



Magino Gold Project

2019 ANNUAL REPORT TO THE IMPACT ASSESSMENT AGENCY OF CANADA (IAAC)

**REPORTING PERIOD JANUARY TO DECEMBER 2019, AS PER EA
DECISION STATEMENT CONDITIONS 2.9 AND 2.10**

March 23, 2020

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LIST OF ACRONYMS

Batchewana First Nation	BFN
Canadian Environmental Assessment Agency	CEAA
Department of Fisheries and Oceans	DFO
Environment and Climate Change Canada	ECCC
Environmental Assessment	EA
Environmental Compliance Approval	ECA
Fugitive Dust Best Management Practices Plan	FDBMPP
Garden River First Nation	GRFN
Impact Assessment Agency of Canada	IAAC
<i>Metal and Diamond Mining Effluent Regulations</i>	MDMER
Michipicoten First Nation	MFN
Missanabie Cree First Nation	MCFN
Métis Nation of Ontario	MNO
Red Sky Métis Independent Nation	RSMIN

EXECUTIVE SUMMARY – ENGLISH

Prodigy Gold, Inc. (Prodigy), a subsidiary of Argonaut Gold, is in the process of developing the Magino Gold Project (the Project) located approximately 40 kilometres (km) northeast of Wawa, Ontario, in Finan Township, Algoma District. The site is accessed via Goudreau Road from the Township of Dubreuilville. The Project includes the construction, operation and closure of an open pit gold mine, with approximately 150 million tonnes (Mt) of ore and approximately 430 Mt of mine rock and associated infrastructure.

Federal environmental assessment approval was received via the Decision Statement issued on January 24, 2019. This first Annual Report is submitted in compliance with condition 2.9 of the Decision Statement, and describes activities undertaken by Prodigy Gold to comply with each of the conditions in the Decision Statement during the reporting period January to December 2019.

As of March 2020, Prodigy had not announced a formal decision to construct; as such the Project is in the pre-construction phase. During the 2019 pre-construction period, Prodigy continued to engage the services of several reputable consulting companies to provide the qualified professionals to implement all activities according to requirements. Notable aspects of the 2019 report include:

- Prodigy continued ongoing engagement with Indigenous groups on the Magino Project prior to and following the federal Decision Statement issued January 24, 2019. In 2019, Prodigy met with each of the Indigenous groups to provide project updates.
- Impact Benefit Agreements have been signed between Prodigy Gold and five Indigenous groups: Michipicoten First Nation, the Missanabie Cree First Nation, Batchewana First Nation, the Métis Nation of Ontario, and the Red Sky Métis Independent Nation.
- Documents in support of EA conditions related to follow-up programs, monitoring and management plans, or details related to conditions focused on construction and operations phase activities were initiated during 2019. Further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.
- With respect to EA condition 3.14 (Fish and Fish Habitat), while most of the meetings to address Schedule 2 of the *Metal and Diamond Mining Effluent Regulations* and the *Fisheries Act* with Indigenous groups (facilitated by the federal government through the Department of Fisheries and Oceans, the Canadian Environmental Assessment Agency, and Environment and Climate Change Canada) occurred in late 2018, two were held in early 2019. Prodigy attended the Schedule 2 meetings and provided presentations on the Fish Habitat Compensation Plan (FHCP). A final draft FHCP was completed in 2019 and is designed to incorporate comments from Provincial and Federal authorities as well as Indigenous groups.
- With respect to EA condition 5.1 (Health of Indigenous Peoples), a Fugitive Dust Best Management Practices Plan was developed for the Project as a component of the Environmental Compliance Approval (Air) application submitted to the provincial Ministry of Environment, Conservation and Parks and also provided to five Indigenous groups for their review and comment in October 2019.
- There were no accidents or malfunctions during the reporting period. The Magino Project is subject to an existing Provincial Mine Closure Plan and existing reporting.

EXECUTIVE SUMMARY / RÉSUMÉ — FRANÇAIS

Prodigy Gold inc. (Prodigy), une filiale d'Argonaut Gold, travaille actuellement à l'élaboration du Projet aurifère Magino (le Projet), situé environ 40 kilomètres (km) au nord-est de Wawa, en Ontario, dans le village de Finan, dans le district d'Algoma. L'accès au site se fait par la route Goudreau, à Dubreuilville. Le projet implique la construction, l'exploitation et la fermeture d'une mine d'or à ciel ouvert, qui générera environ 150 millions de tonnes (Mt) de minerai et environ 430 Mt de roches de mine, et de l'infrastructure connexe.

Le projet a reçu l'approbation du gouvernement fédéral à la suite d'une évaluation environnementale par le biais de la Déclaration de décision émise le 24 janvier 2019. Le premier rapport annuel est présenté en conformité avec la condition 2.9 de la Déclaration de décision et décrit les activités effectuées par Prodigy Gold afin de se conformer à chacune des conditions de la Déclaration de décision entre janvier et décembre 2019.

En mars 2020, Prodigy n'avait toujours pas annoncé sa décision formelle d'entamer la construction; par conséquent, le projet est toujours dans sa phase préalable à la construction. Au cours de la période préalable à la construction de 2019, Prodigy a continué à avoir recours aux services de plusieurs entreprises d'experts-conseils réputées pour leur fournir des professionnels qualifiés pour la mise en œuvre de toutes les activités en fonction des exigences. Voici les éléments importants émanant du rapport de 2019 :

- Prodigy a continué à favoriser la participation des groupes autochtones au Projet aurifère Magino avant et après l'émission de la Déclaration de décision du 24 janvier 2019. En 2019, Prodigy a rencontré chacun des groupes autochtones pour leur fournir des renseignements sur l'avancement du projet.
- Des ententes sur les répercussions et les avantages ont été conclues entre Prodigy Gold et cinq groupes autochtones : la bande de Michipicoten, la bande des Cris de Missanabie, la Première Nation des Batchewanas, la Métis Nation of Ontario et la Red Sky Métis Independent Nation.
- Les documents à l'appui des conditions de l'évaluation environnementale en lien avec les programmes de suivi, les plans de surveillance et de gestion ou les détails associés aux conditions ont été produits en tenant compte des activités de la phase de construction et d'opération qui furent entreprises en 2019. Des développements devraient avoir lieu en 2020 en prévision d'une décision de construire qui pourrait survenir dès l'exercice financier en cours. Les consultations effectuées auprès des groupes autochtones se poursuivront conformément aux termes des ententes bilatérales; la consultation de chaque groupe et de toute autre partie intéressée sera également conforme aux exigences stipulées dans la Déclaration de décision de janvier 2019.
- En vertu de la condition 3.14 (Poisson et habitat du poisson) de la Déclaration de décision, bien que la plupart des réunions portant sur l'annexe 2 du *Règlement sur les effluents des mines de métaux et des mines de diamants* et sur la *Loi sur les pêches* avec les groupes autochtones (facilitées par le gouvernement fédéral par le biais du ministère des Pêches et des Océans, de l'Agence d'évaluation d'impact du Canada et d'Environnement et Changement climatique Canada) aient eu lieu à la fin de 2018, deux d'entre elles ont eu lieu au début de 2019. Prodigy a participé aux réunions portant sur l'annexe 2 et a présenté un plan compensatoire de l'habitat du poisson (PCHP). Une ébauche finale du PCHP a été rédigée en 2019 et est conçue de façon à pouvoir y inclure les commentaires des autorités provinciales et fédérales, ainsi que ceux des groupes autochtones.

