

APPENDIX C – PUBLIC CONSULTATION SUMMARY

1. INTRODUCTION

This report provides a summary of communications and consultation activities that occurred between members of the public and Adanac Molybdenum Corporation representatives during Pre-Application and Application Review Phases of the review of the Ruby Creek Molybdenum Project. Information is also provided regarding the formal provincial public comment period from September 5 to October 5, 2006. This summary has been adapted from the Proponent's Consultation Report dated November, 2006, which provides a more detailed description of consultation described herein, and is posted to the EAO website.

The Ruby Creek Molybdenum Project (the Project) consultation plan developed by Adanac Molybdenum Corporation (the Proponent) was designed to continue through the application process into the approvals process and eventually into developmental stages of the Project. Ongoing communication and consultation with the public will take place throughout the life of the Ruby Creek Molybdenum Project.

Section 4(1) of the *Public Consultation Policy Regulation (2002)* of the British Columbia Environmental Assessment Office, states that the proponent is required to "conduct a public consultation program that is acceptable to the executive director"; the Proponent has fulfilled this criterion through the extensive communications and consultation process that they undertook for the Project.

1.1 Methodology

When approaching community consultation, The Proponent undertook plans which focussed on maximizing local input and knowledge into the EAC application. The Proponent recognized Atlin's unique setting and characteristics in developing a community consultation plan. The Proponent's primary focus at the local level has been consultation with the general public and the Taku River Tlingit First Nation in Atlin. This approach was taken because Atlin is unincorporated and does not have a municipal government/regulatory body. Atlin also falls within a regional district (Stikine) that is not incorporated. In the absence of such local and regional regulatory bodies, The Proponent worked to keep the local population involved in the process.

After developing an understanding of the relationship by various community members to the project area, The Proponent began developing a consultation program that recognized the unique relationships local residents and the Taku River Tlingit First Nation have to the Project and its activities. The Proponent developed a multi-faceted approach that allowed all interested parties to participate in the process through a variety of means (e.g., open house, direct contact and meetings) as shown in **Figure 1**.

Community Consultation Flow Chart for Atlin, BC

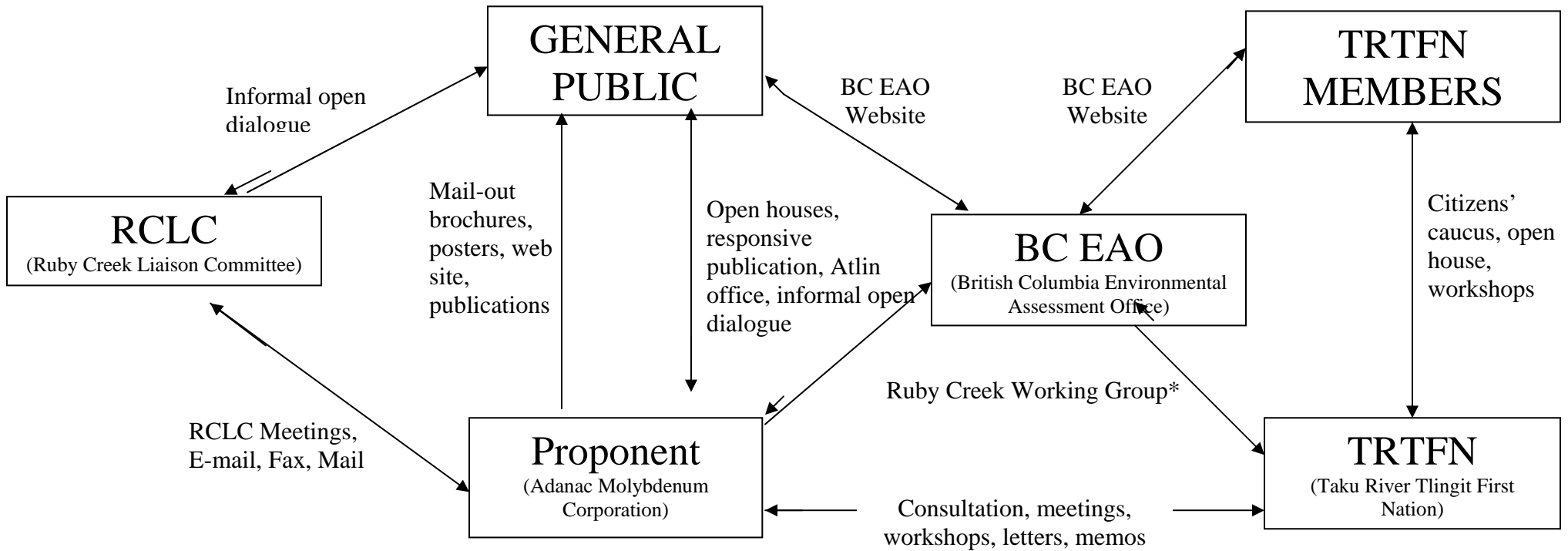


Figure 1 Community Consultation Flow Chart for Atlin, BC

*Ruby Creek Working Group consists of the Proponent, the Taku River Tlingit First Nation, and identified federal and provincial government representatives.

2. COMMUNICATIONS AND CONSULTATION

2.1 Community

Atlin was recognized as the only community adjacent to the project that would require direct community consultation. It is isolated from the rest of BC and is only accessible by road from the Yukon. The closest Yukon community is Tagish, which is over 100 km north of Atlin. Tagish is on a separate highway to the land corridor between Atlin and Whitehorse. Whitehorse is approximately 200 km northwest of Atlin.

Community consultation included interviews with interested parties, *ad hoc* field research, informal conversation, open houses and the formation of a liaison committee (see **Section 2.2** Ruby Creek Liaison Committee) to help keep ongoing communication active and manageable. Area residents were also updated on the Project's progress through mail-out newsletters and pamphlets and postings at frequently visited areas including the Pine Tree (restaurant and Shell gas station), the post office, the bulletin boards outside the two grocery stores and the government office. Response from the August 2005 open house questionnaire and verbal response from the September 2006 Open House indicated the majority of community members were satisfied with the community consultation program (details of open houses presented in **Section 2.3**).

2.2 Ruby Creek Liaison Committee

The Ruby Creek Liaison Committee provides a forum through which community representatives can address the concerns and aspirations of Atlin's residents. The Ruby Creek Liaison Committee was created to help mitigate the absence of a municipal government and to help the Proponent learn more about the community in order to help create a mine development plan that best represented local interests.

The Ruby Creek Liaison Committee is composed of opinion leaders from the Atlin area and includes members of the Atlin Advisory Planning Commission, Atlin Improvement District, Board of Trade, Society for Atlin's Sustainable Economic Initiatives, as well as long-time volunteers, concerned citizens, environmentally-conscious individuals, and local professionals. Ruby Creek Liaison Committee members were chosen with the objective of providing a fair and representative cross-section of the community and local interests, to ensure that people in the Atlin area could feel comfortable with the composition of the committee. Further consultation within Atlin suggests this objective was attained. In November, 2006 the Ruby Creek Liaison Committee committee had twelve members, including Proponent representatives. In 2006, two members temporarily stepped back from their committee responsibilities to pursue other commitments outside the Atlin area. An alternate for one of the remaining members regularly attended meetings in 2006.

