

Comprehensive Study Scoping Document

For the

NovaGold Canada Inc. Proposed

**Galore Creek Copper-Gold-Silver
Mine Project**

in

Northwestern British Columbia

CEA Registry Reference Number: 05-03-8858

November 30, 2005

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1.0 INTRODUCTION

1.1 Purpose of Document

The purpose of this document is to seek the views of the public regarding the federal comprehensive study of the proposed Galore Creek Copper-Gold-Silver Mine Project (the project) that Fisheries and Oceans Canada (DFO), Natural Resources Canada (NRCan), and Transport Canada (TC) are conducting. The public are invited to provide comment on the proposed scope of the project; the factors proposed to be considered in the assessment and the proposed scope of those factors; and the ability of the comprehensive study to address issues relating to the project (see Section 3.0 of this document).

DFO, NRCan, and TC have determined that they have a responsibility to conduct an environmental assessment of the proposed project pursuant to paragraphs 5(1)(d) of the *Canadian Environmental Assessment Act* (CEAA). As the project is also subject to review under the British Columbia *Environmental Assessment Act*, the federal and provincial environmental assessment processes will be coordinated.

1.2 Project Summary

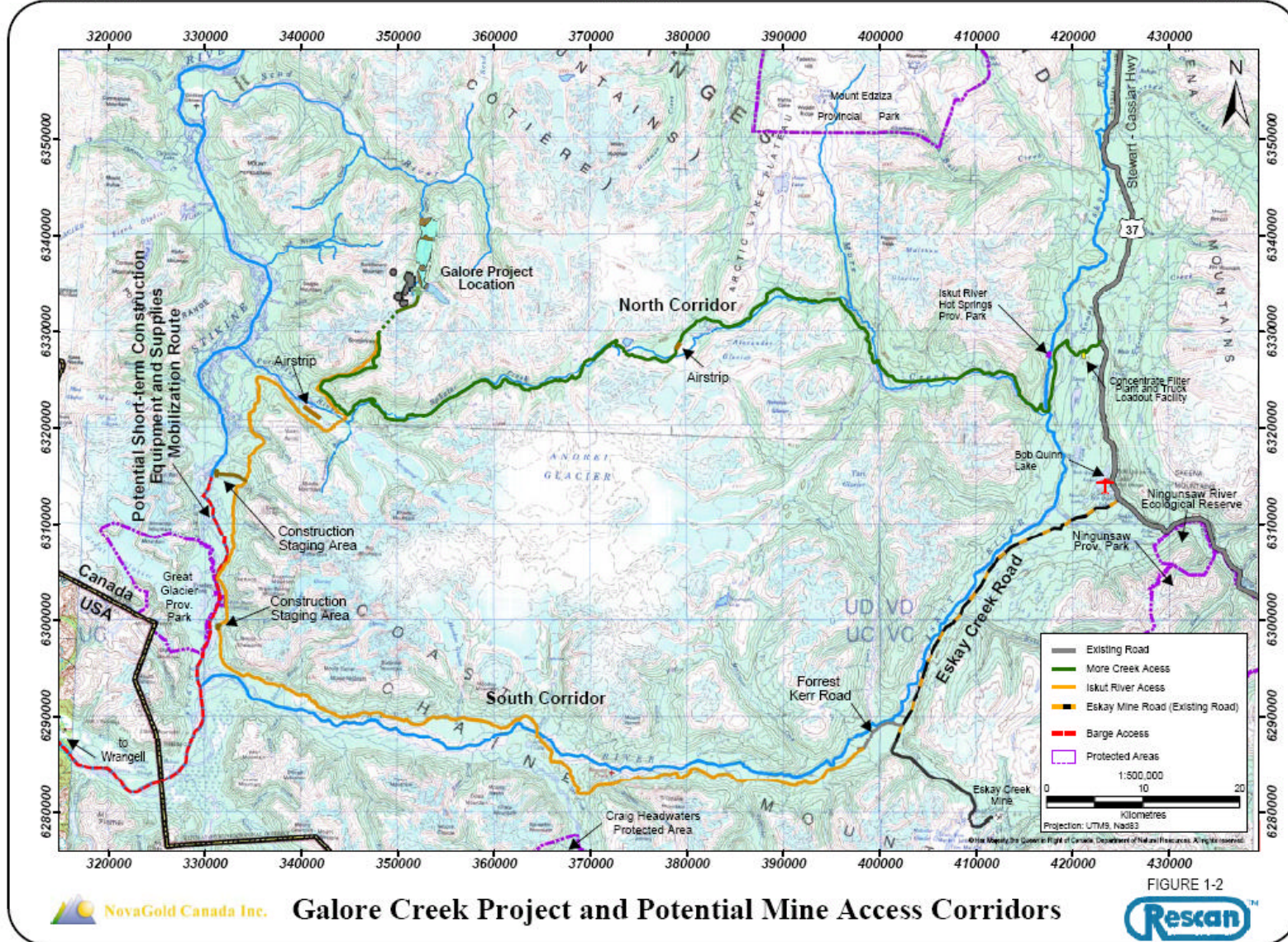
The project is proposed to be built in and around the Galore Creek Valley, which is located in remote mountainous terrain in north-western British Columbia (57° 07' 30"N and 131° 27"W), approximately 260 km northwest of Stewart, British Columbia. The property is within the Stikine River drainage, which empties into the Pacific Ocean near Wrangell, Alaska. Local communities include Dease Lake, Telegraph Creek, and Iskut, approximately 282 km, 383 km and 200 km respectively from the project site by existing and proposed roads (Figure 1-1).