- En conformité avec la condition 5.1 (Santé des peuples autochtones) de la Déclaration de décision, un Plan des pratiques exemplaires de gestion des poussières et particules diffuses a été élaboré pour le projet dans le cadre de la demande d'approbation environnementale (qualité de l'air) présentée au ministère de l'Environnement, de la Conservation et des Parcs de l'Ontario; ce Plan a également été fourni aux groupes autochtones en octobre 2019 pour qu'ils puissent l'examiner et formuler des commentaires.
- Aucun accident ou défaut de fonctionnement n'a été signalé au cours de la période de référence. Le projet Magino est soumis aux exigences provinciales quant au plan de fermeture de la mine et à l'établissement de rapports.

1. INTRODUCTION

Prodigy Gold, Inc. (Prodigy), a subsidiary of Argonaut Gold, is in the process of developing the Magino Gold Project (the Project) located approximately 40 kilometres (km) northeast of Wawa, Ontario, in Finan Township, Algoma District. Figure 1-1 shows the location of the Project. As of March 2020, Prodigy had not announced a formal decision to construct, although this is anticipated as early as this fiscal year; as such the Project is in the pre-construction phase. The site is accessed via Goudreau Road from the Township of Dubreuilville. The Project includes the construction, operation and closure of an open pit gold mine, with approximately 150 million tonnes (Mt) of ore and approximately 430 Mt of mine rock and associated infrastructure. The proposed open pit mine will be situated in the same location as a past-producing underground mine, and as such the Project is considered a brownfield site.

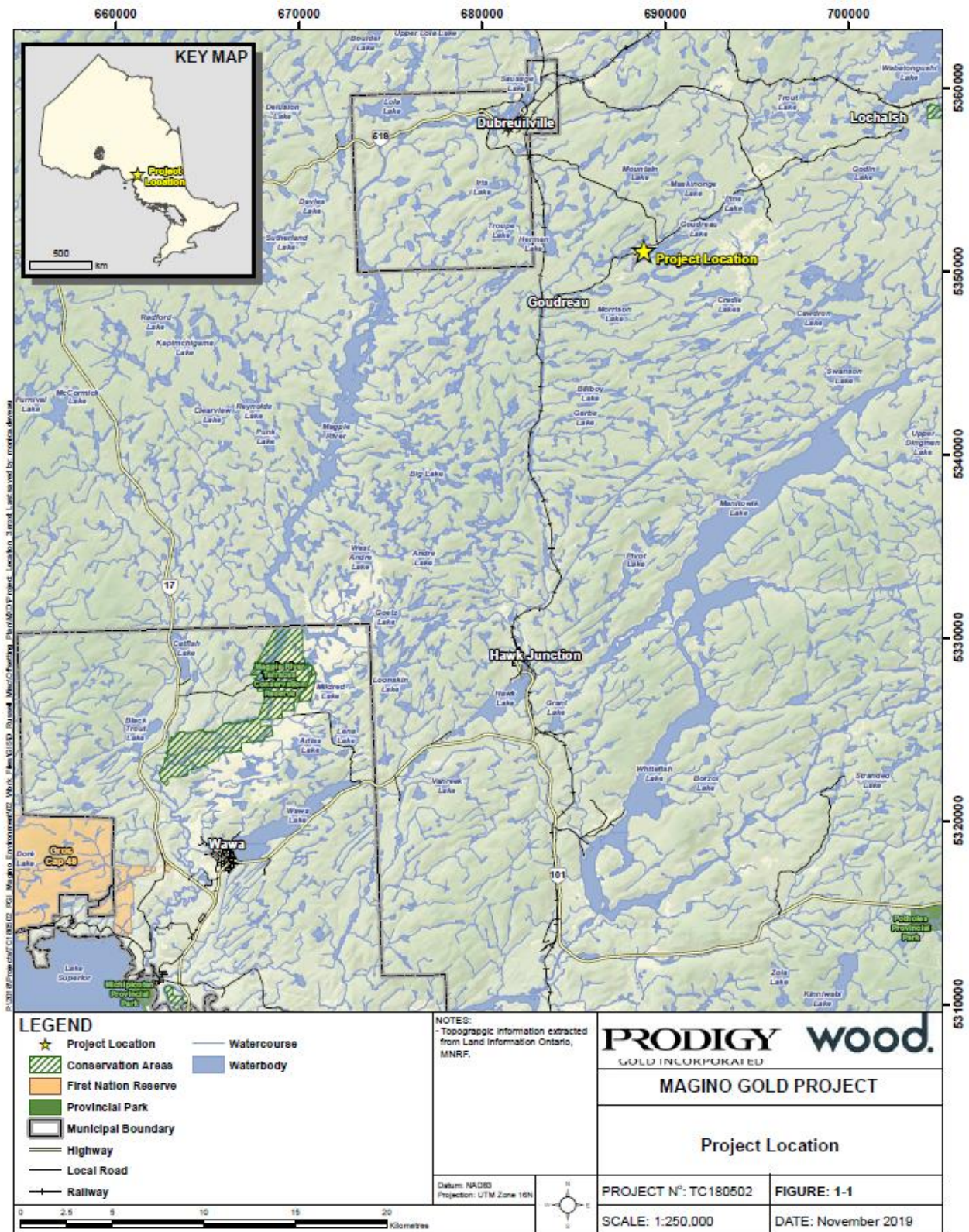
Federal environmental assessment approval was received via the Decision Statement issued on January 24, 2019. The Statement of Completion (Category B) made under the Ontario Ministry of Natural Resources and Forestry's Class Environmental Assessment for Resource Stewardship and Facility Development Projects (or Class EA-RSFD) for the Magino Gold Mine Project was issued on March 12, 2019.

This first Annual Report is submitted in compliance with condition 2.9 of the federal environmental assessment Decision Statement. Prodigy's annual reporting to the Agency will also be reflected as part of Argonaut Gold's overall social responsibility and sustainability program. The Annual Report describes activities undertaken by Prodigy Gold to comply with each of the conditions in the Decision Statement during the reporting period January 25 to December 31, 2019. The report is organized so that each section heading addresses a set of conditions as they are laid out in the Decision Statement itself.

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Figure 1-1: Magino Gold Project Location



2. CONDITIONS AND COMPLIANCE REPORTING

Activities taken by Prodigy in 2019 to comply with each of the federal EA Decision Statement conditions (January 24, 2019) are described below.

A. General Conditions

A-1 Qualified Individuals / Best Practices

“2.1 The Proponent shall ensure that its actions in meeting the conditions set out in this Decision Statement during all phases of the Designated Project are considered in a careful and precautionary manner, promote sustainable development, are informed by the best information and knowledge available at the time the Proponent takes action, including community and Indigenous traditional knowledge, are based on methods and models that are recognized by standard-setting bodies, are undertaken by qualified individuals, and have applied the best available economically and technically feasible technologies.”

Response: During the 2019 pre-construction period, Prodigy continued to engage the services of several reputable consulting companies to provide the qualified professionals (e.g. R.P.Bio., P. Eng., P. Geo.) to implement all activities according to requirements.

- Wood Group PLC
- Golder Associates Corp.
- DPRA Canada
- Northern Heritage Northeast
- Northern Bioscience Ecological Consulting
- SLR Consulting
- TBT Engineering
- Lorax Environmental Services Ltd.
- LQ Consulting and Management

A-2 Consultation

“2.2 The Proponent shall, where consultation is a requirement of a condition set out in this Decision Statement:

2.2.1 provide a written notice of the opportunity for the party or parties being consulted to present their views and information on the subject of the consultation;

2.2.2 provide all information available and relevant on the scope and the subject matter of the consultation and a period of time taking into account the views of the party or parties being consulted, not to be less than 15 days, to prepare their views and information;

2.2.3 undertake an impartial consideration of all views and information presented by the party or parties being consulted on the subject matter of the consultation; and

2.2.4 advise in a timely manner the party or parties being consulted on how the views and information received have been considered by the Proponent.

