the greatest potential to affect fisheries if there was a leak. The proponent indicates *that leak detection will be provided by monitoring flow rates using meters located near*

each end of the line. A rupture in the line would result in a difference between the two flow rates, which will be picked up through the concentrator process control system. In the event of an alarm, site personnel will be dispatched to visually inspect the length of the pipeline to determine if there is a problem.

We would appreciate a clause that requires metering of the tailing line flow rate along with reporting requirements should a leak occur.

The applicants have indicated that all the culvert replacements (17) are in drainage features that are not connected to any potentially fish bearing water. For these culverts and any work near the three culverts that are in streams all work will be carried out in accordance with Fisheries and Oceans Canada (DFO's) Operational Statement on Culvert Maintenance. We would recommend a clause that identifies adherence to the Operational Statement and also one on implementing erosion and sediment control measures as required until vegetation has re-established.

The base of the ore stockpile will be lined with a synthetic liner, have a 1.5 m high concrete berm around it and the stockpile will be covered with a "cover-all" fabric. Will these specifications be identified in a licence clause?

For any of the pipeline work or work near water we would recommend the following clause to minimize the potential to introduce or spread aquatic and terrestrial invasive species:

The Licencee shall, during construction and maintenance of the Development, prevent the introduction and spread of foreign aquatic and terrestrial biota by ensuring all equipment, including transport equipment, is clean before use.

Thanks Jennifer.

Laureen Janusz
Fisheries Science and Fish Culture Section
Fisheries Branch
Conservation and Water Stewardship
Phone: 204 945-7789
Cell: 204 793-1154
Email: Laureen.Janusz@gov.mb.ca

From: Steele, Tania (CWS)

Sent: June-20-13 9:22 AM

To: Schindler, Dennis (MAFRI); Kaita, Adara (CWS); Labossiere, Don (CWS); Molod, Rommel (CWS); Streich, Laurie (CWS); Kanya, Veronika (CWS); Firlotte, Nicole (CWS); Kelly, Jason (CWS); Keenan, Phil (CWS); Missyabit, Ron (CWS); Hay, David (CWS); Phipps, Graham (CWS); Janusz, Laureen R (CWS); Stibbard, James (CWS); Matthews, Rob (CWS); Reimer, Geoff P (CWS); +WPG574 - HRB (CHT); Cunningham, Neil (CWS); Crone, Jim (IEM); Roberecki, Susan (HEALTH); Roberts, Tracy (HEALTH); +WPG969 - MIT Environmental Services Section (MIT); Shaler, Samantha (MLG); Allum, Brad (MIT); Schafer, Dave (OFC); Kubish, Cheryl (OFC); Nedotiafko, Rob (CWS); Campbell, Lyle (CWS); 'Sigurdson,Shauna [CEAA]'; Armitt, Ernest (IEM); Lowdon, Keith (IEM); Poleschuk, Larry (LAB); Roberts, Wayde (CWS); Armstrong, Mike (CWS)

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