



Canadian Environmental
Assessment Agency

Ontario Region
55 York Street,
Suite 600
Toronto ON M5J 1R7

Agence canadienne
d'évaluation environnementale

Région de l'Ontario
55, rue York,
bureau 600
Toronto ON M5J 1R7

August 9, 2018

Mr. Kyle Stanfield
Director, Environment & Community Relations Prodigy Gold - Magino Project
Box 209, 3 Dree Road
Dubreuilville, ON
POS 1B0
Kyle.Stanfield@argonautgold.com

Sent by E-mail

Dear Mr. Stanfield,

SUBJECT: Outcome of the Technical Review of the response to Information Requirement #2 of the Magino Gold Project Environmental Impact Statement

The Canadian Environmental Assessment Agency (the Agency) has completed the technical review of the response to Information Requirement #2 of the Magino Gold Project (the Project) Environmental Impact Statement (EIS) documentation from Prodigy Gold Inc. (Prodigy) and determined that additional information is required in order to move forward with the environmental assessment (EA).

To facilitate moving forward with the EA, the Agency has prepared information requirements (IRs), contained in this letter and the attached Annex, in consultation with Environment and Climate Change Canada and Health Canada. The Agency has also taken into consideration comments and questions received from Indigenous groups. The Agency notes that it has shared with Prodigy comments on the environmental impact statement provided by Garden River First Nation. Although a number of these comments are reflected in prior information requirements, it is the Agency's expectation that Prodigy will respond in writing to Garden River First Nation, and provide the Agency with a copy of its response.

The attached IRs are categorized and sorted by their links to environmental effects that are to be taken into account under section 5 of the *Canadian Environmental Assessment Act, 2012* (CEAA 2012), and factors to be considered under section 19 of CEAA 2012.

This letter and Annex 1 collectively form the **third Information Requirement (IR-3)** and are developed based on technical questions arising from the review of Prodigy's response to IR-2. In accordance with subsection 23(2) of *CEAA 2012*, the Agency requires that Prodigy submit complete responses to the requirements contained in IR-3.

Registry provisions

In accordance with CEAA 2012, comments received and other documents submitted or generated to inform the EA are part of the project file. Accordingly, information submitted to the Agency that is relevant to the EA of the project is available to the public upon request and may also be posted on the

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online public registry under reference number 80044. The Agency will remove information, such as home addresses, telephone numbers, email addresses and signatures prior to public disclosure. Should you provide any documents that contain confidential or sensitive information that you believe should not be made public, please contact me directly.

Next Steps

The timeline is stopped as of August 9, 2018 and will not recommence until the Agency reviews the formal submission of the response to the IR-3 and is satisfied that responses are sufficiently complete to proceed with the EA.

As per the Agency's "*Operational Policy Statement: Information Requests and Timelines, February 2016*" (<https://www.canada.ca/en/environmental-assessment-agency/news/media-room/media-room-2016/information-requests-timelines.html>) the Agency will take up to a maximum of 15 days to complete the conformity review of Prodigy's response to IR-3 without the timeline for the EA resuming. If the Agency has not come to a conclusion after 15 days, the timeline will resume.

The Agency is willing to meet with Prodigy to discuss the path forward and to clarify expectations for the IR responses.

If you have any further questions, please contact me directly at 437-999-9046 or ceaa.maginomine-minemagino.acee@canada.ca.

