

Manitoba



Conservation and Water Stewardship

Climate Change and Environmental Protection Division
Environmental Approvals Branch
123 Main Street, Suite 160, Winnipeg, Manitoba R3C 1A5
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www.gov.mb.ca/conservation/eal

File: 2435.40

September 24, 2012

Mr. John Hutchison
San Gold Corporation
P.O. Box 1000
Bissett, MB R0E 0J0

Dear Mr. Hutchison:

Re: San Gold Corporation – Tailings Management Area Expansion Environment Act Proposal

The review of the San Gold Corporation Tailings Management Area Expansion Environment Act Proposal (EAP) remains on-going.

San Gold Corporation's August 21, 2012 Response to the Technical Advisory Committee document was forwarded to the appropriate Technical Advisory Committee (TAC) members for review.

The attached TAC responses were received in response to your submission. Please review the information provided and provide comments and/or additional information where specifically requested. The EAP review process will continue upon receipt of your response.

If you have any questions, please contact me at 204-945-7012.

Yours truly,

A handwritten signature in black ink that reads "J Winsor".

Jennifer Winsor, P.Eng.
Environmental Approvals Branch

Enclosures

- c. Ernest Armitt, Director – Manitoba Innovation, Energy and Mines
Public Registries

Memorandum

Date: September 18, 2012

To: Jennifer Winsor
Climate Change and
Environmental Protection Division
Environmental Approvals Branch
123 Main Street, Suite 160,
Winnipeg, MB R3C 1A5

From: Kris Innes
Environmental Compliance and
Enforcement
Conservation and Water
Stewardship
Box 4000
Lac du Bonnet, MB R0E 1A0

<http://www.gov.mb.ca>

Subject: SAN GOLD CORPORATION –
ENVIRONMENT ACT
PROPOSAL COMMENTS

Telephone: 204-345-1428

Facsimile: 204-345-1415

E-Mail: Kris.Innes@gov.mb.ca

Conservation and Water Stewardship, Environmental Compliance and Enforcement Branch submits the following comments on the Environment Act Proposal (2012) *Response to Technical Advisory Committee* submitted by San Gold Corporation on August 21, 2012.

1. Effluent/Surface Water Quality

Conservation and Water Stewardship recognizes corrections made by San Gold Corporation in regards to copper and aluminum exceedances. Environment Act Licence 2628R does not require effluent quality to meet Tier II water quality objectives as was previously reported. However, nutrient and metal concentrations exceeding Tier III drinking water guidelines were reported within the "Annual Effluent Discharge Campaign Report (2011)". Conservation and Water Stewardship requests what contingency measures or mitigation strategies will be enacted should exceedances of applicable criteria be identified during future discharges.

2. Water Balance

Reports from San Gold Corporation indicate approximately 97% of the water required by the mill is reclaimed from the TMA. The water balance summary does not appear to reflect this. Conservation and Water Stewardship requests further clarification on how the final annual discharge volume is calculated. Specifically what are the water inputs and outputs, before and after water reclamation efforts.

3. TMA Operation

No further comments

4. Tailings Inlet Pipe

No further comments

5. Groundwater

San Gold Corporation has indicated the risk of impact to local groundwater is low. The environment act proposal references data obtained from 1999 and 2000 sampling results. Do recent groundwater monitoring results support this assessment?



DATE: September 21, 2012

Memorandum

TO: Jennifer Winsor, P.Eng.
Environmental Engineer
Environmental Assessment and
Licensing Branch
Manitoba Conservation and
Water Stewardship
123 Main Street, Suite 160
Winnipeg, Manitoba R3C 1A5

FROM: William Weaver, M.Sc.
Environmental Review Officer
Watersheds and Protected Areas
Branch
Manitoba Conservation and
Water Stewardship
200 Saulteaux Crescent, Box 27
Winnipeg, Manitoba R3J 3W3

CC: Kevin Jacobs
David Hay
Laureen Janusz

TELEPHONE: (204) 945-6395
FACSIMILE: (204) 945-7419

SUBJECT: **ENVIRONMENT ACT PROPOSAL FILE NO. 2435.40**
SAN GOLD TAILINGS MANAGEMENT AREA EXPANSION
SAN GOLD CORPORATION

The Water Stewardship Division of the Manitoba Department of Conservation and Water Stewardship has reviewed a response, dated on August 21, 2012, from the proponent's consultant, forwarded for review and comment on August 24, 2012.

- In order to provide clarification for regarding Point 1, on page 10:
 - With regard to the application of tier II water quality objectives, guidance can be found within the Manitoba Water Quality Standards, Objectives, and Guidelines, dated on November 28, 2011 (located on the Internet at: http://www.gov.mb.ca/waterstewardship/water_quality/quality/pdf/mb_water_quality_standard_final.pdf). No Name Creek depending on stream flow would be considered an intermittent stream. The aforementioned guidance suggests that Tier II Water Quality Objectives should apply to all such streams when the water flow is 0.003 m³/s or greater. When the water flow is less than 0.003 m³/s, the minimal level of quality should be Tier II water quality objectives in the downstream water body which the intermittent stream is a tributary. However, in the case of where there are pools that support important uses during periods of low natural flows, Tier II Water Quality Objectives should apply at all times, similar to other larger streams. No Name Creek is a tributary that appears to contain many pool type habitats that have been largely created by beaver activity. The proponent requests for discharge to comply with federal *Metal Mining Effluent Regulations* under the *Fisheries Act* and Drinking Water Quality Guidelines. Drinking water quality guidelines are much higher than

Date: September 21, 2012
Subject: *Environment Act* Proposal File No. 2435.40
San Gold Tailings Management Area Expansion
San Gold Corporation

objectives for the protection of aquatic life and may not be protective of aquatic life.

- Therefore, the Water Stewardship Division maintains requiring an *Environment Act* Licence to include the following:
 - The Licencee shall not release any effluent from a final discharge point if: a) the quality or toxicity of the effluent is in non-compliance with the federal *Metal Mining Effluent Regulations* under the *Fisheries Act*, or b) the effluent quality is resulting in, or is likely to directly or cumulatively result in, a downstream degradation of the water quality immediately beyond a maximum 10% mixing zone (by volume) within No Name Creek and/or the Wanipigow River, relative to the *Manitoba Water Quality Standards, Objectives and Guidelines Regulation* under *The Water Protection Act* and/or nutrient control strategies and regulations developed by the Manitoba Department of Conservation and Water Stewardship.
- With regard to comment 2 on page 10 and 11:
 - Representatives from Manitoba Conservation and Water Stewardship's Fisheries Branch and Water Quality Management Section participate on the Technical Advisory Panel under federal *Metal Mining Effluent Regulations* of the *Fisheries Act*. The purpose of the comment was to enable the Technical Advisory Panel the ability to require the inclusion of parameters to be monitored or other considerations to comply with good scientific practice when a proponent conducts environmental effects monitoring studies. Additionally, in the past, some proponents have responded uncooperatively to recommendations of the Technical Advisory Panel, only complying with the minimum legal requirements. The Technical Advisory Panel needs an option to require proponents to conduct additional work, beyond the minimum legal requirements.

William Weaver, M.Sc.