WINDY CRAGGY PROJECT

Summary of Stage I Review and Next Steps in Project Review

The objective of this paper is to briefly summarize the Stage I review and identify the next steps in the review of the Windy Craggy project. These points will be discussed at the Mine Development Steering Committee (MDSC) meeting on 1991-04-24.

Acceptability of Revised Mine Plan

The key agencies in the Mine Development Review Process, who reviewed the Revised Mine Plan, have found the alternatives proposed to replace the unacceptable components of the original mine plan satisfy conditions for the completion of the Stage I review.

The MDSC recommends that the project move to Stage II. A decision on approval-in-principle will be made at the end of the Stage II review.

Transportation Planning

Because the company now plans to use a slurry pipeline to transport concentrate and diesel fuel, the company will be required to submit additional information. It is recommended that the company submit a report that provides enough information so that agencies can provide the company with terms of reference for Stage II.

Because of the proposed changes in transportation, several review agencies feel that the company should be required to re-justify the need for an access road. The MDSC recommends that advice from senior executive be obtained on whether this question should be re-examined.

FEARO'S Draft Terms of Reference for the Panel Review

Written comments on FEARO's draft terms of reference for the panel review have been received from the Ministry of Regional and Economic Development, the Ministry of Native Affairs and the Ministry of Environment.

The Federal Government is presently conducting an environmental screening of the project under the **Environmental Assessment and Review Process** (EARP) **Guidelines Order**. The screening is almost completed and it is likely that the project will be referred to the Minister of Environment for a panel review under EARP. The review would be conducted jointly by the Province and Federal Government.

The MDSC recommends that the panel be established to review both the Stage II terms of reference and the Stage II report.

The MDSC is aware that the Province is investigating the feasibility and value of using a mediator prior to the establishment of the panel. A Cabinet Submission is currently being drafted.

Distribution of Compendium

The compendium of review comments on the Stage I report and Revised Mine Plan will be available for public inspection at the same places as the Stage I report. Copies of the compendium will be available at libraries and government offices. A fourth information letter will be drafted to: indicate where the compendium is available; provide a summary of the comments received from government agencies, Native groups and the public; and identify the next steps in the review of the project.

Government Coordinating Committee

The Government Coordinating Committee (GCC) was established to: consult on review process and schedules on both sides of the B.C./Alaska border; and facilitate the exchange of technical information on project issues of common transboundary concern. Representatives from Alaska State and federal agencies, the Federal Government, the MDSC and the Premier's Office are members of the Committee.

A meeting of GCC will be set up to update members on overall project review. The meeting will likely be held in Vancouver.

Wilderness Study

(trade + development)

The Ministry of Tourism submitted draft terms of reference to an adhoc interagency study group for a wilderness study in August, 1990, . The MDSC recommends that advice be obtained from senior executives on how to deal with the wilderness issue.

- reactivation of study (team)

Technical Level - advice from USA
(eg. Glacier Bay Nat'l Monument)

Confidential.

Tom Schroeter.
→ Windy Craggy
4302-27

March 7, 1991

Mr. Norm Ringstad, Chairman
Mine Development Steering Committee
Ministry of Energy Mines and Petroleum Resources
Province of British Columbia
Room #105 - 525 Superior Street
Victoria, B.C.
V8V 1X4

Dear Norm:

RE: WINDY CRAGGY PROJECT

As you are aware, the federal government is conducting an environmental screening of the Windy Craggy Project under the Environmental Assessment and Review Process (EARP) Guidelines Order. This screening is nearing completion and it is likely that the project will be referred to the Minister of Environment for an EARP Panel review. If such a review is requested, it would be our intention to conduct the review jointly with the Province of British Columbia in a manner which meets the requirements of the EARP and the B.C. Mine Development Review Process.