2.3 The Proponent shall, where consultation with Indigenous groups is a requirement of a condition set out in this Decision Statement, communicate with each Indigenous group with respect to the manner to satisfy the consultation requirements referred to in condition 2.2, including methods of notification, the type of information and the period of time to be provided when seeking input, the process to be used by the Proponent to undertake impartial consideration of all views and information presented on the subject of the consultation,

and the period of time and the means to advise Indigenous groups of how their views and information were considered by the Proponent.”

Response: Consultation with Indigenous groups with respect to the conditions of the Decision Statement is described as applicable in the other sections of this Annual Report. In many cases, as a formal decision to construct had not been made in 2019 (although this is anticipated as early as this fiscal year), and the Project is in the pre-construction phase, the consultation on specific EA conditions had not been initiated in 2019. However:

- Prodigy had ongoing engagement with Indigenous groups on the Magino Project prior to and following the federal Decision Statement issued January 24, 2019.
- Impact Benefit Agreements (IBAs) have been signed between Prodigy Gold and five Indigenous groups: Michipicoten First Nation (MFN), the Missanabie Cree First Nation (MCFN), Batchewana First Nation (BFN), the Métis Nation of Ontario (MNO), and the Red Sky Métis Independent Nation (RSMIN). Discussions continue with the Garden River First Nation (GRFN).
- In 2019, Prodigy met with each of the Indigenous groups to provide project updates and noted that a formal decision to construct had not been made.
- While most of the meetings to address Schedule 2 of the *Metal and Diamond Mining Effluent Regulations* (MDMER) and the *Fisheries Act* with Indigenous groups (facilitated by the federal government through the Department of Fisheries and Oceans (DFO), the Canadian Environmental Assessment Agency (CEAA; now the Impact Assessment Agency of Canada), and Environment and Climate Change Canada (ECCC)) occurred in late 2018, two were held in early 2019. Prodigy attended the Federal Schedule 2 consultation meetings and provided presentations on the Fish Habitat Compensation Plan. More information is provided with respect to EA condition 3.14 elsewhere in this report (Section 2B).
- From January to December 2019, Prodigy circulated draft packages related to several provincial authorizations to Indigenous groups throughout the permitting process.
- In 2019 and early 2020, letters of support were submitted by the MFN, MCFN, BFN, MNO, and the RSMIN for the Construction Phase Environmental Compliance Approval (ECA) – Water Management application, other project permitting, and/or the Magino Project and the conclusion of the federal Schedule 2 process.

A-3 Follow-up and Adaptive Management

“2.4 The Proponent shall, where a follow-up program is a requirement of a condition set out in this Decision Statement, determine, as part of the development of each follow-up program and in consultation with the party or parties being consulted during the development, the following information:

- 2.4.1 *the methodology, location, frequency, timing and duration of monitoring associated with the follow-up program;*
- 2.4.2 *the scope, content and frequency of reporting of the results of the follow-up program;*
- 2.4.3 *the levels of environmental change relative to baseline conditions that would require the Proponent to implement modified or additional mitigation measure(s), including instances where the Proponent may require Designated Project activities to be stopped; and*
- 2.4.4 *the technically and economically feasible mitigation measures to be implemented by the Proponent if monitoring conducted as part of the follow-up program shows that the levels of environmental change referred to in condition 2.4.3 have been reached or exceeded and the timing for implementing the modified or additional mitigation measures.”*

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 2.4 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, including monitoring plans, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation on the development of the follow-up programs with Indigenous groups will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

“2.5 The Proponent shall maintain the information referred to in condition 2.4 during the implementation of each follow-up program in consultation with the party or parties being consulted during the development of each follow-up program.

2.6 The Proponent shall provide the follow-up programs referred to in conditions 3.16, 3.17, 3.18, 3.19, 4.4, 4.5, 5.3, 5.4, 6.5, 6.6, 7.2 and 7.3 to the Agency and to the party or parties being consulted during the development of each follow-up program prior to the implementation of each follow-up program. The Proponent shall also provide any update(s) to the Agency and to the party or parties being consulted during the development of each follow-up program within 30 days of the follow-up program being updated.

2.7 The Proponent shall, where a follow-up program is a requirement of a condition set out in this Decision Statement and in consultation with the party or parties being consulted during the development of the follow-up program:

- 2.7.1 conduct the follow-up program according to the information determined pursuant to condition 2.4;*
- 2.7.2 undertake monitoring and analysis to verify the accuracy of the environmental assessment as it pertains to the particular condition and/or to determine the effectiveness of any mitigation measure(s);*
- 2.7.3 determine whether modified or additional mitigation measures are required based on the monitoring and analysis undertaken pursuant to condition 2.7.2; and*
- 2.7.4 if modified or additional mitigation measures are required pursuant to condition 2.7.3, develop and implement these mitigation measures in a timely manner and monitor them pursuant to condition 2.7.2.*

2.8 Where consultation with Indigenous groups is a requirement of a follow-up program, the Proponent shall discuss with each Indigenous group opportunities for their participation in the development and implementation of the follow-up program, including the analysis of the follow-up results and whether modified or additional mitigation measures are required, as set out in condition 2.7.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct (although this is anticipated as early as this fiscal year). As the follow-up programs required by the conditions of the Decision Statement were not developed or finalized for implementation, there was no specific action on EA conditions 2.5 through 2.8 during 2019.

A-4 Annual Reporting

"2.9 The Proponent shall, commencing in the reporting year during which the Proponent begins the implementation of the conditions set out in this Decision Statement, prepare an annual report that sets out:

- 2.9.1 the activities undertaken by the Proponent in the reporting year to comply with each of the conditions set out in this Decision Statement;*
- 2.9.2 how the Proponent complied with condition 2.1;*
- 2.9.3 for conditions set out in this Decision Statement for which consultation is a requirement, how the Proponent considered any views and information that the Proponent received during or as a result of the consultation;*
- 2.9.4 the information referred to in conditions 2.4 and 2.5 for each follow-up program;*
- 2.9.5 the results of the follow-up program requirements identified in conditions 3.16, 3.17, 3.18, 3.19, 4.4, 4.5, 5.3, 5.4, 6.5, 6.6, 7.2 and 7.3;*
- 2.9.6 any modified or additional mitigation measures implemented or proposed to be implemented by the Proponent, as determined under condition 2.7;*
- 2.9.7 any change(s) to the Designated Project in the reporting year for which the Proponent determined that condition 2.14 did not apply.*

2.10 The Proponent shall submit to the Agency the annual report referred to in condition 2.9, including a plain language executive summary in both official languages, no later than March 31 following the reporting year to which the annual report applies."

Response: This Annual Report is submitted in compliance with conditions 2.9 and 2.10 of the federal environmental assessment Decision Statement issued on January 24, 2019.

A-5 Information Sharing

"2.11 The Proponent shall publish on the Internet, or any medium which is publicly available, the annual reports and the executive summaries referred to in conditions 2.9 and 2.10, the offsetting plan(s) referred to in condition 3.14, the reports related to accidents and malfunctions referred to in conditions 8.4.2 and 8.4.3, the communication plans referred to in conditions 6.1 and 8.5, the schedules referred to in conditions 9.1, and 9.2, and any update(s) or revision(s) to the above documents, upon submission of these documents to the parties referenced in the respective conditions. The Proponent shall keep these documents publicly available for 25 years following the end of operation, or until the end of decommissioning of the Designated Project, whichever comes first. The Proponent shall notify the Agency and Indigenous groups of the availability of these documents within 48 hours of their publication.

2.12 When the development of a plan is a requirement of a condition set out in this Decision Statement, the Proponent shall submit the plan to the Agency prior to construction, unless otherwise required through the condition."

Response: The relevant reports, plans, and schedules referred to in EA conditions 2.11 and 2.12 are yet to be finalized as per the current pre-construction phase of the project. Therefore, they were not shared with the Agency, Indigenous groups or any other party in 2019. Additional detail is provided in this Annual Report in the response for each EA condition.

