



Canadian Environmental  
Assessment Agency

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d'évaluation environnementale

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December 19, 2014

Agency File No.: 4302-291

Acting Commissioner Marty Rutherford  
Alaska Department of Natural Resources  
550 W. 7th Avenue, Suite 1400  
Anchorage, AK 99501  
U.S.A.

Acting Commissioner Sam Cotten  
Alaska Department of Fish and Game  
333 Raspberry Road  
Anchorage, AK 99518-1599  
U.S.A.

Commissioner Lawrence Hartig  
Alaska Department of Environmental Conservation  
410 Willoughby Avenue, Suite 303  
Juneau, AK 99811-1800  
U.S.A.

Dear Commissioners:

I am writing to advise you of the federal environmental assessment decision for the KSM (Kerr-Sulphurets-Mitchell) Project (the Project) proposed by Seabridge Gold Inc. (the proponent) in northwest British Columbia, and to respond to the concerns raised in your letter of August 20, 2014 regarding the Project.

On December 19, 2014, Canada's Minister of the Environment, the Honourable Leona Aglukkaq, P.C., M.P., announced her decision that the Project is not likely to cause significant adverse environmental effects when the mitigation measures described in the Comprehensive Study Report (the Report) are taken into account. In reaching her decision, she took into consideration the views of U.S. interests, including those you have shared, Aboriginal and public comments and the Report.

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A copy of the Environmental Assessment Decision Statement is enclosed and available on the Canadian Environmental Assessment Registry at:  
<http://www.ceaa-acee.gc.ca/050/document-eng.cfm?document=100529> .

In a letter sent on August 20, 2014 by then Commissioners Joe Balash and Cora Campbell and Commissioner Lawrence Hartig, it was requested that Canada's Minister of the Environment refer the Project for more study by a federal panel review, should such a referral address the continued concerns being raised by Alaskans. Concerns included the potential adverse effects to water quality and fish resources within the Unuk watershed, the proposed selenium treatment technologies, dam safety, cumulative effects, and bonding for long-term care and maintenance. In addition, it was requested that the Canadian Environmental Assessment Agency (the Agency) work with the state of Alaska to identify the appropriate means by which the State can be involved in permitting and ongoing monitoring for the Project.

As part of the environmental assessment, the Agency assessed several valued components including fish, water quality and water quantity within the Unuk watershed. With respect to selenium treatment, the proponent has committed to have a proven, viable selenium treatment facility in operation by the fifth year of mining activity when selenium discharge is expected to occur. Failing this, the proponent will cease mining operations.

The Agency also directed the proponent to undertake a detailed dam failure effects assessment to better understand the risks associated with an impoundment failure. The Agency concluded, based on this assessment, that while a dam failure within the Unuk or Nass watersheds would produce high magnitude effects, such an event is highly unlikely. The proponent has formally committed to integrate any learning from the independent review ordered by British Columbia into the tailings pond breach at the Mount Polley Mine.

A detailed review of cumulative effects was undertaken as part of the environmental assessment, which considered 50 projects and activities within the study area. Based on the remote location of the Project and the limited interactions amongst these projects and the Project, the Agency concluded that there were no likely significant cumulative effects.

In British Columbia, financial bonding for mining activities falls under the jurisdiction of the province. The requirement for a financial security is set out in British Columbia's *Mines Act* and is assessed during the permitting stage. As a condition of the *Mines Act* permit, the Chief inspector of Mines would require the proponent to post a financial security to cover the costs associated with mine reclamation, closure and environmental protection requirements including long-term maintenance. In case of a company default, the security would allow government to carry out the environmental management requirements, complete any outstanding reclamation, and continue to monitor and maintain the site for as long as is required.

With the consideration of mitigation measures such as water storage and treatment, diversion of contact and non-contact water, and the lining of rock storage facilities and the center cell of the tailings management facility, as well as proponent commitments to meet site specific water quality objectives, environmental effects of the Project on water quality at the Canada-United States border are not expected to be significant.