The Ruby Creek Liaison Committee was designed to bring together diverse community opinions and perspectives by providing a friendly and relaxed forum in which constructive communication could be achieved.

At the first meeting, the committee members were encouraged to familiarize themselves with both the Project and company representatives and to obtain a better understanding

of the rationale behind the formation of the committee. During this time the meeting participants agreed that the Ruby Creek Liaison Committee would be transparent, and that participation on the committee was in no way a blanket endorsement of the Project. The guiding document designed to direct the committee in appropriate paths was then discussed, which also reinforced that the committee's recommendations are not binding. The mandate of the committee was established, including the formation of a clear set of rules. The Proponent identified that the Ruby Creek Liaison Committee should provide local insight and knowledge to enable them to seek solutions to mitigate adverse effects and promote positive effects.

According to feedback from the community, the Ruby Creek Liaison Committee has been an effective tool for expressing community concerns, identifying community dynamics and providing feedback. Members of the Ruby Creek Liaison Committee have hosted numerous informal meetings with community members to solicit feedback on issues related to the Project, and feedback from these meetings has been used in the decision-making process by the Proponent to locate the employee village on the Project site.

The Ruby Creek Liaison Committee has and will continue to provide the Proponent with suggestions, issues, and information that can help the Project benefit Atlin as a whole.

2.3 Open Houses

The Proponent hosted two open houses (August 2005, and September 2006) in the community of Atlin. The second open house, required as part of the British Columbia Environmental Assessment Process was held during the formal public comment period and was attended by the BC EAO. Details of these open houses are presented in the next three sub-sections.

2.3.1 August 31, 2005 – Atlin Recreation Centre, Atlin, BC

This open house was a chance for attendees to learn about the Project and the environmental baseline studies underway at that time. The structure of the open house was a poster layout with several visual displays and interactive presentations designed to inform attendees about the project. Proponent staff were available to guide attendees through the posters if requested and to answer any questions. Attendees were encouraged to sign in at the door and fill out a questionnaire before leaving. The purpose of the questionnaire was to help guide the community consultation plan to ensure the community felt adequately informed and up-to-date with the Project.

2.3.2 September 14, 2006 – Atlin Recreation Centre, Atlin, BC

This open house was required as part of the Provincial environmental assessment process to ensure attendees were given an opportunity to comment during the formal public comment period. The structure of the open house was the same as August 2005 but with a greater focus on completion of the Application components and summaries of

the environmental baseline and impact assessment. The Proponent brought additional staff to assist in providing answers to every potential question.

Attendees were encouraged to sign in at the door and were asked to fill in a comment form for the BC Environmental Assessment Office. Attendees were also given the chance to have their questions answered during a question and answer session.

Three comments received by the BC Environmental Assessment Office during the formal public comment period are presented, with Proponent responses in Appendix I.

2.3.3 Summary

Attendance numbers at the two open houses indicated that the community was aware of these events. Direct invitation, word-of-mouth, postings in Ruby Creek newsletters, and posters placed at frequently visited sites around Atlin and Five Mile were used to inform the community about the open houses. At the August 2005 open house 124 individuals signed in. At the September 2006 open house 66 individuals signed in. An analysis of the names on the sign in sheets indicated that 47 of the 66 individuals who attended the September 2006 open house had not signed in or attended the August 2005 open house. In total, 171 individuals attended the two open houses.

The comment sheet at the second open house was produced by the BC Environmental Assessment Office and was designed to solicit comments from the public on the BC Environmental Assessment Process. The questionnaire at the first open house was produced by The Proponent and offered both an opportunity to comment on the Project and a chance to show support or opposition to the Project.

The number of people who attended the first open house was almost twice as many as that of the second open house. Almost two thirds of the attendees at the second open house had not attended the first open house. Based on the attendance at the two open houses, the Proponent is confident that Atlin and area residents were informed about the details of the Project to a satisfactory level.

The Proponent advertised locally in Atlin and Five Mile for both open houses as well as in the Whitehorse Star for the September 2006 open house.

2.4 Results of the Proponent's Public Consultation

As a result of the consultation process with the community, several important issues were raised including potential increases in crime and substance abuse, prostitution, dramatic demographic shift (male, aged 20-55), and immediate population influx (fly-in employees). The community, largely through the Ruby Creek Liaison Committee, identified these potential problems and came up with the recommendation that the employee village be located on the Project site. After reviewing the potential locations on the site, the Taku River Tlingit First Nation recommended the employee village be moved to its current location to minimize impact on the wildlife corridor through the eastern upper Ruby Creek valley towards upper Cracker Creek. In this circumstance the consultation process not only identified an area of concern, but also provided a tangible solution satisfactory to all parties.

The Ruby Creek Liaison Committee was also very receptive of the proposed fish compensation plan presented to them during the November 2005 meeting. All members present felt the plan not only addressed the requirements of the Project, but were also positive about the various plans to improve placer damaged areas. The proposed fish compensation plan has since been modified as a result of government agency comments.

The Proponent has been involved in discussions with the Atlin Improvement District and the Atlin Advisory Planning Commission through the Ruby Creek Liaison Committee related to mutually beneficial infrastructure development. The Proponent remains open to discussions with the Atlin Advisory Planning Commission and the Atlin Improvement District.

The consultation plan has identified areas of concern and solutions to minimize potential impacts from the community of Atlin and the Taku River Tlingit First Nation. The placement of the employee village on-site is recognized by all parties as a positive step towards minimizing all potential impacts. When properly assessed, many people felt that the potential negative impacts were a more important issue than the potential positive impacts. The consensus was that fly-in employees did not have the community attachment locals did, and Atlin could better maintain its unique identity with the employee village located on site, and a mine office in the community. This process also demonstrated the Proponent's commitment to listening to local concerns and taking them into account in the decision-making process.

3. FORMAL PUBLIC COMMENT PERIOD

The formal public comment period for the Project occurred between September 5, 2006 and October 5, 2006. The public comment period is designed to allow public comment to occur within the context of the provincial Project review timelines. Comments received and Proponent responses are attached in Appendix I to this document.

3.1 Public Submissions to the BC Environmental Assessment Office and Proponent Responses

There were two letters submitted to the BC Environmental Assessment Office during the formal public comment period the Proponent hosted an open house in Atlin during the public comment period, which was also attended by the BC Environmental Assessment Office (September 14, 2006). A question and answer session was held from 7-8:00 pm which enabled people to receive immediate answers to their questions. The BC Environmental Assessment Office provided comment forms at the September 2006 open house; one sheet was returned to the BC Environmental Assessment Office.

All comments received during the public comment period were responded to in the Proponent's Consultation Report dated November, 2006. This document was posted to

the Environmental Assessment Office website at: www.eao.gov.bc.ca, and are attached in Appendix I to this document.

4. OTHER CONSULTATION ACTIVITIES

4.1 Licensed Guide Outfitters and Registered Trapline Holders

The Project falls within the territory of one licensed guide outfitter as identified by the Proponent in the baseline data collection and confirmed by the Atlin Conservation Officer. The Proponent consulted (May 2005 and November 2006) the licensed guide outfitter operating in the area around the Project. Results of this consultation indicate that the Project will not interfere with guiding operations east of Atlin.