A-6 Change of Proponent

“2.13 The Proponent shall notify the Agency and Indigenous groups in writing no later than 30 days after the day on which there is a transfer of ownership, care, control or management of the Designated Project in whole or in part.”

Response: There was no transfer of ownership, care, control or management of the Designated Project in whole or in part; as such, no related notifications were made in 2019.

A-7 Change to the Designated Project

“2.14 The Proponent shall consult with Indigenous groups, Pic Mobert First Nation and relevant authorities prior to initiating any changes to the Designated Project that may result in adverse environmental effects, and shall notify the Agency in writing no later than 60 days prior to initiating the change(s).

2.15 In notifying the Agency pursuant to condition 2.14, the Proponent shall provide the Agency with a description of the potential adverse environmental effects of the change(s) to the Designated Project, the proposed mitigation measures and follow-up requirements to be implemented by the Proponent and the results of the consultation with Indigenous groups, Pic Mobert First Nation and relevant authorities.”

Response: There was no change to the Designated Project that may result in adverse environmental effects; as such, no related notifications were made in 2019.

B. Fish and Fish Habitat

“3.1 The Proponent shall develop, prior to construction, and implement, during all phases of the Designated Project, measures to control erosion and sedimentation within the project study area. The Proponent shall submit these measures to the Agency before implementing them. Among other measures, the Proponent shall:

- 3.1.1 Use ditches and diversion berms to maintain stream bank stability; and*
- 3.1.2 Use physical barriers to reduce runoff from disturbed areas.”*

3.2 The Proponent shall comply with the Metal and Diamond Mining Effluent Regulations and the pollution prevention provisions of the Fisheries Act.

3.3: The Proponent shall collect, during construction and operation, contact water for reuse in Designated Project activities, and treat excess contact water that cannot be reused.

3.4 The Proponent shall control the flow at which excess water referred to in condition 3.3 is discharged to limit disturbance of lake bed material.”

Response: As the Magino Project is still in the pre-construction phase and there has not been a formal decision to construct (although this is anticipated as early as this fiscal year), there was no specific action on EA conditions 3.1 through 3.4 or associated sub-conditions during 2019.

“3.5 The Proponent shall install, prior to operation, and use a cyanide destruction circuit during operation to reduce cyanide concentrations in tailings before the tailings are directed to the tailings management facility.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 3.5 during 2019. Figure 6-19 (‘Gold Extraction Process Flowsheet’) in the Environmental Impact Statement (2017) includes a cyanide destruction circuit.

“3.6 The Proponent shall, after the end of operation and until the open-pit lake is filled, collect and direct contact water to the open-pit lake.”

3.7 The Proponent shall, prior to operation, implement seepage control measures at the tailings management facility and maintain these measures during operation and decommissioning.

3.8 The proponent shall not connect the open-pit lake until such time as water in the open-pit lake complies with the pollution prevention provisions of the Fisheries Act.

3.9 The Proponent shall treat water taking into account the Canadian Council of Ministers of the Environment's Canadian Water Quality Guidelines for Protection of Aquatic Life.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 3.6 through 3.9 during 2019.

“3.10 The Proponent shall develop, prior to the start of blasting activities in or near water and in consultation with Indigenous groups, and implement, during blasting activities in or near water, mitigation measures to avoid or prevent adverse effects to fish and fish habitat from the use of explosives in a manner consistent with the Fisheries Act and its regulations. When developing these measures, the Proponent shall take into account Fisheries and Oceans Canada's Measures to avoid causing harm to fish and fish habitat including aquatic species to risk as it pertains to the use of explosives in or near water. The Proponent shall submit these measures to the Agency before implementing them.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 3.10 occurred during 2019. While there was some initial internal planning with respect to the required management plans, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the plans – including mitigation measures related to blasting in or near water - will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement. These mitigation measures will be provided to the Agency prior to commencement of blasting activities in or near water.

“3.11 The Proponent shall conduct in-water construction activities during timing windows of least risk for the area, unless otherwise agreed to by relevant federal and provincial authorities. If in-water construction activities cannot be conducted during identified timing windows of least risk, the Proponent shall develop and implement additional mitigation measures, in consultation with Indigenous groups and Fisheries and Oceans Canada, to protect fish during sensitive life stages.”

“3.12 The Proponent shall salvage and relocate fish prior to conducting any Designated Project activity requiring removal of fish habitat in a manner consistent with any license issued under the Fisheries Act and its regulations. The Proponent shall salvage and relocate fish in consultation with Indigenous groups and to the satisfaction of Fisheries and Oceans Canada and other relevant authorities.”

“3.13 The Proponent shall design, install and operate the water intake structures in Goudreau Lake in a manner which reduces the incidental capture of fish by entrainment and impingement through the use of an appropriately sized fish screen, taking into account Fisheries and Oceans Canada's Freshwater Intake End-of-Pipe Fish Screen Guideline and in a manner consistent with the Fisheries Act and its regulations.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 3.11 through 3.13 during 2019.

“3.14 The Proponent shall develop, to the satisfaction of Fisheries and Oceans Canada and Environment and Climate Change Canada and in consultation with Indigenous groups, any offsetting plan(s) related to any residual serious harm to fish associated with the carrying out of the Designated Project. The Proponent shall implement the plan. The Proponent shall submit any approved offsetting plan(s) to the Agency prior to implementation.”

Response: Prodigy has developed a *Metal and Diamond Mining Effluent Regulations (MDMER) Schedule 2 Fish Habitat Compensation Plan and Fisheries Act Paragraph 35(2)(b) Authorization Offset Plan* (the Plan) to mitigate any residual serious harm to fish associated with the carrying out of the Project. The Plan has been developed in coordination with the Department of Fisheries and Oceans (DFO)/ Fisheries and Oceans Canada and Environment and Environment and Climate Change Canada (ECCC) and in consultation with Indigenous groups.

Prodigy discussed fisheries offset / fish habitat compensation planning with Indigenous groups starting in 2016. Meetings with Indigenous groups to address Schedule 2 of the MDMER and the *Fisheries Act* were facilitated by the federal government through DFO, the Canadian Environmental Assessment Agency (CEAA; now the Impact Assessment Agency of Canada), and ECCC. At these meetings, the details of the proposed Fish Habitat Compensation Plan including areas impacted and new offsetting areas were reviewed. While most of these meetings occurred in late 2018 (immediately prior to the period of this first Annual Report), two were held in early 2019.

Comments from Indigenous groups and the agencies were incorporated during the ongoing development of the Fish Habitat Compensation Plan and Offset Plan in 2019. Indigenous groups have been periodically updated on the progress of the development of the revised Fish Habitat Compensation Plan/Offset Plan document as part of regular project/permitting update meetings. With strong support from Indigenous groups, the Plan has been revised to include restoration work at historically acidified lakes located closer to Wawa. A revised draft document was provided to DFO in late 2019 as part of the Schedule 2 process.

“3.15 The Proponent shall, for any fish habitat offsetting measure(s) proposed in any offsetting plan(s) referred to in condition 3.14 that may cause adverse environmental effects not considered in the environmental assessment, develop and implement, following consultation with Indigenous groups, Fisheries and Oceans Canada and Environment and Climate Change Canada, measures to mitigate those effects. The Proponent shall submit these measures to the Agency before implementing them.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 3.15 during 2019.

