

ENVIRONMENT north

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October 26, 2012

CEAA Joint Review Panel
Marathon PGM and Cu Mine Project Environmental Assessment
160 Elgin Street, Unit 64
Ottawa, ON K1A 0H3
Via email at MarathonMine.Review@ceaa.acee.gc.ca

Dear Louis Lapierre, Panel Chair

Re: Environment North's Response re: Adequacy of Environmental Impact Statement (EIS)

In response to your letter of July 27, 2012, we are pleased to provide the attached document as Environment North's response to your request for comments regarding the technical merit and sufficiency of the information provided by Stillwater Canada Inc. in their EIS submission.

Our review focused on the socio-economic component of the Environmental Assessment and identifies gaps in information and the completeness of their scope. A chart is provided for ease of reference and identifies the specific sections where insufficiencies were noted. The information is organized to include the information required as stated in the EIS Guidelines, Stillwater's responses as noted in the EIS Main Report and Supporting Document #23, Environment North's comments on the sufficiency of the information, information requested and a rationale for the type of information required.

If you have any questions regarding this submission please contact Charlene Rogers at 807-475-3631 or by e-mail at environmentnorth@gmail.com.

Yours truly,

A handwritten signature in blue ink that reads "Charlene Rogers".

Charlene Rogers
President

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October 25, 2012

Ms. Charlene Rogers
President, Environment North
PO Box 10307
Thunder Bay, ON P7B 6T8

Dear Ms. Rogers

Marathon Platinum Group Metals and Copper Mine EA – Review Panel October 26, 2012

This report presents the results of my preliminary review regarding Environment North's submissions to the joint Federal/Provincial Review Panel pertaining to the Environmental Assessment (EA) of the Stillwater Canada Inc's Marathon Platinum Group Metals and Copper Mine Project. My role for Environment North was to review the economic and social impact portions of Stillwater's EA.

Stillwater's Environmental Impact Statement (EIS) was submitted to the Canadian Environmental Assessment Agency (CEAA) in June, 2012. This review is a preliminary completeness review of that statement to determine whether Stillwater has provided sufficient information regarding the prediction and assessment of the direct/indirect economic and social impacts/benefits and in a manner and detail consistent with CEAA's EIS Guidelines. To complete this stage of the EA review process, relevant socio-economic sections of the EIS document, supporting documents, community and regional profiles, local and regional economic development planning documents as well as educational needs assessments, skills and training plans were reviewed. Also reviewed was comparative literature regarding impacts of mining and other developments in hinterland areas. Interviews with key stakeholders were conducted, current issues and concerns raised by community leaders, business operators and residents were compared and assessed in relation to the information contained in Stillwater's EA document. All information was analyzed in relation to the common factors of:

- project characteristics
- study process
- identification and description of key social, economic, and cultural environment factors
- identification and description of social, cultural, economic, and environmental effects of the projects on the town of Marathon and region
- prediction and assessment of direct and indirect impacts and benefits
- identification of community issues and concerns
- identification of mitigation and enhancement measures
- follow up monitoring process and feedback approaches

The review identifies any gaps in information, the process used by Stillwater to gather the information and the completeness of their scope. The chart provided on the following pages identifies the specific sections where insufficiencies were noted and has been organized to include the directive from the EIS Guidelines, Stillwater's response, and Environment North's comments on the sufficiency of the information provided.

As the EA process proceeds, I will be undertaking a much more detailed review in the coming months in preparation for the submission for the public hearing.

Yours truly,

Karen Peterson

Environment North's Information Requests re: Joint Review Panel, October 26, 2012
Marathon Platinum Group Metals and Copper Mine Project - Environmental Impact Statement
Prepared by Karen A. Peterson & Associates, Thunder Bay, Ontario

2.7.3.1 Economic Issues

The EIS will assess the economic impacts of the Project....