Concern was expressed regarding helicopter flights for mine operations and their potential impact on wildlife. There are currently no regular helicopter activities for the Project outside the wildlife monitoring requirements. The Proponent has agreed to consider the guide outfitters concerns when scheduling helicopter flights in the future.

Additional concern was expressed about maintaining access to the Ruby Creek valley. The road to the Project site will remain accessible to the general public up to the mine property where a gate house is planned to be installed to limit access to mine employees and authorised vehicles. The guide outfitter indicated that he used the Cracker Creek corridor mid-way up the Ruby Creek valley. This corridor will not be closed to the public as a result of the Project. The guide outfitter was supportive of the Project and asked to be given a chance to put in a proposal on construction contracts in the future.

A letter of notification was sent to trappers with traplines within the Project footprint or immediately bordering the site. These letters of notification were sent to the trapline holders on September 20, 2005. To date no responses have been received. The only trapline within the Project footprint is currently held by the Taku River Tlingit First Nation. The Proponent will continue to work with the Taku River Tlingit First Nation regarding this trapline.

4.2 Mineral Tenures

Consultation has been ongoing between the Proponent and tenure holders potentially affected by the Project. The Proponent will continue to be open to future dialogue, but to date no concerns from tenure holders have been received.

4.3 Atlin Arts & Music Festival Sponsorship

Further to the Proponent's belief in its corporate responsibility in the community of Atlin, the Atlin Arts & Music Festival in 2005 and 2006 was sponsored by Adanac Molybdenum Corporation. The Proponent strongly believes that community interaction and pride are an important characteristic of Atlin and is willing to do their part to contribute to promoting the community through events like the Atlin Arts and Music Festival.

5. ONGOING PUBLIC CONSULTATION

The ongoing consultation process for the Ruby Creek Molybdenum Project will address the requirements outlined in the Section 11 Order for the Ruby Creek Molybdenum Project.

Project consultation will consist of several different approaches to provide a broad level of understanding of the Project to interested parties. The approach to date is outlined below:

- *Public consultation*
 - Open houses in Atlin
 - August 2005
 - September 2006
 - Newsletters
 - Ruby Creek Liaison Committee
 - Adanac Molybdenum Corporation office in Atlin

The Proponent will continue to maintain an open relationship with all interested parties throughout the various Project stages. The Proponent plans to continue releasing Project update newsletters and hold meetings with the Ruby Creek Liaison Committee.

5.1 Resolving Outstanding Issues

All issues raised by members of the public will be tracked in the issues tracking database with the date the issue was received, the type of response and the date of that response. Issues that are not resolved in this manner will be forwarded to the appropriate government agency. These issues will be documented in the issues tracking database as unresolved, with a comment as to the agency responsible and the date the issue was forwarded to that specific agency. This process will apply to comments from the public comments period and is independent of the agency issues tracking table.

5.2 Summary

The Proponent's approach to the public consultation process is one that is inclusive of interests in the Atlin area. It is designed to inform the broader Atlin community, while being conscious of the established working relationship and ongoing input from Taku River Tlingit First Nation. Taku River Tlingit First Nation are encouraged to participate in the public consultation process; however, a separate First Nation consultation process has been conducted to address Taku River Tlingit First Nation needs.

The Ruby Creek Working Group will continue to act in its current capacity. The Proponent continues to be committed to developing a Project that is to the benefit of all local community members. If other public consultation options are required, the Proponent will respond to these as the needs develop.

6. CONCLUSIONS

The Proponent has expressed a commitment to ongoing communication throughout the approvals process, during construction and the life of the mine. This is evident by the continued meetings with the Ruby Creek Liaison Committee, and community updates into the future. The Proponent is committed to developing a safe and efficient mining and milling operation that is able to yield a high-quality product at the lowest possible cost while providing significant benefits to northern communities.

The Proponent aims to achieve continuing communications and consultation through existing and new communication channels and relationships, thus remaining transparent to the Taku River Tlingit First Nation and the Atlin community. Ongoing communications and consultation methodologies have not been finalized. The use of practical community consultation tools, such as regular newsletters, websites, and open houses will be reviewed and implemented as needed on an ongoing basis. The Adanac Molybdenum Corporation field office that was set up in December of 2005 will provide an ongoing presence in the community, and will enable the company to more readily address queries and issues as well as collect feedback from the public.

REFERENCES

Adanac Moly Corp, (2006). *Ruby Creek Molybdenum Project - Environmental Assessment Certificate Application: Consultation Report*. Report published November 14, 2006.

**Appendix I:
Proponent Responses to Public Comments during
the Public Comment Period**

RESPONSES TO COMMENTS FROM THE SOCIETY FOR ATLIN'S SUSTAINABLE ECONOMIC INITIATIVES

(OCTOBER 4, 2006)

Comments and questions sent to the BC EAO by the Society for Atlin's Sustainable Economic Initiatives (SASEI) were received by Adanac Moly Corp (Adanac) and addressed in the following section. The italicised text in blue is the question or comment as written by SASEI. Below the blue text is the response by Adanac in black.

Plans are in place for vehicle accidents on the Atlin Road, due to increased traffic. Since Atlin Lake drainage area touches a great number of communities and bodies of water, downstream effects of contamination could be extensive.

- *It did not appear that comprehensive plans have been developed to deal with contamination of the environment or watershed outside of the mine footprint. Are such plans slated for development after certification?*
- *The likelihood of an accident involving spillage, especially of fuel, is dramatically increased due to increased freight traffic daily and the need for millions of litres of fuel per year to run the mine operations and employee village. Are plans for such clean-up part of the ER and Reclamation protocols?*

The Ruby Creek Molybdenum Project has been designed in such a way as to minimize the potential for contamination of the environment outside of the mine footprint. Where thoughtful design has not entirely eliminated the risk of environmental impacts beyond the mine footprint, environmental management plans will be developed to manage and mitigate the potential effects. Such plans are detailed in Section 11 (summarized in Table 11.1) of the EAC Application (Environmental Management System). Adanac Moly Corp is committed to the development of a Water Management Plan, an Air Quality Management Plan and a Materials Handling and Management Plan. Comprehensive plans will be developed after project certification.

The Water Management Plan will include a Storm Water Management Plan, a Water Quality Monitoring and Discharge Management Plan, a Sewage Management Plan and an Erosion Control and Sediment Retention Plan. Discharge water quality will be regulated by the BC Ministry of Environment under the Effluent Permit. Water that does not meet the requirements of the Effluent Permit will not be discharged to the downstream receiving environment.

The Air Quality Management Plan will include a Dust Control Plan and an Air Emissions Management Plan. The Dust Control plan will include strategies for source control and monitoring. The Air Emissions Management Plan will include the use of emissions control devices, an air quality monitoring plan and an equipment maintenance plan and records of maintenance. Air emissions from the project site will be monitored and must comply with the conditions of the Air Emissions Permit, as regulated by the BC Ministry of Environment under the Environmental Management Act.