Sincerely, <Original signed by>

Ian Martin
Project Manager

Attachments:

Annex 1 – Third Round of Information Requirements for the Magino Gold Project Environmental Impact Statement (IR-3)

ANNEX 1: Third Round of Information Requirements for the Magino Gold Project Environmental Impact Statement (IR-3)

IR -3 Number (e.g. FFH(3)-01)	Prodigy ID #	IR -2 Reference # (if applicable)	Project Effects Link to CEAA 2012	Reference to EIS guidelines	Reference to EIS (including appendices)	Context and Rationale	Specific Question/ Proposed Follow-up Measure
IR-3 Reference #: HE(3)-19A	ID: CEAA-FD66	IR-2 Reference #: HE(2)-19	Project Effects Link to CEAA 2012: 5(1)(c)(i) Aboriginal Peoples Health/ socio-economic conditions	Reference to EIS guidelines: Part 2, Section 6.2.6.	Reference to EIS: TSD 14.	<p>Context and Rationale: Prodigy's response to IR# HE(2)-19A provides revised definitions for magnitude of human health effects. Table 3.4-2 defines low magnitude as "Project-related environmental exposures are predicted (as identified via HHRA [...]) to exceed regulatory benchmarks (i.e., 1 <HQ (Hazard Quotient) ≤20 for mercury only, 1 <HQ ≤10 for all other chemicals...). The rationale provided for defining a different low magnitude threshold for mercury is that "a magnitude of risk for mercury with an HQ less than 20 is considered to pose a low risk to human health given that various conservative assumptions (i.e., "risk drivers") were incorporated into the assessment that have likely overestimated the potential risks due to consumption of fish". It is unclear why 20 is acceptable as "low risk" to human health for mercury, while 10 is acceptable for all other contaminants. It is also inappropriate to define the criteria differently based on the conservativeness of the modelling approach, as it is assumed that the model would be equally conservative for all contaminants. The Agency recommends that Prodigy use the same HQ thresholds for all contaminants, including mercury, and assess its more representative model against those definitions.</p> <p>Prodigy's response to IR# HE(2)-19A indicates that "... the implementation of a monitoring program (TSD 20-12) that will verify whether the predicted concentrations from the EA could be realized and, if they are, that mitigation measures would be implemented to prevent a health effect from occurring." This sentence is unclear as to how Prodigy intends to implement its monitoring program for human health. It appears that mitigation measures would be implemented if environmental assessment predictions are proven to be valid, rather than to as a response to invalid predictions. The Agency needs a clear, conceptual-level follow-up program at the environmental assessment stage to understand how Prodigy will verify that these predictions are correct. As Prodigy's response to IR# HE(2)-19A also describes fish consumption as a clear risk driver, the Agency expects that sampling of fish tissue will also be part of the follow-up plan for human health.</p>	<p>Specific Question/ Request for Information: A. Redefine the magnitude criteria for human health to define "low risk" with the same Hazard Quotient (HQ) levels for all contaminants, and provide a scientific rationale for the choice of the HQ threshold being "low risk". Evaluate the significance of the residual effects on human health based on a representative scenario;</p> <p>B. Provide details of a conceptual follow-up plan that will verify environmental assessment predictions of mercury concentrations in surface water and in fish tissue, to protect human health. Provide the following at a conceptual level:</p> <ul style="list-style-type: none"> - locations where monitoring will occur; - chemical or physical parameters that will be monitored, including mercury and cobalt; - the frequency, timing and duration of the monitoring; - how the monitoring results will be used to validate environmental assessment predictions; - contingency plans that would be put in place if the monitoring results are found to be valid in comparison to environmental assessment predictions; and, - how Indigenous groups, federal and provincial departments will be involved in the development and implementation of these follow-up programs, including the plan that would be put in place to communicate any increase in contaminants and associated risks to human health. <p>This plan may incorporate aspects of existing monitoring plans for surface water and fish tissue; the Agency needs clarity in each of the details requested above, as opposed to references to technical supporting documents. This information must be provided to determine how the follow-up program will verify environmental assessment predictions, with an understanding that some details may be finalized after the environmental assessment as part of permitting processes.</p>
IR Number: HE(3)-19B	ID: CEAA-FD66	IR-2 Reference #: HE(2)-19	Project Effects Link to CEAA 2012: 5(1)(c)(i) Aboriginal	Reference to EIS guidelines: Part 2, Section	Reference to EIS: TSD 14.	<p>Context and Rationale: Prodigy indicated in the response to IR# HE(2)-19B that "the health risks due to DPM [diesel particulate matter] are considered to be</p>	<p>Specific Question/ Request for Information: A. Update the HHRA to include a quantitative assessment of incremental lifetime cancer risk (ILCR) using the unit risk and inhalation slope factor available from the</p>