EIS Guidelines	EIS	Insufficiencies Noted	Information Request	Rationale
<p>- The effects of the Project on the Town of Marathon, and on regional and provincial economic development including the benefits of diversification.</p>	<p>Main Documentincrease in economic and business opportunities particularly in the site preparation and construction and operations phases - no mitigation is proposed</p> <p>Supporting Document #23 Sections 4.2 and 4.2.1.3</p>	<p>Detailed predictions of indirect and induced jobs expected to be created in region is not included.</p> <p>Specific information regarding the predicted number of employees who would be moving into the region on a permanent/semi-permanent basis or the predicted number who may be flying in and out on rotation is not provided. A prediction of household composition is not provided.</p>	<p>Predictions of revenue expected to remain in the region for each phase.</p> <p>Provide comparisons to similar mining operations close to town sites and a trend analysis regarding current settlement patterns of mine workers.</p> <p>Commitment to not only draw from high grade ores which can shorten the life of the project.</p>	<p>Detailed information regarding expected population growth and increased income levels locally is required for municipalities, local businesses and entrepreneurs to plan or invest in the economy with any degree of certainty.</p> <p>The extent, nature and length of stay of any expected influx of people affects the type of development and economic diversification as well as investors' ability to secure timely financial backing. If most of the workforce is expected to commute to the mine site or the life of the mine is reduced, the benefits for local businesses will be less than suggested in the EIS and may also negatively impact investments.</p>
<p>- An estimate of government expenditures that may be required as a result of development of the Project and describe any proposed measures to offset these expenditures</p>	<p>Not provided.</p>	<p>Predictions of impacts to provincial highways and access routes due to trucks hauling heavy equipment and mine products.</p> <p>Costs for government expenditures for training and education hasn't been identified.</p>	<p>Further analysis of wear and tear on provincial highways due to increased truck traffic hauling heavy equipment and product from the mine site.</p> <p>Include mitigation re: increased need for maintenance of highways.</p> <p>Estimate cost and mitigation for education and training.</p>	<p>Repairs to highways due to wear and tear are the responsibility of government. Increased traffic due to SCI's use of trucks to haul heavy equipment and product from the mine site may increase the frequency for maintenance and repair that would put a strain on government expenditures and ultimately the taxpayers of Ontario.</p> <p>Education and training require government expenditures.</p>

EIS Guidelines	EIS	Insufficiencies Noted	Information Requested	Rationale
<ul style="list-style-type: none"> - Where applicable, any education or training program that the Proponent would provide or sponsor 	<p>Main Document....there will be increased training opportunities during the site preparation and construction and operations phases of the Project for youth and Aboriginal peoples, as well as opportunities for skilled workers to further hone and/or diversify their skills to enhance their employability</p> <p>– no mitigation is proposed</p> <p>Supporting Document #23 Section 4.1.1.2</p> <ul style="list-style-type: none"> - increased training only likely during the construction phase if workers relocate to local communities <p>Section 4.1.2.3</p> <ul style="list-style-type: none"> - opportunities for training at the operations stage should emerge and institutions in the region are expected to provide relevant training. 	<p>Detailed analysis regarding the sectors, required skills, skills available and the types of training that would be needed/supported by Stillwater for the construction and operations phases is not provided.</p>	<p>Provide supporting analysis, assumptions and their information sources.</p> <p>Address recommendations in the Marathon and District Community Adjustment Committee’s report regarding Educational Needs Assessment.</p> <p>Conduct analysis and develop a collaborative mechanism with municipalities, education institutions and Stillwater to directly meet employer/worker needs.</p> <p>Include additional mitigation measures such as public/student awareness of jobs and training available.</p>	<p>Training and education plans need to be tailored to the needs of the industry. Collaboration between the municipality, educational institutions and Stillwater could address regional sustainability needs of the local workforce such as youth retention and re-employment of laid off workers as well as ensure a match between employer needs and the training and education programs provided.</p>