Plans to manage and mitigate the effects of a truck spill will be developed as part of the Materials Handling and Management Plan. The Materials Handling and Management Plan will include a Spill Prevention and Control Plan as well as an Emergency Response Plan. Both of these plans will include contingencies for on and off-site spills, including Atlin Road (Highway 7 between Jake's Corner and Atlin). An Emergency Response Team will be trained in the proper management and clean up of spills of any substance

that is being hauled to or from the mine site. Emergency services would be able to help stabilize or treat accident victims between the project site and Atlin. In addition, drivers transporting dangerous materials will be required to travel with spill kits and have proper transportation of dangerous goods training. The emergency response capability of the entire area would improve as a result of the emergency plans developed and the emergency services provided by the mine.

The BC Government will require sound plans prior to issuing these certificates.

- *Is BC prepared to upgrade and maintain the road system in view of the many-times-increased heavy vehicle traffic necessitated by freight and fuel haulage?*

Upgrades and maintenance of the roads are the responsibility of the BC Government. Any proposed changes to the current service would need to be presented to the government by the community of Atlin. Adanac Moly Corp is committed to working with the BC Ministry of Transportation and the residents of Atlin to help provide the necessary upgrades and maintenance to the road system which provides access to the Ruby Creek site. The BC Ministry of Transportation takes the following approach to its mandate:

“The Ministry of Transportation is committed to opening up BC through innovative, forward-thinking transportation strategies that move people and goods safely throughout BC, while helping revitalize our provincial economy.”

The BC Ministry of Transportation has recently made a significant investment to improve Highway 7 between the BC/Yukon border and Atlin and to provide a necessary replacement to the Surprise Lake Bridge. Should the Ruby Creek Project obtain the necessary approvals, Adanac Moly Corp will begin to address upgrades to the road between the Surprise Lake Bridge and the mine site with the input of other road users. Plans to upgrade this road are underway, including a new bridge crossing over Boulder Creek. The Yukon Department of Highways and Public Works is currently upgrading Highway 7 between Jake’s Corner and the Yukon/BC border.

- *Are plans contemplated for the eventuality of an accident closing Atlin Road and preventing movement of supplies, mail and commuters to and from Atlin?*

Adanac is committed to working with the BC Ministry of Transportation and the residents of Atlin to find solutions to traffic issues such as contingency plans for a situation in which Atlin Road (Highway 7) is closed. Adanac understands that a prolonged road closure will not only affect the movement of supplies, mine employees and concentrate to and from the mine but also the movement of supplies, mail and commuters to and from Atlin. A preliminary plan to address a prolonged closure on Highway 7 will be developed. *Ad hoc* research did not identify prolonged road closures as a result of industry related accidents in BC and the likelihood of such an event occurring was considered low. Atlin occasionally experiences road closures during large snow storms and any mine related event on the highway is unlikely to close the road for a longer duration. In the event of a road closure, steps would be made to open the road as soon as conditions were safe enough to do so.

Though the report specifies some mitigation to impacts for Atlin School, more may be needed.

- *Plans that the speed limit will be used to control traffic in the school zone may not be sufficient, and there are additional issues and solutions to consider.*
- *Youth will be walking along the road; off-road sidewalks not subject to skidoo or motorbike use would be advisable.*

Adanac has discussed the potential impacts for Atlin School with the Atlin School Trustee and the Ruby Creek Liaison Committee (RCLC). Adanac will work with the community and the Ministry of Transportation on potential mitigation solutions including speed limits to help reduce potential accidents for both school children and the general public. The construction of sidewalks has not been considered because the road in question is two lanes with a soft shoulder on each side. This road (Discovery Road) does not pass by the school and is not currently within the school zone. No mine related traffic is expected to travel down Warm Bay Road, on which the Atlin School is currently located.

Motorbikes are not allowed on the shoulder where children walk, and skidoos are not allowed on public streets at any time. Drivers transporting goods and personnel to and from the mine site will be subject to strict speed limits in this area. In addition Adanac will continue to work with the school, RCMP and community to make sure student's safety is maintained.

- *As an additional precautionary measure, youth and especially young women of the school population should receive extra education regarding self-defence and diffusing attempts at harassment.*

Adanac believes in maintaining a safe community in Atlin. Employees who are flown in for work rotations will be housed at the on-site camp and subsequently will not interact with the local community outside of work. Employees from the community or recent immigrants to Atlin are subject to the laws and expected to oblige by them. Employees of Adanac while at work will respect those around them or face disciplinary action. Cultural sensitivity training for all employees has been recommended and could include treatment of woman and children. *Ad hoc* field research suggested there is a low probability that mine employees will be a threat to the safety of woman and children in the community.

Care should be taken that effects of transient school populations, which could adversely affect the school and the year's planning, are mitigated. If significant numbers of students transfer in and out during a single school year, negative impacts would occur for both staff and students. It would be to everyone's benefit if commitments could be made for students to remain for the school year. Is such a commitment feasible?

With regards to transient school populations, Adanac agrees that such an occurrence could be difficult for school staff but established mitigation plans could help reduce this impact. Adanac plans to hire most employees under the assumption that the job is long term. Individuals flying in to work will not be bringing their families and therefore only local people and people who decide to relocate to Atlin will potentially impact class sizes/requirements. Adanac will work with School District 87 from the early stages of production to develop a plan for fluctuating class sizes and will address such occurrences on a case-by-case basis. Adanac does not believe it can impose such decisions on its employees and does not feel such a commitment is feasible.

Emergency response plans should be forwarded to anyone likely to be called out on a student-related accident.

Adanac believes strongly in the relationship between industry and community and as such will keep the community aware of the emergency response procedures and the list of contacts. This includes the school, ambulance, fire department, RCMP, TRTFN and government agents but is not limited to these groups. Emergency contact information will be made available to the general public and emergency preparation will be integrated with local plans where applicable. Discussions on plans, procedures and information mediums would be arranged pending project approval.

While the pollution effect from burning diesel to operate the mine is negligible regionally, it could have an effect on Atlin due to wind patterns down the valley. There is no mitigation plan for this kind of atmospheric pollution, which will be continuous throughout the life of the mine. Will monitoring within the community area provide sufficient notice for health protection if air pollution becomes an issue?

Adanac is in the process of developing the Environmental Management Act Permit (Waste Discharge Authorization Permits) for the construction, operation and closure stages of the Ruby Creek Project. As part of that permit an air emission monitoring program will be developed for onsite and offsite locations as required. This will provide considerable notice for health protection if air pollution becomes an issue. Emissions generated by the combustion of diesel fuel at the power plant were considered in the 2005 Ruby Creek EIA. However, given that the mine site is located 24 km north east of Atlin, these emissions were deemed to have little potential to adversely affect the air quality of the community. For this reason, a modelling exercise was not deemed necessary. Air quality modelling will be revisited if identified as necessary for the waste discharge permit.

Though the tables list most wildlife effects as “reversible”, or if “irreversible” that they remain local. While the predicted long-term impacts may seem small from a national scope, it is still crucial to retain the natural resource of good habitat. What measures are in place for correction if impacts are greater than predicted?

Appendix 10 (Environmental Management System - EMS) and Appendix 12 (Rehabilitation and Closure Plan) of the EAC Application outline the procedures for the terrestrial (vegetation / wildlife habitat) rehabilitation of the project site. The measures in place to determine and offset unforeseen impacts consist of

- Training of mine personnel and periodic re-evaluation of human-wildlife interactions;
- Ongoing monitoring; and,
- Adaptive Management.