“3.16 The Proponent shall develop, prior to the start of blasting activities in or near water and in consultation with Indigenous groups and relevant authorities, a follow-up program to determine the effectiveness of the mitigation measures as it pertains to the adverse environmental effects on fish and fish habitat, including spawning habitat, caused by blasting. The Proponent shall implement the follow-up program during blasting activities. As part of the implementation of the follow-up program, the Proponent shall:

3.16.1 Monitor instantaneous pressure and particle velocity during the first blasting event;”

- 3.16.2 *If results of the monitoring referred to in condition 3.16.1 indicate an instantaneous pressure change greater than 100 kiloPascals in the swimbladder of fish or that blasting produces a peak particle velocity greater than 13 millimetre per second in a spawning bed, develop, prior to the next blasting event and in consultation with relevant authorities, modified or additional mitigation measures pursuant to condition 2.7 in order to protect fish and fish habitat, including spawning habitat; and”*
- 3.16.3 *Implement the modified or additional mitigation measures referred to in condition 3.16.2 during all subsequent blasting events. The Proponent shall submit these measures to the Agency before implementing them.”*

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 3.16 or related sub-conditions during 2019.

“3.17 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to determine the effectiveness of the mitigation measures for the salvage and relocation of fish and as it pertains to the incidental capture of fish by entrainment and impingement from the Designated Project. The Proponent shall implement the follow-up program during all phases of the Designated Project.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 3.17 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the programs— including those related to effectiveness of mitigation measures related to the salvage and relocation of fish - will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

“3.18 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and to determine the effectiveness of the mitigation measures as it pertains to adverse environmental effects on fish and fish habitat caused by changes in water and sediment quality in Otto Lake and Herman Lake. The Proponent shall implement the follow-up program during all phases of the Designated Project, including the environmental effects monitoring requirements set out in Schedule 5 of the Metal and Diamond Mining Effluent Regulations.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 3.18 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the programs— including those related to effectiveness of mitigation measures pertaining to adverse effects on fish related to changes in water/sediment quality in Otto and Herman lakes - will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

“As part of the implementation of the follow-up program, the Proponent shall:

- 3.18.1 Monitor, at least quarterly, concentrations of total phosphorus, mercury, copper, silver, sulphate and ammonia in water during operation;*
- 3.18.2 Monitor, at least annually, concentrations of copper, arsenic, cadmium, manganese, mercury and total phosphorus in sediments during operation;*
- 3.18.3 Monitor fish health through fish tissue sampling and fish population studies. Monitoring shall include lower trophic level indicator species and shall include monitoring of fish abundance, fish population structure and other fish health metrics that shall be determined in consultation in Indigenous groups and relevant authorities. The Proponent shall conduct monitoring for one year prior to operation and at least twice a year for the first three years of operation and shall:
 - 3.18.3.1 If the results of monitoring during the first three years of operation demonstrate that no adverse environmental effects to fish and fish habitat from Designated Project activities are occurring, continue monitoring every three years after the first three years for a duration that shall be determined in consultation with Indigenous groups and relevant authorities; or*
 - 3.18.3.2 If the results of monitoring during the first three years of operation demonstrate that adverse environmental effects to fish and fish habitat from Designated Project activities are occurring, determine, in consultation with Indigenous groups and relevant authorities, with what frequency and for what duration additional monitoring shall occur;**
- 3.18.4 Monitor nutrient levels, algae abundance, and dissolved oxygen levels. In doing so the Proponent shall:
 - 3.18.4.1 Conduct monitoring one year prior to operation;*
 - 3.18.4.2 Conduct monitoring at least twice a year for the first three years of operation and:
 - 3.18.4.2.1 If the results of the monitoring referred to in condition 3.18.4.2 demonstrate a statistically significant change with the results of monitoring referred to in condition 3.18.4.1, conduct a fish habitat utilization survey to verify that these changes do not cause adverse environmental effects to fish and fish habitat. The Proponent shall determine the methodology, the frequency and the duration of this survey in consultation with Indigenous groups and relevant authorities.**
 - 3.18.4.3 After the third year of operation, the Proponent shall:
 - 3.18.4.3.1 Continue monitoring of nutrient levels, algae abundance and dissolved oxygen levels every three years for a duration that shall be determined in consultation with Indigenous groups and relevant authorities, if the results of monitoring referred to in condition 3.18.4.2 demonstrate that no adverse environmental effects to fish and fish habitat from Designated Project activities are occurring; or*
 - 3.18.4.3.2 Continue monitoring at a frequency and duration that shall be determined in consultation with Indigenous groups and relevant authorities, if the results of monitoring referred to in condition 3.18.4.2 demonstrate that adverse environmental effects to fish and fish habitat from Designated Project activities are occurring.***
- 3.18.5 if results of the monitoring referred to in conditions 3.18.1, 3.18.2, 3.18.3 or 3.18.4 or the results of the fish habitat utilization survey referred to in condition 3.18.4.2.1 demonstrate that modified or additional mitigation measures are required to protect fish and fish habitat from changes to water and sediment quality, develop and implement modified or additional mitigation measures pursuant to condition 2.7, which shall include, at a minimum, the installation and use of an*

effluent treatment facility. The Proponent shall submit these measures to the Agency before implementing them.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 3.18.1 through 3.18.5 during 2019.

“3.19 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and to determine the effectiveness of the mitigation measures as it pertains to the adverse environmental effects on fish and fish habitat in Otto Lake, Herman Lake and Goudreau Lake from changes in groundwater quality caused by the Designated Project. The Proponent shall implement the follow-up program during all phases of the Designated Project in consultation with Indigenous groups. As part of the implementation of the follow-up program, the Proponent shall...:”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 3.19 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the programs— including those related to effectiveness of mitigation measures pertaining to adverse effects on fish/fish habitat related to changes in groundwater quality - will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

“3.19.1 Monitor groundwater quality using as benchmarks the comparative standards for water quality identified by the Proponent in Table 7-54 of the Environmental Impact Statement; and”

Response: The existing baseline groundwater monitoring program described in the June 2017 Environmental Impact Statement is on-going and will be expanded once a construction decision has been made.

“3.19.2 If the results of the monitoring referred to in condition 3.19.1 demonstrate that modified or additional mitigation measures are required to mitigate adverse environmental effects on fish and fish habitat of changes in groundwater quality caused by the Designated Project, develop and implement modified or additional mitigation measures pursuant to condition 2.7. The Proponent shall submit these measures to the Agency before implementing them.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 3.19.2 during 2019.

C. Migratory Birds

“4.1 The Proponent shall carry out the Designated Project in a manner that protects migratory birds and avoids harming, killing or disturbing migratory birds or destroying, disturbing or taking their nests or eggs. In this regard, the Proponent shall take into account Environment and Climate Change Canada's Avoidance Guidelines and the risk of incidental take. The Proponent's actions when carrying out the Designated Project shall be in compliance with the Migratory Birds Convention Act, 1994, the Migratory Birds Regulations and with the Species at Risk Act.

4.2 The Proponent shall control lighting required during all phases of the Designated Project, including direction, timing and intensity, to avoid adverse environmental effects on migratory birds, while meeting health and safety requirements.

4.3 The Proponent shall undertake, in consultation with Indigenous groups and relevant authorities, progressive reclamation of the project study area. The Proponent shall identify, prior to the start of progressive reclamation and in consultation with Indigenous groups and relevant authorities, plant species native to the area of the Designated Project to use for revegetation as part of the progressive reclamation, including species suitable to create habitat for migratory birds.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 4.1 through 4.3 during 2019.

“4.4 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment as it pertains to the use by migratory birds of surface water facilities in the project study area. As part of the implementation of the follow-up program, the Proponent shall:”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 4.4 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the programs— including those related to use by migratory birds of surface water facilities - will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

4.4.1 Monitor, at times migratory birds may be present in the project study area, the use by migratory birds of the tailings management facility and the water quality control pond during all phases of the Designated Project until such time that water quality in the tailings management facility and the water quality control pond meet legislative requirements and water quality objectives. The water quality objectives are to be established using an ecological risk based approach, developed in consultation with Indigenous groups and relevant authorities;

4.4.2 Monitor, at times migratory birds may be present in the project study area, the use by migratory birds of the open-pit lake during decommissioning. The Proponent shall determine, in consultation with indigenous groups and relevant authorities, the frequency and duration of the monitoring during decommissioning; and

4.4.3 If results of the monitoring referred to in conditions 4.4.1 or 4.4.2 indicate that migratory birds use the tailings management facility, the water quality control pond or the open-pit lake, develop, in consultation with Indigenous groups, and implement deterrence measures pursuant to condition 2.7. The Proponent shall submit these measures to the Agency before implementing them.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 4.4.1 through 4.4.3 during 2019.

