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May 6, 2013

Brief submitted to
Federal Review Panel – North
By the Kativik Regional Government

Regarding the
**Environmental and social impact of the
Canadian Royalties Inc. project in Deception Bay
Wharf and sediment management**

Public hearings
Kangiqsujaq and Salluit, Quebec
May 6th and 7th 2013

The Kativik Regional Government (KRG), a legal person created in the public interest pursuant to the *Act respecting Northern villages and the Kativik Regional Government* (R.S.Q., c. V-6.1), has examined the available documentation relative to Environmental and social impact of the Canadian Royalties Inc. project in Deception Bay: Wharf and sediment management. Pursuant to the KRG's mandate, its comments and recommendations are presented in the spirit of promoting sustainable resource development in the Kativik Region and reflect local and regional preoccupations.

The KRG wishes to present its comments through four aspects followed by a brief conclusion:

- The location of the project ;
- The management of dredge sediments;
- Monitoring program and consultations;
- Comments and requests relative to transparent and efficient communication during the construction, operations and restoration phases.

1. The project location

The construction of marine infrastructures on the proposed site was authorized in 2008. During construction work in 2011, a landslide occurred, which led to a re-evaluation of the project. The KRG was and still is concerned by that slide. In the Canadian Royalties document, the reason for this slide is stated as follows "On the one hand, a pile of 16 000 m³ of rocks was put in place for the construction of the jetty. The slide would have been caused by an unexpected puncture resistance of the marine bed, so the rocks have not penetrated the underneath clay as foreseen. On the other hand, the unknown presence of a layer of soft and sensitive clay could have been the cause; the weight of the rock pile was probable higher of the clay shear, which had led to the slide".

As the new construction will be at the same site one would have thought that a more in-depth consideration of the cause for this incident should have been presented. In their document, Canadian Royalties mentioned that the risks that a slide occurs during the construction of the new wharf are minimized because they have a better knowledge of the environment and the changes made on the project. The KRG would ask that the Federal Review Panel – North oblige the proponent to provide more comprehensive information on how that new project is not subject to create a slide during the construction but also guaranty the stability of the site during the operation of the infrastructures.

Neither the communities nor the KRG has the expertise or resources to undertake a technical review of the information contained in the documents provided by the proponent. As such we must rely on the technical experts contracted by the Federal Review Panel – North or the KEQC:

- The KRG asks that the Federal Review Panel – North identify the technical experts contracted by them for this review.
- Further, the KRG asks that the Federal Review Panel – North provide the Communities and the KRG with the results of these technical reviews?

2. Management of the dredge sediments

A volume of 43 000 m³ of sediments will store on the ground. The proposed dredge materials disposal site is located close to the road and the petroleum depot on a site already used for the storage of rocks that will be used for the construction of the wharf. The work to be done will basically consist to dig a basin in this pile of rocks and possibly install a membrane depending on the size of the material.

The KRG acknowledge the fact the dredge material disposal site will be located in a place already disturb. In the meantime, the site is close to the road and the KRG is concerned about safety as well as the possible consequences of a dyke break during the filling of the basin. This concern is related to the management of the sediments inside the basin. Specifically:

- Will the sediments be only deposited in the basin or will there be also compaction work?
- Is there a need to have a certain period of time without any dumping to allow settling of the sediments?

The management of sediments that will be done might influence the stability of the dyke. It would have been interesting to have a simulation of the consequences of a dyke break in a worst case scenario.

3. Monitoring program and consultations

Traditional land use at the site, as well as in the vicinity of the project, has been identified in the *Master plan for land use in the Kativik region* as an *essential area for subsistence activities* (hunting, trapping and fishing). According to the Master plan, these areas are essential for the communities and for the pursuit of subsistence activities. They consist of habitats of high biological productivity (spawning, calving and nesting grounds, migration corridors, etc.) and are indispensable for the survival of the wildlife. Consequently, essential areas constitute the "larder" of the communities.

The communities have used these areas for many generations and intend to pursue their activities there in the future. Hunting, fishing and trapping activities are pursued intensely and year-round.