A monitoring program will be prepared during the development phase of the mine. Monitoring will be conducted to determine the real environmental effects produced by project-related activities and to determine the effectiveness of mitigation measures. The monitoring program will be updated as the project nears the decommissioning stage, with adjustments to the methodology and frequency of sample collection or field observations as required. As the specific rehabilitation objectives, methods, strategies and obligations will continue to develop within the Environmental Management System,

they will be updated throughout the life of the project through the application of an adaptive management strategy (Appendix 10 – EMS, Section 2.15, page 20 & Appendix 12 – Rehabilitation and Closure Plan, Section 4.5, page 17).

10.18 – Monitoring tailings and dam post-closure – does the permit specify who is to monitor for the long term and how funding is set aside to pay for long term monitoring? How will a reclamation bond of sufficient size be obtained and maintained?

The BC *Environmental Management Act*, S.B.C. 2003, C. 53 has provisions regarding the long-term burden of responsibility for the remediation of a mine. Part 4, Division 3 of the *Environmental Management Act* relates to the Liability for Remediation and Part 5 deals specifically with the Remediation of Mineral Exploration Sites and Mines. Should Adanac Moly Corp acquire a *Mines Act* permit, Adanac would be responsible for the long-term monitoring of the Ruby Creek Project site. In the event that the project is purchased from Adanac, there are provisions under the *Environmental Management Act* to hold the purchaser, any subsequent purchaser as well as any previous owner of the Ruby Creek Project site liable for remediation activities.

Reclamation cost will be estimated by Adanac Moly Corp as part of the Application for a Permit Approving the Mine Plan and Reclamation Program Pursuant to the *Mines Act* R.S.B.C. 1996, C. 293. The reclamation cost estimate will include, but is not necessarily limited to, the following:

- site preparation (resloping, recontouring, scarification, soil/overburden replacement);
- revegetation and fertilization;
- disposal of structures and equipment;
- construction of spillways, diversions and other water management structures;
- removal of culverts;
- sealing of underground workings;
- disposal of fuel, contaminated soils and toxic materials;
- long-term maintenance and monitoring programs;
- collection and treatment facilities;
- environmental impact mitigation systems;
- sealing of waste rock dumps;
- mobilization and demobilization;
- engineering re-design costs; and,
- contingencies.

The reclamation cost estimate is reviewed by the BC Ministry of Energy, Mines and Petroleum Resources (MEMPR). The MEMPR makes the ultimate decision as to the value of the reclamation bond to be posted and holds the bond until use.

10.3.3 – Potential climate change and road dust – note that during the last several winters temperatures have risen above zero many times and the roads have been dusty. The roads no longer remain frozen all winter. This increased dust potential should be noted.

It is acknowledged that road dust generated by mine operations and traffic is a potential adverse effect of the project and road dust will be managed according to the Dust Control Plan. It is also acknowledged that a changing climate may necessitate revisions

to environmental management plans, including the Dust Control Plan. As with all environmental management plans, the Dust Control Plan will be developed in such a way that it is easily adaptable to meet the changing needs of the project and the required effectiveness of the management and mitigation strategy.

The Dust Control Plan will be developed initially to manage dust under the varying conditions observed throughout the year on the affected roads. Strategies for managing road dust exist for a variety of climatic conditions. During the warmer months when the temperature remains above freezing, dust will be controlled by road watering. During the cooler months, when road dust remains an issue but the potential for freezing temperatures renders road watering impossible, alternative dust suppression strategies will be used. Examples of alternative road dust suppression techniques include the application of chlorides (e.g. calcium chloride or magnesium chloride), organic non-bituminous chemicals, polymers or cementitious binders. The choice of alternative dust suppression strategy will be made in consultation with all stakeholders and will consider such factors as environmental effects, effectiveness of suppression, cost and application frequency.

10.40 – Review effects of noise and blasting on caribou calving – it would be reassuring to know that previous studies would be used. Observing the effects of blasting on calving during the project would be too late to provide mitigation when needed.

Previous studies and methodologies to determine the effects of noise and blasting on caribou calving will be used (e.g. Kuck et al, 1985; Boyle et al, 1985; Freddy et al, 1986; Bradshaw et al, 1994; Harrington and Veitch, 1991 & Harrington and Veitch, 1992). To provide baseline data and determine the use of the Ruby Creek study area by caribou at the time of calving, calving surveys were conducted in spring of 2005 (KCBL) and 2006 (TRTFN and MOE) (see EAC Application Section 6.6.3.29, page 399).

Summary of some of the literature considered on the subject:

Kuck et al (1985) tested the effects of surface mining activity on calving area affinity by exposing elk to three levels of disturbance: simulated mine noise, human, and none (control). Investigators walked 6.4 km transects playing mining activity noise through a loudspeaker at 100 dbA at 3 m. Compared to undisturbed calves, disturbed calves traveled farther over larger areas and occupied a greater variety of vegetation types (having different mean temperatures), slope aspects, and elevations. Disturbed elk did not habituate to simulated mine noises but rather moved so as to position geographic barriers between themselves and the disturbance. The authors found no difference in survival between disturbed and undisturbed calves.

Bradshaw et al (1998) studied the effects of loud noises simulating petroleum exploration on caribou. The objective of this study was to estimate (1) the energy cost of a single encounter with disturbance caused by petroleum exploration and (2) the annual and regional effects of multiple disturbances on caribou mass loss during winter in northeastern Alberta from 1988 to 1993. A single disturbance event was calculated at costing a caribou 3.46-5.81 MJ. It was found that animals subject to blasting noise avoided the disturbance area and increased their daily movements during and after the disturbance occurred. The daily energy expenditure of caribou resulting from the impact increased by more than 20% and daily movements remained significantly greater in the two days following the blast disturbance. However, the study did not take into

consideration the possible replacement of net energy loss by increased forage or habituation to the disturbance so that long-term population effects could not be predicted.

Boyle et al (1985) summarized a subset of their review of 536 references in a table identifying that non-consumptive outdoor recreation more often than not negatively impacts birds, mammals, and herbs. They concluded that increasing outdoor recreation is straining natural resources, and cite complex relationships and incomplete knowledge as reasons for impeding proper management. Off-road-vehicles have "the most serious potential impacts" (Boyle et al, 1985).

Controlled disturbance trials were conducted in a study by Freddy et al (1986) in the winters of 1979 and 1980 in winter conditions in Colorado. One or two people on snowshoes or in snowmobiles approached mule deer. Deer reactions were coded in four ordinal categories of intensity of reaction. Deer responded for longer durations and expended more energy when reacting to snowshoers than to snowmobiles but low-intensity reactions occurred at shorter distances for snowshoers than for snowmobiles. Energy expenditure estimates were based on time feeding was interrupted and estimated cost of locomotion for different speeds of locomotion.

Adanac has already made monitoring commitments with the community and the TRTFN that will be honoured if the project eventually becomes an operational mine. No details have been finalized but Adanac has agreed to TRTFN and community involvement in the process.

10.43 – Relocation of Hoary Marmot colony – Laudable. Is there evidence of successful relocation of a similar colony or merging of a colony in the literature?