“4.5 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and to determine the effectiveness of the mitigation measures to avoid harm to migratory birds, their eggs, and nests, including the mitigation measures used to comply with conditions 4.1 to 4.3. As part of the development of the follow-up program, the Proponent shall identify performance indicators that shall be used by the Proponent to evaluate the effectiveness of the progressive reclamation referred to in condition 4.3. The Proponent shall implement the follow-up program during all phases of the Designated Project.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 4.5 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the programs— including those related to effectiveness of mitigation measures to avoid harm to migratory birds, their eggs and nests - will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

“As part of the implementation of the follow-up program, the Proponent shall:

- 4.5.1 Conduct migratory bird surveys annually for the first three years following completion of construction to assess changes in migratory bird populations caused by the Designated Project. The Proponent shall determine the methodology for the migratory bird surveys in consultation with Indigenous groups and relevant authorities. The Proponent shall determine, in consultation with Indigenous groups and relevant authorities and based on the results of the initial surveys, if additional surveys are required after the first three years following completion of construction and at what frequency and in which locations these additional surveys shall occur; and*
- 4.5.2 Monitor the effectiveness of the progressive reclamation referred to in condition 4.3, including the establishment of native plant species to create habitat for migratory birds, annually during operation and during the first three years of decommissioning and every five years thereafter. The Proponent shall monitor the effectiveness of the progressive reclamation referred to in condition 4.3 until the Proponent has determined, in consultation with Indigenous groups and relevant authorities, that the performance indicators have been met.”*

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 4.5.1 and 4.5.2 during 2019.

D. Health of Indigenous Peoples

“5.1 The Proponent shall develop, prior to construction, measures to mitigate emissions of dust and fugitive particulate generated by the Designated Project, including dust associated with mine vehicles on roads located within the property boundary, that take into account the standards and criteria set out in the Canadian Council of Ministers of the Environment's Canadian Ambient Air Quality Standards and Ontario's Ambient Air Quality Criteria. The Proponent shall submit these measures to the Agency before implementing them. The Proponent shall implement these measures during construction, operation and the first three years of decommissioning.”

Response: A Fugitive Dust Best Management Practices Plan (FDBMPP) was developed for the Project as a component of the Environmental Compliance Approval (Air) application submitted to the provincial Ministry of Environment, Conservation and Parks and also provided to five Indigenous groups for their review and comment in October, 2019. Once that application is approved/the FDBMPP finalized, it will be provided to the Agency and implemented during construction, operation and the first three years of decommissioning.

“5.2 The Proponent shall undertake reagent handling and ore processing activities in an enclosed space equipped with a dust collection system.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 5.2 during 2019.

“5.3 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and to determine the effectiveness of the mitigation measures as it pertains to the adverse environmental effects on the health of Indigenous Peoples caused by increased concentration of air contaminants, including total suspended particulates, particulate matter (PM₁₀), fine particulate matter (PM_{2.5}), sulphur dioxide, nitrogen dioxide and cadmium. As part of the follow-up program, the Proponent shall:

5.3.1 Identify, prior to construction, monitoring locations for air contaminants within areas used by Indigenous groups for traditional purposes for which maximum concentrations of air contaminants were predicted by the Proponent during the environmental assessment, as identified in Appendix N of the final response to Information Request 01 (Canadian Environmental Assessment Registry Reference Number 80044, Document Number 26);”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 5.3 and sub-condition 5.3.1 during 2019. However, Prodigy has committed to developing an Air Quality Management Plan (AQMP) prior to construction, in consultation with Indigenous groups and relevant authorities. The purpose of the AQMP will be to confirm the findings of the environmental assessment and verify that the proposed in design mitigation measures of the Fugitive Dust Best Management Practices Plan are effective. The AQMP will outline an air quality monitoring program, in which monitoring locations will be identified in accordance with condition 5.3.1.

- “5.3.2 Monitor, during construction, operation and the first three years of decommissioning, air contaminants at the monitoring locations identified pursuant to condition 5.3.1, using as benchmarks the standards and criteria set out in the Canadian Council of Ministers of the Environment’s Canadian Ambient Air Quality Standards and Ontario’s Ambient Air Quality Criteria. The Proponent shall monitor fine particulate matter (PM_{2.5}) in real-time, particulate matter (PM₁₀) and cadmium at a minimum every 6 days and total suspended particulates, sulphur dioxide and nitrogen dioxide at a frequency that shall allow the Proponent to monitor adverse environmental effects on human health. The Proponent shall _determine the frequency of monitoring for total suspended particulates, Sulphur dioxide and nitrogen dioxide in consultation with Indigenous groups and relevant authorities during the development of the follow-up program;*
- 5.3.3 Notify the Agency and Indigenous groups in writing within 24 hours of any exceedance(s) observed by the Proponent during monitoring referred to in condition 5.3.2 of 1-hour limits or 24-hour limits of the standards and criteria set out in the Canadian Council of Ministers of the Environment’s Canadian Ambient Air Quality Standards and Ontario’s Ambient Air Quality Criteria, except for fine particulate matter (PM_{2.5}); and*
- 5.3.4 Determine, in consultation with Indigenous groups and relevant authorities, the thresholds for concentration of fine particulate matter (PM_{2.5}) above which the Proponent shall notify Indigenous groups.”*

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 5.3.2 through 5.3.4 during 2019. EA condition 5.3.4 will be addressed as part of the Air Quality Management Plan described above for condition 5.3.1.

“5.4 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and to determine the effectiveness of mitigation measures as it pertains to the adverse environmental effects on health of Indigenous Peoples caused by contamination of water and fish.

As part of the follow-up program, the Proponent shall:

- 5.4.1 Identify, prior to construction, fish species that shall be monitored, waterbodies where Indigenous use is expected and where contaminants shall be monitored;”*

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 5.4 and sub-condition 5.4.1 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the programs– including those related to effectiveness of mitigation measures as it relates to health of Indigenous Peoples caused by contamination of water and fish - will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

" As part of the follow-up program, the Proponent shall:...

- 5.4.2 Monitor mercury, methylmercury, cobalt, lead and arsenic in surface water in Otto Lake and other downstream waterbodies identified pursuant to condition 5.4.1 during all phases of the Designated Project;"*
- 5.4.3 Monitor mercury, methylmercury, cobalt, lead and arsenic in surface water in Goudreau Lake and other downstream waterbodies identified pursuant to condition 5.4.1 during decommissioning;"*
- 5.4.4 Monitor mercury, methylmercury, lead, arsenic and cobalt in fish tissue in Otto Lake and other downstream waterbodies identified pursuant to condition 5.4.1 every three years during all phases of the Designated Project, starting the first year of construction, and every five years after the end of decommissioning. The Proponent shall determine, in consultation with Indigenous groups and relevant authorities, if additional monitoring must be implemented after the end of decommissioning; and"*
- 5.4.5 monitor mercury, methylmercury, lead, arsenic and cobalt in fish tissue in Goudreau Lake and other downstream waterbodies identified pursuant to condition 5.4.1 every three years starting at the beginning of decommissioning and for a duration that shall be determined in consultation with Indigenous groups and relevant authorities."*

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA conditions 5.4.2 through 5.4.5 during 2019.