NovaGold Canada Inc. (the Proponent) is proposing to construct, operate and decommission a copper-gold-silver mine which includes several main components: access road construction (including bridges and tunnel); slurry concentrate pipeline; 138 kV electrical transmission line construction; mine pre-stripping; waste rock dump preparation; water diversions; tailings dams for the tailing impoundment areas; concentrate processing plant construction; and supporting facilities and infrastructure. An airstrip will be established at the Porcupine River and camps constructed to support construction..

Due to the remote location of the proposed mine, the construction of an access route is fundamental to the project. Seven potential access routes were originally evaluated by the proponent and subsequently narrowed down to two routes, and then in June 2005 the proponent proposed a modified northern route which would limit the road to a single lane and utilize a pipeline to transport concentrate to the highway. This modified northern route has become the preferred access route for the project (refer to Figure 1-2).

The proposed open-pit mine would process up to 60,000 tonnes per day of ore and produce up to 2,000 tonnes per day of gold-copper concentrate. The concentrate would be transported via a buried pipeline along a 125 km single lane access road to a facility where the concentrate would be dewatered and then trucked via Highway 37 to the port of Stewart for shipment to smelters overseas.





It is anticipated that the project would take approximately 3 years to begin operations following the start of construction and that the access road would take approximately 18 months to complete. If the project receives the necessary approvals, the proponent currently foresees commencement of construction in spring 2007 with production beginning 2010. A 20-year mine life is currently envisaged. For further details on the project description please visit the British Columbia Environmental Assessment Office website: <http://www.eao.gov.bc.ca>.

2.0 ENVIRONMENTAL ASSESSMENT

2.1 Federal Environmental Assessment

DFO, NRCan, and TC, as responsible authorities, must ensure an environmental assessment is conducted prior to the issuance of the following federal permits and authorizations, for the project. These include:

- issuance of approvals by TC pursuant to subsection 5(1) of the *Navigable Waters Protection Act* (NWPA) for the construction of bridges or other structures over a navigable waterway;
- issuance of authorizations by DFO pursuant to section 35(2) of the *Fisheries Act* for the harmful alteration, disruption or destruction of fish habitat; and,
- issuance of a permit or license by Natural Resources Canada for an explosives factory and magazine under paragraph 7 (1)(a) of the *Explosives Act*.

Other federal authorities including Environment Canada and Health Canada, will provide expert advice during the assessment.