The successful introduction of marmots (*Marmota marmota*) into a reserve in the Pyrenees Mountains in Europe has been documented by Nebel and Franc (1992). This introduction has led to the colonization of all suitable habitats within the area (see EAC Application Section 10.9.4, page 601/602).

In addition, the Vancouver Island Marmot Recovery Foundation has reintroduced six captivity bred Vancouver Island marmots (*Marmota vancouverensis*) into the wild in July of 2006 (see also EAC Application Section 10.9.3.1, page 595).

10.43 – Deactivation of access road – will there be explicit parameters and conditions specifying when the mine is considered closed that will trigger closure protocols and deactivation? This would be especially important in the case of declining markets and premature closure.

The Reclamation and Closure Plan will contain the details and timing of reclamation and closure activities and these activities will be tied to the mine plan. The Reclamation and Closure Plan will allow for progressive reclamation wherever possible and will have provisions and activities for temporary and premature closure. As with all environmental management plans, the Reclamation and Closure Plan will be developed in such a way that it is easily adaptable to meet the changing needs of the project. The Reclamation and Closure Plan will be developed in accordance with the "Health, Safety and Reclamation Code for Mines in British Columbia." (Ministry of Energy, Mines and Petroleum Resources, 2003).

The access road will be required indefinitely to provide access to the site for post-closure monitoring. It is anticipated that there will be an initial period of several years post-closure during which the road must remain completely intact to facilitate the array of decommissioning and reclamation procedures. Once large truck traffic on the access road is no longer required, the road may be semi-deactivated to address long-term water management. This may include culvert removal and replacement with cross-drains, establishment of water-bars and de-compaction and revegetation in areas where the road width can be reduced. These road deactivation measures will be implemented such that the road will still be passable to light trucks and tracked heavy equipment. Deactivation of the access road will be included as part of the Reclamation and Closure Plan. These plans may be modified on the input of the TRTFN and community in compliance with the Ministry of Transportation and the Workers Compensation Board.

10.14 and 10.62 – Dam structure and overflow mitigation – the plan is based on maximum credible earthquake and avalanche pressures, which is good. There does not seem to be a specific plan for dealing with or alerting downstream facilities in the event of a dam failure, however unlikely. Unlikely events do happen.

A plan to alert and evacuate downstream placer operations, residents and any other facilities that may contain humans will be developed as part of the Emergency Preparedness Plan (EPP) for the tailings facility. Operations, homes and facilities which may be affected by a catastrophic dam failure will be identified and plans to notify them in advance will be developed. The EPP will conform to the guidelines proposed by the Canadian Dam Association. Plan logistics will incorporate input from the community of Atlin and the TRTFN.

P. 620 and 627 – The opening of apprenticeship programs is an excellent solution to local training needs. Such programs should begin as soon as feasible. Would Adanac consider some form of work-study programs to help train community residents or community youth?

Adanac will continue to work with the TRTFN, RCLC, Northern Lights College and the community to identify potential training programs related to increasing the local skills market for the project. Adanac is willing to listen to all education suggestions and will consider potential programs with the Northern Lights College if they are deemed feasible by all parties. Adanac has discussed expansion of the Northern Lights College with college staff, and will continue to explore such options as the project progresses. Any training programs offered either directly or in partnership with a third party by Adanac would be open to everyone, including youth. Adanac has maintained its belief in a project for Atlin and will continue to promote local employment and capacity building.

P. 621 – The increase in income and population resulting in increased access for and use of all-terrain vehicles for recreation and hunting is not included in the cumulative damage. Once tracks or trails are made, road networks rarely shrink.

Hunting pressure may increase following project closure (EAC Application, Section 10.9.4, page 598) when hunting restrictions are removed and access into the area resumes. It is proposed that access roads in the project footprint be de-activated during the closure phase of the development (see EAC Application, Section 10.9.5, Table

10.40). Such decisions on deactivation of roads will involve input from the TRTFN and the Atlin community, particularly the main road to the project site within the mine property as it is currently used by area residents to access the upper valley.

p. 697 – “Wilderness is not a VEC for the Ruby Creek... Project”. Please explain.

Wilderness and wildlife habitat are assumed to be defined as being the same. As a key component of wildlife habitat (or wilderness), the terrestrial vegetation species and communities (mosses, lichens, vascular plants), including those used traditionally by First Nation peoples, were included as VECs for the Ruby Creek Molybdenum Project (see EAC Application Section 10.1.2.3, page 485 and Table 10.3).

Collaborative development of a Community Development Plan was mentioned many times. It is a good idea. How would the work on such a plan be funded?

Should a request be forwarded, Adanac plans to work with the community of Atlin and the TRTFN on a community development plan (CDP). The details of such a partnership would be determined at that time, including funding. Adanac believes that such a plan should primarily be determined by the community of Atlin and the TRTFN. Adanac recognizes the need for assistance given the political and economical situation in Atlin and recognizes its corporate responsibility to assist in the drafting of a CDP for Atlin. Adanac also recognizes the TRTFN assertion to their Aboriginal rights, title, jurisdiction and ownership and will continue to work with them on project related issues outside of the CDP. As a CDP is a community initiative, Adanac will be a willing partner and participant at the request of the community.

Have there been any assessments of how increased levels of income for a small per cent of the community could affect the volunteerism that facilitates most local services?

At this time Adanac is unable to determine how many local individuals will seek employment if the project is approved, or how many people are employable. However, findings from Canada's National Survey of Giving, Volunteering, and Participating (NSGVP) show that the likelihood that an individual will volunteer increases with household income. This is true both across Canada and in British Columbia (NSGVP 2000a, 1997a). Based on the current average income for the Stikine Region and the average salary in mining across Canada it was determined that employment related to the project would increase average incomes in the area, either through direct or indirect employment, and likely impacting induced employment. Using information from this survey and personal observations in mining communities across Canada Adanac believes Atlinites will continue to feel pride in their community and volunteerism will continue to be a part of the Atlin identity.

It is commendable that Adanac has made such efforts to include community concerns and address issues that have been brought up. As a representative of local organizations, it is a hopeful sign that many of the preliminary questions submitted in May 2005 have been included in discussions. However, there are many items that are listed simply as “Noted”, or where no solution is yet offered. It would be reassuring to know that mitigation or operational plans were in place or in process in these cases.

Adanac believes in community involvement in the project and is committed to keeping that promise. Adanac continues to meet with the TRTFN, RCLC and various members of

the community of Atlin to solicit feedback on all aspects of the project. Not all issues that have arisen can be addressed at this stage in the process and have been noted to make sure they are documented to be addressed at the appropriate time. As Adanac is still in the EAC process, we are currently unable to act on some issues until recommendations are given and the process is complete. The Environmental Assessment Certificate (EAC) process is in place to make the project as environmentally conscious and acceptable as possible and Adanac will continue to work with the BC EAO through this process.

As part of the EAC process Adanac has proposed some mitigation and operational strategies. Adanac will continue to work with the community and the TRTFN to make sure the mitigation and operational strategies consider local input and knowledge. In addition, Adanac has considered information from the RCLC, the TRTFN and general public on the construction stage of the project and will house the majority of construction workers on site to comply with their concerns. Input from these groups also resulted in the placement of the employee camp on-site, and its subsequent relocation outside the wildlife corridor identified by the TRTFN. During construction, managers and technical experts will likely lodge in Atlin as well as onsite, this will help increase revenue in the local economy without overwhelming the local services.