In light of these findings, the mitigation and commitments proposed, and taking into account the public and Aboriginal comments received, the Minister has concluded that a panel reviewed was not required and recommended that the project proceed to the regulatory phase.

The British Columbia Ministry of Energy and Mines is the lead regulatory agency for the Project. Federally, Environment Canada, Fisheries and Oceans Canada and Natural Resources Canada will have a role if they issue approvals under the *International River Improvements Act*, *Fisheries Act* and *Explosives Act*, in relation to the Project.

To ensure the continued consideration of U.S. interests in the Project, particularly with respect to permitting and monitoring, the Agency has shared U.S. concerns with federal departments and the British Columbia Ministry of Energy and Mines. Further, the British Columbia Ministry of Energy and Mines has offered State of Alaska and U.S. federal officials the opportunity to participate in the British Columbia Ministry's mine review committee for KSM and to comment on permit applications including those related to water discharge from the mine site and tailings management facility. This process is a responsibility of British Columbia and the primary point of contact for the committee is Diane Howe, Deputy Chief Inspector of Mines, who can be reached at [Diane.Howe@gov.bc.ca](mailto:Diane.Howe@gov.bc.ca).

I trust that this information is of assistance.

Sincerely,



Garett Cooper,  
Project Manager,  
Canadian Environmental Assessment Agency

Enclosure: Environmental Assessment Decision Statement

c.c.: Kyle Moselle, Department of Natural Resources, State of Alaska  
Dale Desrochers, Fisheries and Oceans Canada  
Jessica Coulson, Natural Resources Canada  
Melanie Campbell, Natural Resources Canada  
Paulo Eusebio, Aboriginal Affairs and Northern Development Canada  
Jennifer Huxter, Environment Canada  
Sandra Slogan, Health Canada  
Gina Aitchison, Transport Canada  
Chris Hamilton, BC Environmental Assessment Office



## Canadian Environmental Assessment Agency

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> Environmental Assessment Decision Statement

### Environmental Assessment Decision Statement

#### KSM (Kerr-Sulphurets-Mitchell) Project, British Columbia

The Honourable Leona Aglukkaq, Minister of the Environment, has reviewed the federal environmental assessment of the Kerr-Sulphurets-Mitchell Project (the Project) proposed by Seabridge Gold Inc. Pursuant to section 125 of the *Canadian Environmental Assessment Act, 2012*, the environmental assessment of this project was completed under the *Canadian Environmental Assessment Act* (the former Act). The environmental assessment was conducted in a manner that also met the environmental assessment requirements of the *Nisga'a Final Agreement*.

Having taken into consideration the Comprehensive Study Report (the Report) and public comments filed pursuant to subsection 22(2) of the former Act, the Minister is of the opinion that:

- the Project is not likely to cause significant adverse environmental effects as defined in the former Act, taking into account the implementation of the mitigation measures described in the Report;
- the Project can reasonably be expected to have adverse environmental effects on residents of Nisga'a Lands, Nisga'a Lands or Nisga'a interests, but the effects are not likely to be significant with the implementation of the identified mitigation measures;
- the Project may result in both adverse and positive effects on the existing and future economic, social and cultural well-being of Nisga'a citizens; and
- the mitigation measures and follow-up program described in the Report are appropriate for the Project.

The Minister has referred the Project back to the responsible authorities, Fisheries and Oceans Canada, Natural Resources Canada and Environment Canada for appropriate action under section 37 of the former Act.

The Minister requests that the responsible authorities ensure the implementation of the mitigation measures described in the Report. The Minister also requests that the responsible authorities ensure the implementation of the follow-up program described in the Report, in order to determine the effectiveness of the measures taken to mitigate any adverse environmental effects and to verify the accuracy of the environmental assessment of the Project.

Date modified: 2014-12-19