DFO, NRCan, and TC as responsible authorities have determined that the project is subject to a comprehensive study under CEAA pursuant to paragraphs 16(a), 16(b), 16(c) and 30 (c) of the *Comprehensive Study List Regulations*, which read:

16. The proposed construction, decommissioning or abandonment of:
 - (a) a metal mine, other than a gold mine, with an ore production capacity of 3,000 t/d or more;
 - (b) a metal mill with an ore input capacity of 4,000 t/d or more;
 - (c) a gold mine, other than a placer mine, with an ore production capacity of 600 t/d or more.
30. The proposed construction or decommissioning of:
 - (c) an all-season runway with a length of 1 500 m or more.

The size of the proposed Galore Creek Gold-Copper-Silver Mine project exceeds threshold production listed under paragraphs 16 (a) (b) and (c) of CEAA's *Comprehensive Study List Regulations*. The project further requires the construction of an all season airstrip runway of 1500 metres which is also captured under paragraphs 30 c) of the *Comprehensive Study List Regulations*. Because of these factors a comprehensive study is required under CEAA.

Following this initial public consultation, the responsible authorities pursuant to subsection 21(2) of the CEAA, must submit a report to the Minister of the Environment (the Minister), which includes the following:

- the scope of the project, the factors to be considered in the environmental assessment and the scope of those factors;
- public concerns in relation to the project;
- the project's potential to cause adverse environmental effects; and
- the ability of the comprehensive study to address issues relating to the project.

The responsible authorities must also recommend to the Minister whether the environmental assessment should be continued by means of a comprehensive study, or whether the project should be referred to a mediator or review panel.

The Minister must then decide whether to refer the project back to the responsible authorities to continue with the comprehensive study process, or refer the project to a mediator or review panel. If the Minister decides that the project should continue as a comprehensive study, the project cannot be referred to a mediator or review panel at a later date.

If the Minister refers the project to a mediator or review panel, the project will no longer be subject to a comprehensive study under the CEAA.

If the environmental assessment continues as a comprehensive study, a Comprehensive Study Report (CSR) will be prepared. Responsible authorities must ensure there are opportunities for public participation during the comprehensive study. Following its completion, responsible authorities will submit the CSR to the Minister and to the Canadian Environmental Assessment Agency (CEA Agency).

The CEA Agency will invite the public to comment on the CSR prior to the Minister making a decision. The Minister may request additional information or require that public concerns be further addressed before issuing the environmental assessment decision statement. Once the Minister issues the environmental assessment decision statement the project will be referred back to the responsible authorities for appropriate action.

Whether the environmental assessment proceeds by means of a comprehensive study or is referred to a mediator or review panel, participant funding will be made available by the CEA Agency to facilitate public participation. See Section 4.3 for more detail.

2.2 Joint Canada-BC Environmental Assessment Process

As the project is also subject to review under the British Columbia *Environmental Assessment Act*, the terms of the Canada-BC Agreement on Environmental Assessment Cooperation apply. Under this Agreement, projects that require an environmental assessment by both the Government of Canada and the Government of British Columbia undergo a single, cooperative assessment, where possible, to meet the environmental assessment requirements of both levels of government.

The CEA Agency, in its role as Federal Environmental Assessment Coordinator, facilitates the coordination of the federal review process and the provincial review process. Both governments use the information generated through the cooperative environmental assessment process as the basis for their respective decisions with respect to the project.

3.0 PROPOSED SCOPE

Scoping establishes the boundaries of the federal environmental assessment. The scope identifies elements of the project to include the environmental components likely to be affected and focuses the assessment on relevant issues and concerns. The public is being asked to comment on this section of the report.

The Canada-BC Agreement on Environmental Assessment Cooperation does not provide for delegation of authority. Each government will make project related decisions on matters within its own legislative authority and the federal environmental assessment process will be conducted accordingly.

3.1 Proposed Scope of the Project

The scope of the project for the federal comprehensive study under CEAA currently proposed by the responsible authorities includes the physical works and the activities associated with the construction, operation and decommissioning (including closure and reclamation) of:

- open pit mine and mineral process plant located in the Galore Creek Valley;
- mill tailings and waste rock storage facility(ies) including containment dams;
- ore and marginal ore storage;
- borrow pits and overburden and topsoil storage;
- construction and operations camp, including ancillary facilities;
- explosives manufacturing and storage plant;
- access road from Highway #37, along More and Sphaler Creeks to the Porcupine River, and up to Scottsimpson Creek to a tunnel into the Galore Creek Valley;
- power transmission line from Highway #37 predominantly following the road corridor to the Galore Creek Valley;
- ore concentrate slurry pipeline following the road corridor, from the plant site in the Galore Creek Valley to Highway #37;
- concentrate filter plant, ore concentrate stockpile, truck loadout and water treatment facility at the pipeline terminus;
- aerodrome along the south side of the Porcupine River; and
- connector road between access road to the aerodrome.

