



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

Record of Proceedings, Including Reasons for Decision

In the Matter of

Proponent Strateco Resources Inc.

Subject Comprehensive Study Report regarding the
proposed Underground Uranium Exploration
Project in Matoush, Québec

Hearing Date July 29, 2011

RECORD OF PROCEEDINGS

Proponent: Strateco Resources Inc.

Address/Location: 1225 Gay-Lussac St., Boucherville, Québec, J4B 7K1

Purpose: Comprehensive Study Report regarding the proposed Underground Uranium Exploration Project in Matoush, Quebec

Application received: November 4, 2008

Date of hearing: July 29, 2011

Location: Canadian Nuclear Safety Commission (CNSC) Headquarters
280 Slater St., Ottawa, Ontario

Members present: M. Binder, Chair

Secretary: K. McGee
Recording Secretary: S. Dimitrijevic
Senior General Counsel: J. Lavoie

Table of Contents

Introduction	- 1 -
Decision	- 2 -
Issues and Commission Findings	- 3 -
Environmental Assessment Comprehensive Study Report.....	- 3 -
Public and Aboriginal Consultation.....	- 4 -
Conclusion	- 6 -

Introduction

1. Strateco Resources Inc. (Strateco) has applied to the Canadian Nuclear Safety Commission¹ (CNSC) for a licence to authorize the Matoush Underground Uranium Exploration Project (Matoush Project) located in the region of Otish Mountains in Northern Québec, 210 kilometres from Mistissini.
2. The proposed project involves the excavation of an exploration ramp, driving two exploration drifts in waste rock, definition drilling of the mineralized zone, and up to three excavations through the mineralized zone. The project is an advanced exploration project and does not authorize uranium mining or milling. The construction and operation of a uranium mine, mill and tailings management facility would require another environmental analysis and licensing review.
3. The Matoush Project is located within the boundaries of the administrative region governed by the *James Bay and Northern Québec Agreement* (JBNQA) on category III land and is subject to both a federal and a provincial environmental and social assessment under the JBNQA environmental assessment regime. The President of the Canadian Environmental Assessment Agency (CEAA) as the Federal Administrator for the JBNQA, and the Deputy Minister of the Environment, Québec, as the Provincial Administrator, each must make a decision as to whether or not the project proceeds to the next steps. The Federal Administrator will make this decision considering the recommendations made by the JBNQA Federal Review Panel-South (FPR-S), [Comité d'examen-Sud (COFEX-S)].
4. CNSC is recognized as Responsible Authority under the *Canadian Environmental Assessment Act*² (CEAA) and provides expert support to the Federal Administrator. CNSC also must issue the licence for the activities included in the Matoush Project so that the project could proceed. Before the Commission can make a decision with respect to the licence pursuant to the *Nuclear Safety and Control Act*³ (NSCA), an Environmental Assessment under the CEAA is required. In order to harmonize the assessment and reduce duplications of effort, CNSC delegated to the FRP-S, the drafting of the Environmental Assessment Comprehensive Study Report (CSR), and the Federal Administrator accepted this delegation.
5. If the Commission accepts the presented draft, then the CSR will be presented to the Minister of the Environment and will be available for public comments for a period of 30 days. If the Minister of the Environment accepts the CSR conclusions (taking into consideration public comments received during the public comment period), that the project is not likely to result in significant adverse environmental effects after mitigation, the Commission will hold a public hearing and make its decision regarding the Matoush Project licence. The public hearing for licensing will offer the public

¹ The *Canadian Nuclear Safety Commission* is referred to as the “CNSC” when referring to the organization and its staff in general, and as the “Commission” when referring to the tribunal component.

² Statutes of Canada (S.C.), 1992, chapter (c.) 37.

³ S.C. 1997, c.9.

another opportunity to present their views, and offer Aboriginal groups another opportunity to advise the Commission of any concerns, including adverse impacts the proposed project may have to their potential or established Aboriginal or treaty rights.

Issue

6. In considering the matter, the Commission was required to decide:
 - a) whether the CSR is complete;
 - b) whether the project, taking into account the mitigation measures identified in the CSR, is likely to cause significant adverse environmental effects; and
 - c) whether the report will be referred to the federal Minister of the Environment.