EIS Guidelines	EIS	Insufficiencies Noted	Information Requested	Rationale
<ul style="list-style-type: none"> - A labour market analysis profiling the Project labour requirements and labour supply in the project area, throughout Ontario and outside the province. - Discuss direct workforce requirements – develop a labour supply profile 	<p>Main Document....increased direct, indirect and induced employment opportunities during all Project phases</p> <p>– no mitigation is proposed</p> <p>reduction in levels of employment at mine closure – the predicted effect will be mitigated by SCl implementing employment transition programs that enable workers to identify opportunities to use their transferable skills and seek other employment</p> <p>Supporting Document #23 Section 4.2 Section 5.3</p>	<p>Detailed predictions of type of jobs created in region not provided.</p> <p>Clear documentation and inclusion of supporting analysis, statistics, rationale or examples, assumptions and information sources is required.</p> <p>Consider additional mitigation measures.</p>	<p>Predictions regarding the breakdown between direct, indirect and induced employment between local and national forecasts for each phase.</p> <p>Provide commitments for proactive recruitment from local population and career path development for local students.</p> <p>Include additional mitigation measures such as working together with the municipality to create an economic development committee to look at relocation issues and identification of new opportunities in the region.</p>	<p>Labour force projections enable proactive planning for regional sustainability of the local workforce to reduce youth outmigration, re-employ laid off workers and provide incentives for return of workers who left the region or are commuting to jobs elsewhere.</p> <p>Working together with communities help to build and maintain capacity and inclusion in the decisions that affect their lives.</p>

2.7.3.2 Social Issues

Social effects generally include effects on population growth, social characteristics, housing and accommodation, social services, traffic and transportation and community infrastructure.

EIS Guidelines	EIS	Insufficiencies Noted	Information Request	Rationale
<p>- Estimate the effects of the Project on the population of the project area, as well as those communities specifically identified, for each major phase. Family characteristics and local constraints shall be considered in developing refined population increments resulting from the Project.</p>	<p>Main Document....there will be a population influx into Marathon and possibly some of the surrounding communities resulting from workers moving to the area; increased population in the area can be seen as a positive effect given recent trend of population decreases – the potential negative aspects of predicted effect will be mitigated via facilitating rotational work arrangements, encouraging former residents to return to the area and providing employee accommodations through company owned accommodations and local motels, encouraging operations employees and families to gradually settle in local communities, support commuting from local communities and recruit employees from the existing populations in local communities</p> <p>Supporting Document #23 Section 4.1.1/Section 4.1.3.1</p>	<p>Family characteristics not included.</p> <p>Local constraints and analysis in relation to each phase of the project not included.</p>	<p>Provide projections regarding family characteristics and local constraints for each phase of the project.</p>	<p>Specific information is required for town planning as different scenarios develop depending on families settling into the region or whether workers fly-in/fly-out on work rotations. Different impacts/benefits result from family characteristics and household composition.</p>

EIS Guidelines	EIS	Insufficiencies Noted	Information Requested	Rationale
<ul style="list-style-type: none"> - Estimate the housing requirements and evaluate the settlement options for the construction, operation and closure phases of the Project 	<p>Main Document....increase in housing demand and prices during site preparation and construction and operations – the predicted effects will be mitigated by facilitating rotational work arrangements, providing employee accommodations through company owned accommodations and local motels, supporting commuting from local communities and recruiting employees from the existing populations in local communities Supporting Document #23 Section 4.1.1.1</p> <p>reduced demand for housing and downward pressure on home prices during mine closure – no mitigation proposed – the predicted effect is considered a residual effect and was advanced to the assessment of significance</p> <p>Supporting Document #23 Section 4.1.3.2</p>	<p>The expected household compositions is not included to adequately assess the settlement options.</p>	<p>Provide projections regarding family characteristics for each phase of the project. Consider alternatives such as setting up trailer parks or modular homes that can be dismantled upon mine closure to avoid inflationary costs to local housing supplies.</p> <p>Develop an issue based approach to decommissioning.</p>	<p>Specific information is required for town planning re: housing requirements and settlement options. Different needs result from family characteristics and household compositions.</p>