3.2 Proposed Scope of Assessment

The scope of assessment defines the factors proposed to be considered in the environmental assessment and the proposed scope of those factors. The responsible authorities are required to consider the factors specified in section 16 of CEAA, taking into consideration the definitions of the environment, environmental effect and project.

3.2.1 Factors to be Considered

As defined under CEAA, “environmental effect” means, in respect of a project:

- a) *any change that the project may cause in the environment, including any change*

it may cause to a listed wildlife species, its critical habitat or the residences of individuals of that species, as those terms are defined in subsection 2(1) of the Species at Risk Act

- b) any effect of any change referred to in paragraph (a) on*
- i) health and socio-economic conditions*
 - ii) physical and cultural heritage*
 - iii) the current use of lands and resources for traditional purposes by aboriginal persons, or*
 - iv) any structure, site or thing that is of historical, archaeological, paleontological or architectural significance, or*
- c) any change to the project that may be caused by the environment whether any such change or effect occurs within or outside Canada;*

Under section 16 of CEAA, the following factors must be considered in an environmental assessment conducted as a comprehensive study:

- the environmental effects of the project, including the environmental effects of malfunctions or accidents that may occur in connection with the project and any cumulative environmental effects that are likely to result from the project in combination with other projects or activities that have been or will be carried out;
- the significance of the environmental effects referred to above;
- comments from the public that are received in accordance with this Act and the regulations;
- measures that are technically and economically feasible and that would mitigate any significant adverse environmental effects of the project;
- the purpose of the project;
- alternative means of carrying out the project that are technically and economically feasible and the environmental effects of any such alternative means;
- the need for, and the requirements of, any follow-up program in respect of the project;
- the capacity of renewable resources that are likely to be significantly affected by the project to meet the needs of the present and those of the future; and,
- any other matter that the responsible authorities deem to be necessary, including community knowledge and aboriginal traditional knowledge.

3.2.2 Scope of the Factors to be Considered

The following provides details on the proposed scope of the factors to be considered by the responsible authorities in the environmental assessment including what environmental components are likely to be affected:

- Climate and meteorology;
- Air quality;
- Terrain, soils and geology;
- Vegetation and plant communities;
- Wildlife and wildlife habitat;
- Surface water and groundwater quality and quantity;
- Aquatic environment (e.g. aquatic life, fish, fish habitat);
- Heritage and archaeological resources;
- First Nations traditional use (current and historic);

- Land and resource use;
- Navigation;
- Noise; and,
- Human health and safety.

Spatial and Temporal Boundaries

Spatially, the main project site is located in Galore Creek Valley with an access road and slurry pipeline extending 125 km east to Highway 37. The spatial boundary will be determined specific to each factor in order to effectively assess the potential environmental effects of the project.

The temporal boundaries will encompass the entire lifespan of the project. The environmental assessment will discuss the effects of the project on each factor beginning with the construction phase and throughout the operations phase (including any maintenance and/or modifications) and through to the completion of decommissioning, closure and reclamation.

Cumulative Environmental Effects

The evaluation of potential cumulative environmental effects will include the residual environmental effects associated with the project in combination with the environmental effects of other past, present or future projects or activities. Cumulative effects will be considered that are likely to result from the project in combination with other projects or activities that have been or will be carried out. The cumulative effects assessment will include, but not necessarily be limited to: existing mines (e.g. Eskay Creek Mine); other proposed developments (e.g. Red Chris Mine; Mt. Klappan Mine; Forest Kerr Hydro); other land and resource use activities (forestry, hunting, trapping, fishing); and, tourism and recreation activities.

Alternative Means of Carrying out the Project

The assessment will include an analysis of the alternative means of carrying out the project that are technically and economically feasible and the environmental effects of any such alternative means for example, the south access road alternative. A rationale for the preferred alternative will be included.