Hearing

7. Pursuant to section 22 of the NSCA, the President of the Commission established a Panel of the Commission to review the CSR. The Commission, in making its decision, considered information presented for a hearing held on July 29, 2011 in Ottawa. During the hearing, the Commission received a written submission from CNSC staff, CMD 11-H120. The hearing was conducted in accordance with the *Canadian Nuclear Safety Commission Rules of Procedure*⁴.

Decision

8. Based on its consideration of the matter, as described in more detail in this *Record of Proceedings*, the Commission decides that:

- a) the Environmental Assessment Comprehensive Study Report attached to CMD 11-H120 is complete;
- b) the project, taking into account the mitigation measures identified in the Environmental Assessment Comprehensive Study Report, is not likely to cause significant adverse environmental effects;
- c) it will refer the Environmental Assessment Comprehensive Study Report for the project to the federal Minister of the Environment for Ministerial Decision under the CEAA, section 21.3;

⁴ Statutory Orders and Regulations (S.O.R.)/2000-211.

Issues and Commission Findings

9. The findings of the Commission are based on the Commission's consideration of the following information provided in the draft CSR:
 - the effects of the project on the environment;
 - the effects of the environment on the project;
 - malfunctions and accidents;
 - the cumulative effects of the project; and
 - the need for and contents of the follow-up program.

10. CNSC staff reported to the Commission that the proposed project has undergone an environmental assessment (EA) that meets the requirements of the JBNQA and the CEAA, and that Aboriginal consultation activities had been integrated into the EA review process. CNSC staff stated that the environmental assessment had been conducted in accordance with subsections 16(1) and (2) of the CEAA, and in accordance with chapter 22 of the JBNQA.

Environmental Assessment Comprehensive Study Report

11. In its consideration of the completeness of the CSR, the Commission considered the following aspects of the report:
 - the effects of the project on the environment;
 - the effects of the environment on the project;
 - malfunctions and accidents;
 - the cumulative effects of the project; and
 - the need for and contents of the follow-up program.

12. The Commission is satisfied that the report includes all aspects that characterize the influence of the project on the environment, including the following:
 - hydrogeology, hydrology and water quality;
 - surface water quality and the aquatic environment;
 - air quality;
 - terrestrial environment; and
 - human health;

The Commission considered the table with 17 recommendations and mechanisms for responding included in the *FRP-S Report on Recommendations*, which is presented as Adendum A of the CSR. The Commission accepts the conclusion of the CNSC staff that the project does not diminish the capacity of renewable resources to meet the needs of present and future generations, taking into consideration the implementation of

mitigation measures.

13. With respect to the effects of the environment on the proposed project, the results of the assessment show that the project could be potentially affected by flooding and/or forest fires. Given the short-term nature of the project, the conclusion of the EA is that the effects of the environment on the project are not likely to be significant. However, CNSC staff supports the recommendation that, if a future environmental assessment is undertaken for a mine on this site, climate change effects should be taken into greater consideration.
14. With respect to the effects of malfunctions and accidents, the draft CSR considered risks to humans and the environment from transportation, heating, fire, accidents on site, spills, and risks to wildlife from the dispersion of waste. The Commission accepts the opinion of CNSC staff that credible malfunction and accident scenarios are not likely to cause significant adverse environmental effects, taking into consideration the prevention measures and the contingency plans.
15. CNSC staff reported that the assessment of the cumulative effects shows that the residual impacts of the proposed project would not likely result in significant adverse cumulative effects.
16. With respect to the environmental monitoring and follow-up program, CNSC staff informed the Commission that the proposed CSR recommends that the CEAA follow-up program address the following elements;
 - air quality;
 - surface water, groundwater and sediment quality, including inflow and effluents;
 - fauna, flora and endangered species;
 - human health; and
 - economic benefits and quality of life.

CNSC staff added that the mechanism for ensuring the final design and implementation of follow-up activities, and for the reporting of results, would be ensured through the CNSC licence and compliance process, if the licence is issued.