The proponent plans to control and/or mitigate various environmental and social impacts of the current project but also for the entire mining project via its monitoring program. The monitoring program that was already approved will need to be amended in order to take into consideration the program mentioned in section 9 of the impact assessment. In order to minimize the possibility of conflicts on this or other potential issues, the KRG requests to receive a copy of the monitoring program that will be adapted. Also, the KRG asks the Federal Review Panel – North to stipulate that the monitoring program be implemented via a monitoring committee which is discussed in the next few paragraphs.

Since the marine infrastructure project is located in an area essential for subsistence, the creation and implementation of a monitoring program will be highly important, as to make sure the resource is still available and the people can safely go there to practice their activities. That will comply with the principle of conservation foreseen in chapter 24

of the JBNQA. The KRG requests that the Federal Review Panel – North recommend that certain forthcoming measures be implemented not only for the current project, but also for the entire mining project. Specifically:

- The establishment of a monitoring committee in order to ensure compliance with the commitments made by the company following observations made during the public consultation, especially those pertaining to the protection and promotion of traditional and subsistence activities, the implementation and effectiveness of the proponent's monitoring program, as well as economic spinoffs to the local communities and the Kativik region as a whole and;
- The setting up of a committee devoted to follow-up. This committee must be maintained until the work stipulated in the rehabilitation and restoration plan has been fully completed.

The KRG wishes to underscore the pertinence of this request by citing the recent Kativik Environmental Quality Commission (KEQC) decision wherein it set out conditions for the authorization of the Direct Shipping Iron Ore Project, by Tata Steel Minerals Canada Limited. In the KEQC decision, the creation of a monitoring committee was stipulated:

“Condition 21: An environmental and social monitoring committee must be set up by the project proponent from the start of mining operations. The committee must be composed of representatives of Tata Steel Minerals Canada Limited, three representatives of the community of Kawawachikamach, two representatives of the Kativik Regional Government and one representative of the Makivik Corporation. The committee must meet at least twice annually. The committee must permit the parties present to be kept informed of the different monitoring programs implemented by the project proponent, of the evolution of the project as mining activities progress, as well as of the rehabilitation plan. The minutes of each meeting will be transmitted to the Administrator for information purposes within four months of each meeting.”

In general, the KRG acknowledges the extensive pre-project work that the promoter has carried out. Nonetheless, it is still difficult to ascertain the level of cumulative impact of the various projects in the area. Further, the eventual approval by any regulatory body of the current project cannot be construed as tacit approval of future projects or the modalities therein.

4. Comments and requests relative to transparent and efficient communication during operations and restoration phases

The KRG takes an active role monitoring the activities taking place in the region. One important tool at its disposition is the monthly, annual and punctual reports which the company will be producing. In order to assist the KRG in its efforts to monitor activities, it would like to receive timely copies of the following documents and reports:

- Monthly, punctual and annual reports to the Quebec ministry of the Sustainable Development, Environment, Wildlife and Parks (MDDEFP) ref: Directive 019;
 - Operations phase
 - Post exploitation phase
 - Post restoration phase

- The company's Health and Safety prevention program as well as its monthly and annual reports and key indicators. The KRG would prefer to receive the internationally recognized Occupational Safety & Health Administration (OSHA) indicators with a break down in terms of Inuit and non-Inuit workplace statistics.

The KRG also plans to work in collaboration with the MDDEFP when inspections shall be taking place in order to accompany them. This will enable the KRG to make its own observations as well as to foster an environment of clear, transparent and collaborative communications between all concerned parties.

5. Conclusion

The KRG wishes to express to the Federal Review Panel – North its preoccupation with the integration of its Master plan's underlying principles, objectives and guidelines in this and any future project. Transparent and fluid communications between all the stakeholders is key to the sustainable development of natural resources in the region. In order to facilitate this, the KRG wishes to be part of the monitoring and follow-up committees attached to this project.

The KRG wishes to thank the Panel for the opportunity to express itself regarding this project and welcomes any feedback which the latter may have.