Effects of the Environment on the Project

In addition to evaluating the effects of the project on the environment, including cumulative environmental effects, changes to the project that may arise as a result of the environment will also be considered. This analysis will include consideration of natural hazards such as: extreme weather events (lightning, extreme precipitation, flooding, wind, avalanches and icing); natural seismic events; volcanic activity; fire; slope stability; and, climate change. Proposed mitigation, including design strategies, will be considered in the evaluation of the effects of the environment on the project and the determination of their significance.

Sustainability of Renewable Resources

This will include a consideration of the capacity of renewable resources that are likely to be significantly affected by the project to meet the needs of the present and those of the future.

Potential Accidents and Malfunctions

The assessment will include consideration of the potential accidents, malfunctions and unplanned events that could occur in any phase of the project, the likelihood and circumstances

under which these events could occur, and the environmental effects that may result from such events.

Follow-up Program

The purpose of a follow-up program is to verify the accuracy of the environmental assessment and determine the effectiveness of mitigation measures. The environmental assessment will describe the follow-up program and its associated requirements.

4.0 PUBLIC CONSULTATION

4.1 Invitation for Comments & Further Opportunities for Public Participation

The responsible authorities expect to submit a report and recommendation to the Minister of the Environment early in 2006 on whether the environmental assessment should continue by means of a comprehensive study or be referred to a mediator or a review panel. The public is invited to provide comments at this scoping stage of the environmental assessment of the project on the following areas:

- the proposed scope of the project;
- the factors proposed to be considered in the assessment;
- the proposed scope of those factors; and
- the ability of the comprehensive study to address issues relating to the project.

Finally, the public will also have additional opportunities to provide input to the environmental assessment, the nature of which will depend on the type of review that takes place.

4.2 Submission of Comments

The public is invited to provide its views at this scoping stage of the environmental assessment. Persons wishing to submit comments may do so in writing to Canadian Environmental Assessment Agency. Comments must be received by close of business January 9, 2005.

Comments may be sent to:

Chris Barlow, Senior Program Officer
Canadian Environmental Assessment Agency
Suite 320, Sinclair Centre 757 West Hastings Street
Vancouver, British Columbia V6C 1A1

Telephone: (604) 666-8748

Fax: (604) 666-6990

E-mail: Chris.barlow@ceaa-acee.gc.ca

Please be as detailed as possible and clearly reference the **Galore Creek Copper-Gold-Silver Project** and the Registry File number **05-03-8858** on your submission. NOTE: All documents and/or responses received regarding this project are considered public and will become part of the public registry.

As stated above, if the Minister of the Environment determines that a comprehensive study will be conducted for the project, the public will be provided with further opportunities to participate. The public will also have opportunities to participate in the assessment should the project be referred to a mediator or a review panel.

4.3 Participant Funding

The Government of Canada, through the CEA Agency, will provide participant funding to assist groups and individuals to take part in the environmental assessment, whether it proceeds by means of a comprehensive study or is referred to a mediator or review panel. Information on the program, including the Participant Funding Program Guide, the application form and the contribution agreement are available on the CEA Agency's Web site <http://www.ceaa-acee.gc.ca/>.

4.4 Canadian Environmental Assessment Registry

Pursuant to the CEAA, section 55, the Canadian Environmental Assessment Registry (CEAR) has been established to provide notice of the environmental assessment, and facilitate public access to records related to the environmental assessment. The CEAR consists of a project file and an internet site. The internet component of the CEAR can be accessed at the following address http://www.ceaa.gc.ca/050/index_e.cfm. Anyone wishing to obtain copies, or view records, on the CEAR project file should contact:

Chris Barlow, Senior Program Officer
Canadian Environmental Assessment Agency
Suite 320, Sinclair Centre, 757 West Hastings Street
Vancouver, British Columbia V6C 1A1

Telephone: (604) 666-8748
Fax: (604) 666-6990
E-mail: Chris.barlow@ceaa-acee.gc.ca

If you have general questions in relation to the CEAA, you can access the CEA Agency website at: <http://www.ceaa-acee.gc.ca/>