RESPONSE TO COMMENTS FROM MS. LISCHEWSKI

(OCTOBER 9, 2006)

Comments and questions sent to the BC EAO by Ms. Lischewski were received by Adanac Moly Corp (Adanac) and addressed in the following section. The text in blue is the question or comment as written by Ms. Lischewski. Below, the blue italicised text is the response by Adanac in black. Questions one and two were answered together because the response addressed both issues.

1.) Regarding the proposed tailings pond. How will the proponent ensure that no wildlife will drink contaminated water? The area is home to such game as caribou, moose, and black bear, as well as migratory waterfowl, all of which are hunted for meat by local residents. Apart from the health risk to the animals themselves there is the risk to people's health if they were to eat possibly contaminated meat. Which scientifically proven method is being proposed as a mitigation measure to keep the area's wildlife, including birds, from consuming polluted water?

2.) Regarding potential negative health impacts on local residents. Open-pit molybdenum mining is associated with a number of health risk for humans, as well as animals and plants. Considering that Atlinites supplement their store-bought groceries with a variety of wild meats, berries and herbs, as well as use Pine Creek and Atlin Lake as their sources of drinking water (all of which will be at risk of containing more contaminants than at this point in time)- can local people expect financial compensation from the proponent, should the Ruby Creek Molybdenum Project have detrimental health effects? Employees of the mine would presumably be covered by the Workers' Compensation Board; however this huge project will unavoidably impact all local residents, whether they support the mine or not. Will financial compensation for molybdenum mining and pollution related illnesses be part of the bond the company has to post, and in which way will the Province assist local people in seeking compensation packages?

Water quality monitoring of upper Ruby Creek and its tributaries has identified aluminium, fluoride, cadmium, copper, iron and zinc as naturally above the British Columbia water quality guidelines for protection of freshwater aquatic life. During operations this water will be diverted around the property in the diversion ditches along with surface water originating from outside the project site. This will help keep water levels in lower Ruby Creek near natural levels. Discharge of water from the tailings impoundment will be monitored and the resulting water quality in the Lower Ruby Creek will either meet the British Columbia water quality guidelines for the protection of aquatic life or be similar to baseline conditions.

The results of the trace metal analysis support the findings from the water quality baseline analysis, showing naturally elevated levels of molybdenum for the water sedge (15.5 mg/kg) and a copper to molybdenum ratio of < 2 for willow and water sedge (0.06 and 0.32 mg/kg, respectively). Trace metals in plant tissue will be monitored as part of ongoing monitoring plans. (Refer to EAC Application Section 6.6, and Appendix 5).

Samples of apical tissues were collected to determine baseline trace metal levels in three wetland and riparian plants, located within the proposed tailings pond and dam site of the project, in the upper portion of the Ruby Creek watershed. Vegetation species sampled were flat-leaved willow (*Salix planifolia*), water sedge (*Carex aquatilis*), and scrub birch (*Betula nana*). Research into the wildlife disease molybdenosis (Newman and Munshower, 1984; Neunhauserer et al., 2001; Stark, 1990; and Taylor and McKee, 2003) suggest that foliar vegetation (food species) concentrations of molybdenum greater than 10 µg/g (equivalent to 10 mg/kg concentration) or a Cu:Mo ratio of less than 2 can lead to molybdenosis if grazing is preferential and sustained.

Research carried out on molybdenum sites similar to that proposed at Ruby Creek suggests that migratory wildlife (including birds and mammals) exposed to vegetation with elevated levels of molybdenum do not suffer observable effects from molybdenosis (Cameron, A. 1999; Taylor and McKee, 1999).

The level of risk to wildlife, and subsequently to individuals consuming these animals was found to be low for the following reasons: As determined through reviews of existing data, local and indigenous knowledge as well as baseline observations, all identified wildlife species, with the exception of the marmot population, are migratory and spend only a fraction of their time in the valley. In addition, a GPS radio collaring program conducted by the Ministry of Environment between 1999 and 2000 indicated that no major wildlife corridors exist in the upper Ruby Creek valley, suggesting that the Ruby Creek Molybdenum Project does not provide habitat for preferential and sustained grazing by wildlife. The marmot population is currently being assessed for relocation. (Refer to EAC Application Sections 6.6 and 10.9.4).

Water quality modelling results indicate that the project will have no significant direct effect on Surprise Lake, and that the direct effects on the Lower Ruby Creek (predicted at Station R4) will be similar to existing baseline concentrations. Adanac is committed to ongoing monitoring of water quality and reclamation in compliance with the Mines Act. Adanac is also committed to working with the TRTFN and the community of Atlin regarding ongoing monitoring plans and welcomes local input into the process.

3.) *Regarding the Atlin East Caribou Herd. What mitigation measure are proposed to ensure not only the current status of this at-risk herd, but to help it increase its numbers? Habitat destruction and fragmentation, over-hunting and pollution are all risk-factors for the caribou herd which will grow exponentially once construction and operation of the proposed mine begins.*

The mitigation strategies, as outlined in the EAC Application, Section 10.9.3, will reduce potential adverse effects from the Ruby Creek Molybdenum Project so that the disturbance has no significant overall effect on the population within its normal range. Section 10.9.4 of the EAC Application outlines the results of the analysis of a GPS radio collaring program conducted by the Ministry of Environment between 1999 and 2000, indicating that no major wildlife corridors exist in the upper Ruby Creek valley. The corridor closest to the Ruby Creek watershed leads through Cracker Creek valley, with caribou moving south from wintering areas in the north-west of Gladys Lake, along the north shore of Surprise Lake and through Cracker Creek to the headwaters of Otter Creek, south of Surprise Lake. Although no major movement corridors were found in the upper Ruby Creek valley, caribou use some ridge crests for calving and are occasionally observed in the valley during summer.

As determined through reviews of existing information, field observations in 2005 and 2006, and local knowledge as part of the terrestrial baseline and impacts assessment for the EAC application, the Ruby Creek valley is one of several access corridors available to the East Atlin Caribou Herd. As well, although the upper Ruby Creek valley will have restricted habitat use during operations, the operation will not restrict access to the herd's major movement corridors or calving areas. Adanac will continue to work with the TRTFN and the community of Atlin to minimize the impact of the proposed project on the East Atlin Caribou Herd and other wildlife known to use the upper Ruby Creek valley through monitoring programs.

As for wildlife interaction with mining operations, several studies and *ad hoc* field research were used to help determine potential effects and best practice mitigation plans. Monitoring plans and community input will help make sure any impacts on wildlife remain minimal and short term.

4.) *Regarding grizzly bears. What mitigation measures are proposed to avoid bear problems at the mine site and workers' camp? The mining industry has a poor record when it comes to avoiding bear problems. How will Adanac be different? What guarantees can the proponent give that no grizzlies will be killed due to humans-bear problems? If no guarantees can be given, what faith can one have in mitigation measures?*

Adanac will implement management programs for the collection, storage, transportation, and disposal of wastes generated during construction and operation of Ruby Creek Molybdenum Project. The waste management programs will comply with provincial legislations including:

- *Environmental Management Act* (RSBC 2003) Chapter 53 (sewage, air emissions, refuse and special waste regulations);
- *Health Act* (RSBC 1996) Chapter 179; and
- *Drinking Water Protection Act* (SBC 2001).