In anticipation of a public review of this project, we have prepared draft Terms of Reference for the Windy Craggy Project Panel Review (copy enclosed). These Terms of Reference are modelled after those developed for the recent federal/provincial reviews of the Port Hardy Ferrochromium Plant and the Celgar Pulp Mill Expansion. The Terms of Reference have received several reviews by both the Department of Environment and Department of Fisheries and Oceans. They reflect the federal government's general requirements for a public review of this project under EARP. Notwithstanding, some minor changes in the requirements may be necessary based on the final screening decision and the letter of referral to the Minister. Your comments on the Terms of Reference and, in particular, any additional items that should be included in the review would be appreciated.

Canada

Federal Environmental Assessment Review Office
510 - 750 Gamble Street, Vancouver, B.C. V6B 2P2 Telephone (604) 666-2431

Although not included in the current draft of the Terms of Reference, we feel that an examination of the economic feasibility of the project would be desirable. In particular, the ability of the company to meet the costs necessary to fulfil environmental protection requirements should be considered. Your comments on the appropriateness of this requirement and how it might be achieved without infringing on the company's right to protect financial information would be appreciated.

I suggest that it is not too early to start thinking of potential candidates for the Panel. As a minimum, I propose that we need a Chairman with sufficient "status" to manage this review, a panel member with expertise in mining and the acid mine drainage issue, and a panel member with expertise in environmental/wilderness issues. Another factor to consider in selecting Panel members is a recommendation from the Department of Indian Affairs and Northern Development that the Panel include a native Indian from the project area.

I would appreciate receiving your comments on the terms of reference and any suggestions for Panel members by 5 April, 1991. I am available to meet with you or the Mine Development Steering Committee to discuss this matter further.

Yours sincerely

John Mathers

J.S. Mathers
Manager, Operations

cc: M. Dunn, DOE (with attach)
M. Nassichuk, DFO (with attach)
D. Parsons, MOE (with attach)

D R A F T - March 7, 1991

WINDY CRAGGY PROJECT REVIEW PANEL
THIRD DRAFT TERMS OF REFERENCE
MARCH 1991

BACKGROUND

Geddes Resources Limited is proposing to develop a major copper mine on its Windy Craggy property in the northwestern corner of British Columbia. Plans include both open pit and underground mining with the ore processed on-site to yield a concentrate. The concentrate would be trucked over a new 105 km access road to the Haines Highway then to port facilities at Haines, Alaska.

The Windy Craggy Project is subject to the British Columbia Mine Development Review Process. A "Project Prospectus" was filed with the Mine Development Steering Committee (MDSC) in May 1988. "A Preliminary Road Corridor Assessment" was prepared by the Company in July, 1988 and, in response to a request from the MDSC, the "Road Justification and Corridor Assessment" was filed in May, 1989. In January, 1990, a "Stage I Environmental and Socio-economic Impact Assessment" was submitted by Geddes Resources to the MDSC. Following a review by government and the public, the Company was requested to prepare a revised mining plan to address the issue of acid mine drainage. The "Revised Mine Plan" submitted in November, 1990, together with earlier report constitutes the Company's Stage I submission.

Following a review of the revised Stage I report, the Minister of Fisheries and Oceans asked the Minister of the Environment to establish a formal public review process in cooperation with the Province of British Columbia that meets the requirements of the federal Environmental Assessment and Review Process (EARP). An Environmental Assessment Panel has been established jointly with the Province of British Columbia that will meet the requirements of the Mine Development Review Process as well as EARP. The terms of reference for the Panel have been approved by the federal and provincial Ministers of Environment, the federal Minister of Fisheries and Oceans and the B. C. Minister of Energy, Mines and Petroleum Resources.

PANEL MEMBERSHIP

The Panel is comprised of a chairman and x members. All Panel members are joint appointments of the federal and provincial Ministers of Environment and the B. C. Minister of Energy, Mines and Petroleum Resources.

PANEL MANDATE

The mandate of the Panel is to conduct a public review of the environmental and socio-economic effects of the proposed Windy Craggy Mine Project. The Panel shall identify the impacts associated with the proposal, assess their significance, investigate mitigation and compensation options to reduce or eliminate potential adverse effects and consider and report on the environmental and socio-economic acceptability of the project.

In fulfilling its mandate, the Panel shall provide full opportunities for public review and comment including public hearings. All public hearings shall be conducted in a non-judicial and informal but structured manner.