EIS Guidelines	EIS	Insufficiencies Noted	Information Requested	Rationale
<ul style="list-style-type: none"> - Identification and assessment of accident rates along highway routes and potential safety issues and conflicts with existing traffic on access roads 	<p>Main Document....increased traffic volumes associated with the Hwy 17-Peninsula Road intersection and in the Town of Marathon during the site preparation and construction and operations phases of the Project – the predicted effect will be mitigated by SCI encouraging car-pooling by its workers and providing bus transport to the Project site and requiring all project drivers and employees to observe speed limits and take safety precautions; SCI will schedule conduct scheduling shift changes as consultation with the Town of Marathon at off peak traffic hours and schedule concentrate truck transport off the Project site so they do not coincide with school bus pick-up and drop-off times.</p> <p>Supporting Document #23 Section 4.1.1.7</p>	<p>Off hours traffic patterns that could also have an impact on the safety of the communities as well as the traffic during work hours is not included.</p> <p>Assessment of impacts to the municipalities due to increased policing regarding traffic and related issues has not been included.</p>	<p>Develop mitigation measures such as codes of conduct, policies and awareness training for all staff regarding expected behaviour of good corporate citizens with consequences included for policy violations. Develop transportation alternatives for off hours traffic as well.</p> <p>Designate a Human Resources person as a direct liaison with police services to deal with traffic as well as other police issues.</p>	<p>Circumstances such as a group of workers coming into town for entertainment could increase the risk of impaired driving and related traffic safety concerns as well as increase the risk potential for altercations with that occur with transient populations. Increased calls for police service will cost the municipality and effect community members directly through their property taxes.</p>

EIS Guidelines	EIS	Insufficiencies Noted	Information Requested	Rationale
<ul style="list-style-type: none"> - Assess the demand for (community) services generated by the Project and the effect of that demand - Specific services that will be addressed include, but are not necessarily limited to: police, health care, fire, ambulance, education, social services, recreation, basic infrastructure, justice, commercial, retail and industrial services 	<p>Main Document.....increased demand for community services during the site preparation and construction and operations phases of the Project – will be mitigated by SCI providing support to fund key community services or organizations and by providing fitness and recreational programs for workers within the exiting facilities.</p> <p>Supporting Document #23 Section 4.1.1.4/5/6/7</p> <p>Main Document.....Community Services: reduced demand at mine closure for community services may see some program cancellation – mitigation includes helping to ease this transition by SCI maintaining ongoing communication with local residents of Project developments and time-tables - the predicted effect is considered a residual effect and was advanced to the assessment of significance.</p>	<p>Specific estimates of the type and level of demand for community services is not clearly stated. A definition re: ‘key community services’ is required. Which services in particular will SCI fund?</p> <p>Comparison from baseline data is not provided.</p> <p>Community planning for infrastructure and impacts to social services is limited.</p> <p>Supporting information is required that the provision of emergency and first aid services will be sufficient.</p>	<p>Conduct a comprehensive review of the impact to community services and develop additional mitigation measures such as bridge financing and build community capacity to cope with rapid change whether growth or decline.</p> <p>Provide an assessment of alternatives regarding the pressures on health clinics and identify the benefits of augmenting Stillwater services. Consider hiring a Nurse Practitioner to reduce the pressures on the health clinics in municipalities.</p> <p>Consider entering into a Good Neighbour Agreement to include environment, socio-economic impacts and benefits.</p>	<p>Public sector cutbacks place increasing emphasis on industry to develop and fund management strategies for changes to populations.</p> <p>There is a lag time between the identification of the need for community services, preparation of requests and approvals from government which leaves municipalities with the financial burden/workforce responsibility to cover increases in demand until government funds are received.</p> <p>Increased demand for community services will cost the municipality and affect community members directly through their property taxes. Proactive planning will better prepare municipalities to deal with changes to services.</p> <p>A Good Neighbour Agreement (GNA) provides accountability to the community and a mechanism to manage impacts and benefits, monitor progress of commitments and ensure on-going communication with community leaders and residents as well as an issue based approach to decommissioning.</p>