E. Current Use of Lands and Resources for Traditional Purposes

"6.1 The Proponent shall develop, prior to construction and in consultation with Indigenous groups, a communication plan to share information related to the Designated Project and the adverse environmental effects of the Designated Project with Indigenous groups. The Proponent shall implement and maintain the communication plan up-to-date during all phases of the Designated Project. The communication plan shall include procedures, including timing and methods, for sharing information on the following:

- 6.1.1 the location and timing of Designated Project activities that may affect quality of experience to Indigenous uses of lands for traditional purposes caused by changes in dust, noise or light within the property boundary and that may permanently or temporarily affect navigation within the project study area;*
- 6.1.2 the results of the follow-up program referred to in conditions 3.16, 3.17, 3.18, 3.19, 4.4, 4.5, 5.3, 5.4, 6.5, 6.6, 7.2, and 7.3, including any potential health risks, in plain language, and the modified or additional mitigation measures developed and implemented by the Proponent pursuant to condition 2.7 for each follow-up program.*

6.2 The Proponent shall develop, as part of the communication plan referred to in condition in 6.1, procedures for Indigenous groups to provide feedback to the Proponent about adverse environmental effects caused by the Designated Project related to access to and use of lands for traditional purposes, and procedures for the Proponent to document and respond in a timely manner to the feedback received and demonstrate how issues have been addressed, including through the implementation of additional or modified mitigation measures. The Proponent shall implement these procedures during all phases of the Designated Project.

6.3 The Proponent shall develop, prior to construction and in consultation with Indigenous groups, a Historic Resources Management Plan for structures, sites, or things of historical, archaeological, paleontological, or

architectural significance. The Proponent shall implement the plan during all phases of the Designated Project. As part of the plan, for any previously unidentified structures, sites or things of historical, archaeological, paleontological or architectural significance discovered within the property boundary by the Proponent or brought to the attention of the Proponent by an Indigenous group or another party during any phase of the Designated project, the Proponent shall:

- 6.3.1 immediately halt work at the location of the discovery, except for actions required to be undertaken to protect the integrity of the discovery;*
- 6.3.2 delineate an area with a radius of at least 30 metres around the discovery as a no-work zone and monitor any work conducted within 50 metres around the discovery;*
- 6.3.3 conduct an assessment at the location of the discovery;*
- 6.3.4 inform the Agency and Indigenous groups within 24 hours of the discovery, and allow Indigenous groups to monitor and participate in the archeological work; and*
- 6.3.5 consult Indigenous groups and relevant authorities on the manner by which to comply with all applicable legislative or legal requirements and associated regulations and protocols respecting the discovery, recording, transferring and safekeeping of previously unidentified structures, sites or things of historical, archaeological, paleontological or architectural significance.*

6.4 As part of the progressive reclamation referred to in condition 4.3, the Proponent shall:

- 6.4.1 identify, prior to the start of progressive reclamation and in consultation with Indigenous groups and relevant authorities, species of interest to Indigenous peoples to use for revegetation as part of the progressive reclamation; and*
- 6.4.2 develop, prior to the start of progressive reclamation and in consultation with Indigenous groups and relevant authorities, and implement, during all phases of the Designated Project, measures to manage the spread of invasive species. The Proponent shall submit these measures to the Agency before implementing them.*

*6.5 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, and implement, during all phases of the Designated Project, a follow-up program to verify the accuracy of the environmental assessment as it pertains to the adverse environmental effects of the Designated Project on the current use of lands and resources for traditional purposes caused by changes in the use of the project study area by mammals, including black bear (*Ursus americanus*) and moose (*Alces alces*). As part of the development of the follow-up program, the Proponent shall identify, in consultation with Indigenous groups and relevant authorities, species of mammals, in addition to black bear (*Ursus americanus*) and moose (*Alces alces*), that shall be monitored. If the results of the monitoring indicate that these mammal species use the property, the Proponent shall implement modified or additional mitigation measures pursuant to condition 2.7 to prevent the identified species of mammals from accessing Designated Project components.*

6.6 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, and implement during all phases of the Designated Project, a follow-up program to verify the accuracy of the environmental assessment and determine the effectiveness of mitigation measures, including the mitigation measures referred to in conditions 6.1 to 6.4, as it pertains to the adverse environmental effects of the Designated Project on the current use of lands and resources for traditional purposes. The Proponent shall implement the follow-up program during all phases of the Designated Project.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA conditions 6.1 through 6.6 occurred during 2019. While there was some initial internal planning with respect to the required Communication Plan ('Indigenous Engagement Plan', conditions 6.1 and 6.2), Historic Resources Management Plan (condition 6.3), Progressive Rehabilitation Plan (condition 6.4), Environmental Monitoring and Follow-up Plan and Traditional Use of Lands and Resources Management Plan (conditions 6.5 and 6.6) in 2019, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal

year. Prodigy exploration staff have a copy of an initial draft of the Historic Resources Management Plan. Consultation with Indigenous groups on the development of these and other environmental management plans will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

F. Wetlands

“7.1 The Proponent shall restore a minimum of 40 hectares of wetland within the property boundary. The Proponent shall determine, in consultation with Environment and Climate Change Canada, methods for restoration that are technically and economically feasible and that are appropriate for the project study area.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 7.1 during 2019.

“7.2 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to determine the effectiveness of restoration referred to in condition 7.1. As part of the development of the follow-up program, the Proponent shall identify performance indicators that shall be used by the Proponent to evaluate the effectiveness of the restoration. The Proponent shall monitor the effectiveness of the restoration from the start of the restoration until performance indicators are met.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 7.2 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation with Indigenous groups on the development of the programs— including those related to wetland restoration – will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

*“7.3 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment as it pertains to the presence of snapping turtle (*Chelydra serpentina*) or snapping turtle eggs within the project study area. The Proponent shall implement the follow-up program during construction and operation. If the Proponent observes snapping turtle or snapping turtle eggs, the Proponent shall develop, in consultation with Indigenous groups and relevant authorities, modified or additional mitigation measures pursuant to condition 2.7, which shall include, at a minimum, the installation of exclusion fences around snapping turtle habitat, if technically feasible, or the relocation of snapping turtles outside of the project study area. The Proponent shall submit these measures to the Agency before implementing them.”*

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 7.3 occurred during 2019. While there was some initial internal planning with respect to the required follow-up programs, further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year.

Consultation with Indigenous groups on the development of the programs– including those related to snapping turtles- will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

G. Accidents and Malfunctions

“8.1 The Proponent shall take all reasonable measures to prevent accidents and malfunctions that may result in adverse environmental effects.”

Response: As the Magino Project is still in the pre-construction phase, there was no specific action on EA condition 8.1 during 2019. The existing site is under a Provincial Closure Plan and subject to existing authorizations reporting.

“8.2 The Proponent shall, prior to construction, consult with Indigenous groups and relevant authorities on the measures to be implemented to prevent accidents and malfunctions.

8.3 The Proponent shall, prior to construction and in consultation with Indigenous groups and relevant authorities, develop an accident and malfunction response plan in relation to the Designated Project. The accident and malfunction plan shall include:

- 8.3.1 the types of accidents and malfunctions that may cause adverse environmental effects;*
- 8.3.2 the measures to be implemented in response to each type of accident and malfunction referred to in condition 8.3.1 to mitigate any adverse environmental effect(s) caused by the accident or malfunction; and*
- 8.3.3 the role of Indigenous groups in the implementation of the accident and malfunction plan.”*

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA conditions 8.2 and 8.3 occurred during 2019. While there was some initial internal planning with respect to the required environmental management plans (including emergency response plans), further development is expected to occur in 2020 in anticipation of a construction decision as early as this fiscal year. Consultation on the development of the management plans with Indigenous groups will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

“8.4 In the event of an accident or malfunction with the potential to cause adverse environmental effects, the Proponent shall immediately implement the measures appropriate to the accident or malfunction as described in the accident and malfunction response plan referred to in condition 8.3.2 and shall:

8.4.1 Notify, as soon as possible, Indigenous groups and relevant authorities of the accident or malfunction, and notify the Agency in writing no later than 24 hours following the accident or malfunction. For the notification to Indigenous groups and the Agency, the Proponent shall specify:

8.4.1.1 the date the accident or malfunction occurred;

8.4.1.2 a description of the accident or malfunction;

8.4.1.3 a list of any substances potentially released in the environment as a result of the accident or malfunction.