			Peoples Health/ socio-economic conditions	6.2.6.		negligible”, as “the maximum annual average DPM concentration of all receptor locations of 1.5 µg/m ³ (fenceline) is lower than the published mean DPM exposure in the United States (2 µg/m ³), published levels from vehicular emissions (20 to 25 µg/m ³) and from diesel-powered equipment in underground mine operations (10 to 5,570 µg/m ³ ; Ghio et al. 2012)”. It is not appropriate to disregard the health effects of DPM based on a comparison to mean exposure level in urbanized areas of the United States, given that the referenced concentrations are not health-based screening criteria, that there are no thresholds for DPM below which no adverse health effects are expected. Further, the rationale provided by Prodigy does not account for the contributions of the Project to the concentrations of DPM.	California Office of Health Hazard Assessment, CalEPA (2015). B. Based on the answer to A, identify any appropriate mitigation measures and provide an assessment of the significance of effects to Indigenous health. California Environmental Protection Agency. 2015. Findings of the Scientific Review Panel On The Report on Diesel Exhaust. https://www.arb.ca.gov/toxics/dieseltac/de-fnds.htm
IR Number: EA(3)-01a	ID: CEAA-FD86	IR-2 Reference #: EA(2)-01A	Project Effects Link to CEAA 2012: 5(2) Linked to Regulatory Permits/Authorizations (specify which legislation)	Reference to EIS guidelines: Part 1, Section 3.3.1.	Reference to EIS: Chapter 15, Section 15.1.6; Response to IR-1 Appendix 8.	Context and Rationale: In order to complete its analysis of any effects due to changes to the environment, other than those referred to in section 5 (1)(a) and (b) of <i>CEAA 2012</i> , the Agency requires further information on the extent of wetlands that would be lost or altered due to the Project. Specifically, the proponent should provide the area of wetlands that would be lost or altered due to project components for which a federal authorization (in other words, a <i>Fisheries Act</i> Authorization or Schedule 2 amendment pursuant to the <i>Metal and Diamond Mining Effluent Regulations</i> under the <i>Fisheries Act</i>) would be required.	Specific Question/ Request for Information: A. Provide the specific area of wetlands that would be lost or altered due to the removal or alteration of waterbodies and streams in the project and local study areas, for which a federal authorization would be required; B. Provide a figure that illustrates the associated project components, waterbodies, streams, and associated wetlands in the project and local study areas
IR Number: CE(3)-07	ID: CEAA-96	IR-2 Reference #: CE(2)-07	Project Effects Link to CEAA 2012: 5(1)(a)(iii) Migratory Birds	Reference to EIS guidelines: Part 2, Section 6.1.7.	Reference to EIS: Chapter 7 -7.4.5, 7.4.7; Appendix E; TSD 17.	Context and Rationale: Changes in the environment due to new mine facilities and transportation corridors will cause potential effects for migratory bird communities related to habitat loss, increased disturbance (noise, light, dust), and increased edge effects. The proponent has presented the total breeding bird occurrences by watershed only (Appendix E) as well as what species at risk were found during surveys (TSD 17). However, the presentation of breeding bird survey results should provide estimates of the total number of birds that will be affected by the project and by any cumulative effects, including due to the adjacent forestry management area.	Specific Question/ Request for Information: A. Provide estimates of the total number of individuals of each migratory bird species, including species at risk, that would be affected by the Project and by the cumulative effects associated with the Project; B. Where necessary, apply significance criteria to residual effects, and describe any additional mitigation measures that may be required to ensure no significant adverse residual cumulative effects; C. Describe any follow-up and monitoring programs required to verify environmental assessment predictions and the efficacy of mitigation measures.