SCOPE OF THE PANEL REVIEW

The scope of the review shall encompass all phases of the Windy Craggy Mine proposal (planning, construction, operation and abandonment) and its related infrastructure (including access road construction and use) and the effects that each of these phases may have on the environmental resources and socio-economic values of the area. The Panel review shall address, but not necessarily be limited to, effects on wilderness values, recreational opportunities, native uses, transboundary resources, fish and wildlife populations, and the freshwater environment. The review will examine any effects of the project on resources external to Canadian territory, but will not consider any facilities (eg. ports) that may be required outside of Canada and have no effects on Canadian Territory.

REPORT AND RECOMMENDATIONS

At the completion of the review, the Panel shall provide a written report to the federal Ministers of the Environment and Fisheries and Oceans and the provincial Ministers of Environment and Energy, Mines and Petroleum Resources. Recommendations shall be provided on the environmental and socio-economic acceptability of the proposed Windy Craggy mining project. If the Panel recommends that the proposal is acceptable, it shall provide the basis for that conclusion and recommend terms and conditions under which the project could proceed. Similarly, if the Panel concludes that the proposal is unacceptable, it shall explain the basis for this recommendation.

No construction activities on the mine site or access road shall commence until the Panel has completed its review, and then only if the Governments' decision is to allow the project to proceed and the proponent has obtained the necessary statutory authorization for the works proposed. Studies and activities related to mine exploration may continue subject to the standard regulatory process.

PANEL REVIEW STEPS

The main steps in the Panel review process shall be as follows:

1. The Panel will examine all existing documentation on the proposal and its environmental and socio-economic impacts.

2. The Panel will review the Terms of Reference for the Stage II study to identify if additional information is required. As part of this step, the Panel will undertake issues scoping exercises to identify priority issues to be addressed during the review. An opportunity for public input shall be provided at this stage. If necessary, the Panel would request from the Company any additional information required. It is anticipated that this information would be incorporated in the Stage II report. The Panel may also direct specific information requests to appropriate government agencies.

3. The Panel shall invite comments in writing from all interested parties including federal, provincial, territorial, Alaskan and United States agencies, public, interest groups and native organizations on the Stage II submission.

4. The Panel shall ask the Company and/or government agencies to provide additional information if any deficiencies are identified during the review of the Stage II submission.

5. Once the Panel is satisfied that it has adequate information to form the basis for fair and complete public hearings, it will announce its plans and schedule for the hearings.

6. Public hearings will be held at a suitable time in locations at the discretion of the Panel but recognizing the diversity of public opinion. Locations for public hearings shall encompass the general vicinity of the project including northern British Columbia, Yukon and, if deemed necessary by the Panel, Alaskan communities. If sufficient interest is identified it may be appropriate to also conduct hearings in southern British Columbia. The hearings will be conducted in a non-judicial but structured manner to allow for a full and fair examination of all information received by the Panel and to solicit public comment on matters relevant to the Panel's mandate.

7. The Panel shall prepare a final report containing its findings, conclusions and recommendations. The report will be submitted to the federal Ministers of the Environment and Fisheries and Oceans and the provincial Ministers of Environment and Energy, Mines and Petroleum Resources.

REVIEW PROCEDURES

Detailed written procedures for the conduct of the review, including the public hearings, shall be established by the Panel and, following approval, made available to the public. These operational procedures will be submitted to and approved by the Executive Chairman of FEARO and the Deputy Ministers of the B. C. Ministry of Environment and Ministry of Energy, Mines and Petroleum Resources.

TECHNICAL SPECIALISTS

As deemed necessary by the Panel, technical specialists may be engaged to assist with the examination and understanding of specific issues. These technical specialists will be resource people to the review, and will be available to assist review participants as well as the Panel.

SECRETARIAT

A Secretariat shall be established to assist the Panel with the management of its activities. Officials of the Federal Environmental Assessment Review Office, the B. C. Ministry of Environment and the B. C. Ministry of Energy, Mines and Petroleum Resources, or persons contracted by those agencies, shall serve on the Secretariat.