The management programs will be developed to use environmentally friendly materials whenever possible, recycle and re-use wastes, incinerate solid wastes with an auxiliary fuel fired incinerator. Adanac is currently in discussions with the community of Atlin on a potential joint venture landfill for the project and the community. Adanac will continue to pursue the possibility of this joint venture with the community on the issue of waste management. Development of this landfill will comply with all other waste management programs that Adanac will develop for Ruby Creek Molybdenum Project.

To address bear hazards, the waste management programs will also include a bear/human conflict management plan including:

- Removal of bushes close to the high risk attraction areas such as camp sites;
- Installation of electric fences around high risk attraction areas;
- Development and maintain a bear-proof municipal solid waste management system such as:
 - Bear proof litter barrels close to camp, administration buildings, and other buildings as required;
 - Solid waste incineration using a complete-combustion incinerator;
 - Landfill inside a properly designed, constructed and operated electric fence;
 - Bear proof transfer stations for the waste that will be shipped outside of the area to the bear-proof disposal facility.

Adanac is in the process of preparing an *Environmental Management Act* permit application (Waste Discharge Authorization) which will include details of the waste management programs. This permit will be submitted to the BC Ministry of Environment. Adanac will also apply for a permit for operation of the incinerator.

Specific details of the site waste management program will be part of all bid proposals for contractors. Contractors will be responsible for implementation of the programs. Employees will be required to become familiar with the site waste management programs and will receive training on proper waste handling. Performance of contractors and employees in adhering to the site waste management procedures and programs will be monitored by the environmental coordinators who will be on site full time.

Adanac is committed to the development of an environmentally sound and socially acceptable operation. Preservation of the Grizzly bears as part of terrestrial wildlife is part of this commitment. Information on Grizzly habitat has been gathered as part of baseline studies and is available in Section 6.6.3.3 of the EAC application. Adanac is committed to minimizing all potential bear/human interaction at the project site and will continue to work with the TRTFN and the community to develop solutions to waste management issues.

5.) *Regarding wolves. How will the proponent enforce that no wolves will be chased and shot on snowmobiles by their employees, or baited and shot? This has historically been a next to impossible regulation to enforce for the local COs, and already happens every winter as it is. With such a huge influx of people to town, it is a safe assumption that the odd person would take part in this illegal pastime. What plan has Adanac to deal with this potential problem? Is the proponent willing to guarantee in writing that employees that contravene wildlife and hunting regulations will be fired?*

Adanac will impose a no hunting/no fishing policy on its employees while they are at work. For fly-in employees, that policy will apply to the duration of their work rotation. Adanac will impose a zero tolerance policy for individuals breaking the law while at work. Individuals off shift are free to make their own choices in accordance with the Charter of Rights and Freedoms; however, anyone illegally hunting animals in BC is susceptible to legal action under the *Wildlife Act*.

6.) *Contribution to local employment. I would like to comment that over the past years, mining companies have time and again argued their cases by saying their operations would be a positive asset to local labour markets. While I don't know what the situation is like in other small northern communities, I can assure you from my own experience that Atlin does not have, nor has it had in the last 8 years, a shortage of jobs. There is a shortage of local applicants for many positions, though, which accounts for the fact that new people keep moving to town and are able to find employment. In the last few years, local employers have even been forced to hire people from overseas because no Atlinite was to be found willing to work. I would be happy to supply you with names, in case there is any doubt about this statement. Based on this, I can confidently say that Atlin does not need Adanac's proposed project because of a job shortage.*

The baseline data collected in Atlin for the Ruby Creek project did not find a shortage of jobs but it did identify a high part-time to full-time employment ratio from *ad hoc* field research and BC Stats. In addition, regional data for the Stikine corroborated local data from Statistics Canada with regards to the below average salary levels compared to the rest of BC. In summary, the data indicated that there are a lot of low paying part-time jobs in Atlin but few full-time opportunities, especially high paying full-time jobs (see Sections 7.4 and 10.10.2 of the EAC application and Section 2.2.1 of Appendix 7 of the EAC application). This, along with the low numbers of individuals between the ages of 20-40 is also believed to be one of the likely key contributors in the current economic situation in Atlin.

Adanac adopted a combination of a participative and analytical approach to baseline data collection for two primary reasons; because statistics data were often incomplete or vague; and, because Adanac values the local knowledge and input into the EA process. The participative process found that the majority of individuals in Atlin supported the development of the Ruby Creek Molybdenum Project and felt strongly about the potential job opportunities for people in the North and this was further substantiated by responses to the questionnaire at the August 2005 Open House (see Appendix XII of Appendix 8 of the EAC application). Some of the key findings from the Open House questionnaire (124 people signed in, 103 questionnaires were filled out) are presented here as a percentage of respondents:

- 91% are either somewhat or very familiar with the project;

- 92% support the project, provided it concurs with all guidelines of the BC Environmental Assessment Act;
- 59% are interested in possible economic opportunities ;
- 98% feel creating approximately 250 jobs for northern communities is either somewhat or very important;
- 90% feel Adanac's community consultation and mail-outs are either somewhat or very effective in reflecting the concerns of residents; and,
- 64% are concerned about the environment and/or social effects of the project.

These numbers and information being provided through community consultation indicate that the majority of area residents recognized the potential economic benefits as well as the role of the BC EAO and the environmental process. Adanac created the Ruby Creek Liaison Committee (RCLC) to continue community consultation and maintain the participative approach. Adanac has also continued to work with the TRTFN and will maintain these relationships throughout the project.

RESPONSE TO COMMENTS FROM DONNA HALL

(SEPTEMBER 14, 2006)

The single comment sent to the BC EAO by Ms. Hall was received by Adanac and addressed in the following section. The italicised text in blue is the question or comment as written by Ms. Hall. Below the blue text is the response by Adanac in black.

Health needs of the mine. I recognize your plan on having emergency response at the mine site but as a nurse at the Atlin Health Centre [Atlin Nursing Station] I would appreciate specific info as to your plans and needs so we can anticipate and prepare.

The Environmental Assessment Certificate (EAC) application requires Adanac to list the types of plans they will implement if the proposed project is developed. Included in that list is the emergency response plan. Adanac will create designs for such plans once certification is achieved and a decision is made to proceed with development of the mine. During this time Adanac is willing to work with the community and the TRTFN to make sure the emergency response plan integrates with the services in Atlin. Adanac will also be consulting the Northern Health Authority to make sure their input is included in the design process.

Adanac will continue to work with the Atlin Health Centre (Atlin Nursing Station) as well as the Northern Health Authority on issues related to the project. Adanac is willing to work with the Atlin Health Centre during the design and implementation of the emergency response plan as well as the development of the Ruby Creek onsite health department. Adanac is also willing to work with the Atlin Health Centre to better integrate the health capabilities of the proposed mine with those of the community of Atlin during operations.