Public and Aboriginal Consultation

17. CNSC staff reported in their submission that the communities of Mistissini, Chibougamau and Chapais are the closest to the proposed project and therefore may have the most interest in the Matoush Project. CNSC staff further reported that a total of \$40,000 of funding had been allocated to the public and to Aboriginal groups to participate in the EA review process through the CEA Agency's Participant Funding Program and the Aboriginal Funding Envelope. The Cree Nation of Mistissini, the

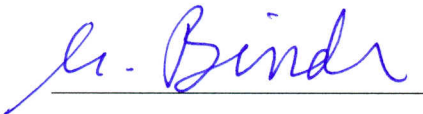
Cree Nation of Namaska and the Cree Trappers Association each received funding to participate in the EA review under the Aboriginal Funding Envelope. MiningWatch Canada, the Canadian Parks and Wildlife Society and the Réseau québécois des groupes écologistes, also received participant funding.

18. CNSC staff added that a two-phased public hearing consultation process had been organized by CEAA, FRP-S and the Comité provincial d'examen (COMEX). The Conférence régionale des élus de la Baie James (CRÉBJ), as the privileged interlocutor of the Government of Quebec on regional development, held expert focus groups and organized public meetings. The CRÉBJ also invited, in collaboration with the Cree community of Mistissini, Aboriginal Chiefs from areas where there is uranium mining in Saskatchewan for meetings in Chibougamau and Mistissini.
19. CNSC participated in the two-phased public hearings, as well as in many outreach activities, including the presentations to FRP-S on the environmental effects of uranium mining and milling and separate meetings with the FRP-S and COMEX, to assist decision makers and community representatives in understanding the regulation of the uranium mining industry.
20. In its written submission, CNSC staff informed the Commission on the position of the Cree Nation of Mistissini expressed during the EA review period. The Cree Nation of Mistissini engaged consultants to review the Environmental Impact Statement, and formed a working group with tallymen, community representatives and workers in health and education sectors. CNSC staff were invited by the Cree Community of Mistissini to participate in three public information sessions, where information was provided on health risks, CNSC regulation of uranium mining and aquatic science. The working group developed a plain language information pamphlet and a frequently asked questions document for distribution to community members.
21. The Cree Nation of Mistissini expressed strong concerns regarding different aspects of the Matoush Project and strongly recommended that the COMEX and COFEX-S panels reject the Strateco Resources Inc. proposal. After conducting a door-to-door poll of 657 community members, the Cree Regional Authority formally supported the implementation of a moratorium on uranium mining on the traditional lands of the Cree Nation of Mistissini, to allow for a more comprehensive information on the socio-economic and environmental impacts of advanced uranium exploration and uranium mining.
22. CNSC staff informed the Commission that the James Bay Advisory Committee on the Environment (JBACE), had advised that a precautionary approach is warranted and that special attention must be given to the project's anticipated environmental and social impacts. The Committee deems it essential to release accurate information adapted to the territory's Aboriginal people, especially the Cree community of Mistissini.
23. CNSC staff further informed the Commission that, in efforts to establish a relationship

of trust with the community of Mistissini, Strateco Resources Inc. had met with the Chief of Mistissini and had implemented a communication plan proposed by the Cree Mineral Exploration Board, in order to provide unbiased relevant information “in the Cree language, the Cree way” to the Chief and Council and members of the Cree Nation of Mistissini.

Conclusion

24. Based on its review of the report and the above-noted information and considerations, the Commission concludes that the EA Comprehensive Study Report attached to CMD 11-H120 is complete and meets all of the applicable requirements of the *Canadian Environmental Assessment Act*.
25. The Commission concludes that the project, taking into account the appropriate mitigation measures identified in the Comprehensive Study Report, is not likely to cause significant adverse environmental effects.
26. The Commission also concludes that that the public consultation activities that have been undertaken and that will be undertaken during the Ministerial 30-day consultation period on the CSR are sufficient to meet the requirements of the CEAA.
27. In order to ensure that the CNSC upholds the honour of the Crown and meets its common law duty to consult with Aboriginal groups prior to making a decision that may cause adverse impacts to potential or established Aboriginal or treaty rights, the Commission supports the CNSC staffs’ recommendation that Aboriginal consultation activities continue through the completion of the EA and licensing review process.



Michael Binder
President,
Canadian Nuclear Safety Commission

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Date