8.4.2 Submit a written report to the Agency no later than 30 days after the day on which the accident or malfunction occurred. The written report shall include:

8.4.2.1 a detailed description of the accident or malfunction and of its adverse environmental effects and any associated potential health risks;

8.4.2.2 a description of the measures that were taken by the Proponent to mitigate the adverse environmental effects caused by the accident or malfunction;

8.4.2.3 any view(s) from Indigenous groups and advice from relevant authorities received with respect to the accident or malfunction, its adverse environmental effects, the associated potential health risks and the measures taken by the Proponent to mitigate these adverse environmental effects;

8.4.2.4 a description of any residual adverse environmental effects and any modified or additional measures required by the Proponent to mitigate residual adverse environmental effects; and

8.4.2.5 details concerning the implementation of the accident or malfunction response plan referred to in condition 8.3.

8.4.3 Submit a written report to the Agency no later than 90 days after the day on which the accident or malfunction occurred that includes a description of changes made to avoid a subsequent occurrence of the accident or malfunction and of the modified or additional measure(s) implemented by the Proponent to mitigate and monitor residual adverse environmental effects and to carry out any required progressive reclamation, taking into account the information submitted in the written report pursuant to condition 8.4.2. The report shall include all additional views from Indigenous groups and advice from relevant authorities received by the Proponent since the views and advice referred to in condition 9.4.2.3 were received by the Proponent.”

Response: As the Magino Project is still in the pre-construction phase, there have been no accidents or malfunctions, and therefore no specific action on EA conditions 8.4.1 through 8.4.3 during 2019.

“8.5 The Proponent shall develop a communication plan in consultation with Indigenous groups. The Proponent shall develop the communication plan prior to construction and shall implement and keep it up to date during all phases of the Designated Project. The plan shall include:

8.5.1 the types of accident and malfunction requiring the Proponent to notify the respective Indigenous groups;

8.5.2 the manner by which Indigenous groups shall be notified by the Proponent of an accident or malfunction and of any opportunities for the Indigenous groups to assist in the response to the accident or malfunction; and

8.5.3 the contact information of the representatives of the Proponent that the Indigenous groups may contact and of the representatives of the respective Indigenous groups to which the Proponent provides notification.”

Response: The Magino Project is in the pre-construction phase and there has not been a formal decision to construct; as such, no specific action on EA condition 8.5 occurred during 2019. While there was some initial internal planning with respect to the required environmental management plans (including the Communication Plan / Indigenous Engagement Plan), further development is expected to occur in

2020 in anticipation of a construction decision as early as this fiscal year. Consultation on the development of the management plans with Indigenous groups will continue to take place in a manner consistent with bilateral agreements; consultation with each group and any other party will also meet the requirements of the January 2019 Decision Statement.

H. Schedules

“9.1 The Proponent shall submit to the Agency a schedule for all conditions set out in this Decision Statement no later than 60 days prior to the start of construction. This schedule shall detail all activities planned to fulfill each condition set out in this Decision Statement and the commencement and estimated completion month(s) and year(s) for each of these activities.

9.2 The Proponent shall submit to the Agency a schedule outlining all activities required to carry out all phases of the Designated Project no later than 60 days prior to the start of construction. The schedule shall indicate the commencement and estimated completion month(s) and year(s) and duration of each of these activities.

9.3 The Proponent shall submit to the Agency in writing an update to schedules referred to in conditions 9.1 and 9.2 every year no later than March 31, until completion of all activities referred to in each schedule.

9.4 The Proponent shall provide to the Agency revised schedules if any change is made to the initial schedules referred to in conditions 9.1 and 9.2 or to any subsequent update(s) referred to in condition 9.3, upon revision of the schedules.

9.5 The Proponent shall provide Indigenous groups with the schedules referred to in conditions 9.1 and 9.2 and the updates or revisions to the initial schedules pursuant to condition 9.3 and 9.4 at the same time the Proponent provides these documents to the Agency.”

Response: As of March 2020, Prodigy had not announced a formal decision to construct (although this is anticipated as early as this fiscal year); as such the Project was/is in the pre-construction phase. Therefore, the schedules referenced in EA conditions 9.1 through 9.5 were not prepared/submitted to the Agency or provided to Indigenous groups in 2019.

I. Record Keeping

“10.1 The Proponent shall maintain all records relevant to the implementation of the conditions set out in this Decision Statement. The Proponent shall retain the records and make them available to the Agency throughout construction and operation and for 25 years following the end of operation or until the end of decommissioning of the Designated Project, whichever comes first. The Proponent shall provide the aforementioned records to the Agency upon demand within a timeframe specified by the Agency.

10.2 The Proponent shall retain all records referred to in condition 10.1 at a facility in Canada and shall provide the address of the facility to the Agency. The Proponent shall notify the Agency at least 30 days prior to any change to the physical location of the facility where the records are retained, and shall provide to the Agency the address of the new location.

10.3 The Proponent shall notify the Agency of any change to the contact information of the Proponent included in this Decision Statement.”

Response: Prodigy has maintained all records relevant to the implementation of the conditions set out in the January 24, 2019 Decision Statement. In 2019, these records were retained at Argonaut Gold's Toronto office:

First Canadian Place
100 King St. W., Suite 5700
Toronto, Ontario
M5X 1C7 Canada

These records will also be maintained at the Project site office:

3 Dree Road
PO Box 209
Dubreuilville, Ontario
P0S 1B0 Canada

There was no change in the physical location of the facility(ies) where records are retained, or in the contact information for Prodigy noted in the Decision Statement (Kyle Stanfield, Director Environment and Community Relations).

APPENDIX A: CONCORDANCE TABLE - EA CONDITIONS (JANUARY 2019) VS. ANNUAL REPORT SECTIONS

January 24, 2019 EA Conditions: Applicable Sections	EA Condition(s)	2019 Annual Report Section/ Page #
General Conditions		
Qualified Individuals / Best Practices	Condition 2.1	Section 2.A-1/page 3
Consultation	Conditions 2.2-2.3	Section 2.A-2/page 3
Follow-up and Adaptive Management	Conditions 2.4-2.8	Section 2.A-3/page 4
Annual Reporting	Conditions 2.9-2.10	Section 2.A-4/page 6
Information Sharing	Conditions 2.11-2.12	Section 2.A-5/page 6
Change of Proponent	Condition 2.13	Section 2.A-6/page 7
Change to the Designated Project	Conditions 2.14-2.15	Section 2.A-7/page 7
Fish and Fish Habitat	Conditions 3.1-3.19	Section 2.B/page 7
Migratory Birds	Conditions 4.1-4.5	Section 2.C/page 13
Health of Indigenous Peoples	Conditions 5.1-5.4	Section 2.D/page 15
Current Use of Lands and Resources for Traditional Purposes	Conditions 6.1-6.6	Section 2.E/page 17
Wetlands	Conditions 7.1-7.3	Section 2.F/page 19
Accidents and Malfunctions	Conditions 8.1-8.5	Section 2.G/page 20
Schedules	Conditions 9.1-9.5	Section 2.H/page 22
Record Keeping	Conditions 10.1-10.3	Section 2.I/page 22