2. Regulatory Framework

Baseline studies for the Galore Creek Project were started in 2004 in anticipation of the project entering federal and provincial environmental approval processes. These studies included the environmental baseline (early 2004), NovaGold engineering studies based on work by previous owner/operators of mineral claims (2004), and socio-economic studies (2005). These studies have been ongoing and have been modified over time to address the issues arising from the evolution of the project over time and inputs from government regulators.

The project is subject to both the *British Columbia Environmental Assessment Act* (BCEAA) and the *Canadian Environmental Assessment Act* (CEAA) and NovaGold has initiated reviews under both processes. Pursuant to the Canada-British Columbia Agreement for Environmental Cooperation (2004), the provincial and federal processes are to be integrated into a harmonized review with the British Columbia Environmental Assessment Office (EAO) taking the lead. The following sub-sections outline the provincial and federal processes, the Canada/British Columbia co-operation agreement, the role of Cassiar Iskut-Stikine Land and Resource Management Plan and the regulatory approval process schedule.

2.1 British Columbia Environmental Assessment Process

2.1.1 British Columbia Environmental Assessment Act

The BCEAA requires that certain large-scale project proposals undergo an environmental assessment and obtain an Environmental Assessment Certificate before they can proceed. The full text of the BCEAA can be found at http://www.qp.gov.bc.ca/statreg/stat/E/02043_01.htm.

The BCEAA process identifies and assesses the potential effects that may result from a proposed project and develops measures for managing those effects. In general, the BCEAA process includes the following four main elements:

- opportunities for all interested parties, including First Nations, to identify issues and provide input;
- technical studies of the relevant environmental, social, economic, heritage and/or health effects of the proposed project;
- identification of ways to prevent or minimize undesirable effects and enhance desirable effects; and
- consideration of the input of all interested parties in compiling the assessment findings and making decisions about project acceptability.

The BCEAA and accompanying regulations establish the framework for delivering environmental assessments. However, the scope, procedures and methods of each assessment are tailored specifically to the circumstances of the proposed project. This approach allows for each assessment to focus on the issues relevant to the project and whether or not the project should proceed.

Proposed mining developments that exceed the threshold criteria laid out in the *Reviewable Projects Regulation* are required to obtain an Environmental Assessment Certificate from the EAO under the *Act* before the issuance of a Mines Permit under the *Mines Act*. The full text of the *Reviewable Projects Regulation* can be viewed at http://www.qp.gov.bc.ca/statreg/reg/E/EnvAssess/370_2002.htm. Based on NovaGold's Preliminary Economic Assessment, the Galore Creek Project's anticipated maximum ore extraction of 23 million tonnes per year exceeds the threshold limit of 75,000 tonnes per year and therefore requires an Environmental Assessment Certificate.

The intent of the BCEAA process is to identify any foreseeable adverse impacts through the project's lifecycle, including: construction, start-up, operation and closure; and to determine ways to eliminate, minimize (mitigate) or compensate identified impacts. The process identifies the potential effects of the project on community values and provides information on the nature of public support for a project.

The BCEAA process moves through six stages:

1. Determining how the assessment will be conducted, through preparation, review and approval of Terms of Reference for the Application report;
2. Preparation and submission of the Application report;
3. Review of the Application report
4. Preparation of the Environmental Assessment report by the BC EAO
5. Referral to the appropriate provincial ministers for a decision; and
6. Culminating in a decision to either issue or not issue an Environmental Assessment Certificate.

The decision to approve or reject a mining project is made by the following provincial ministers:

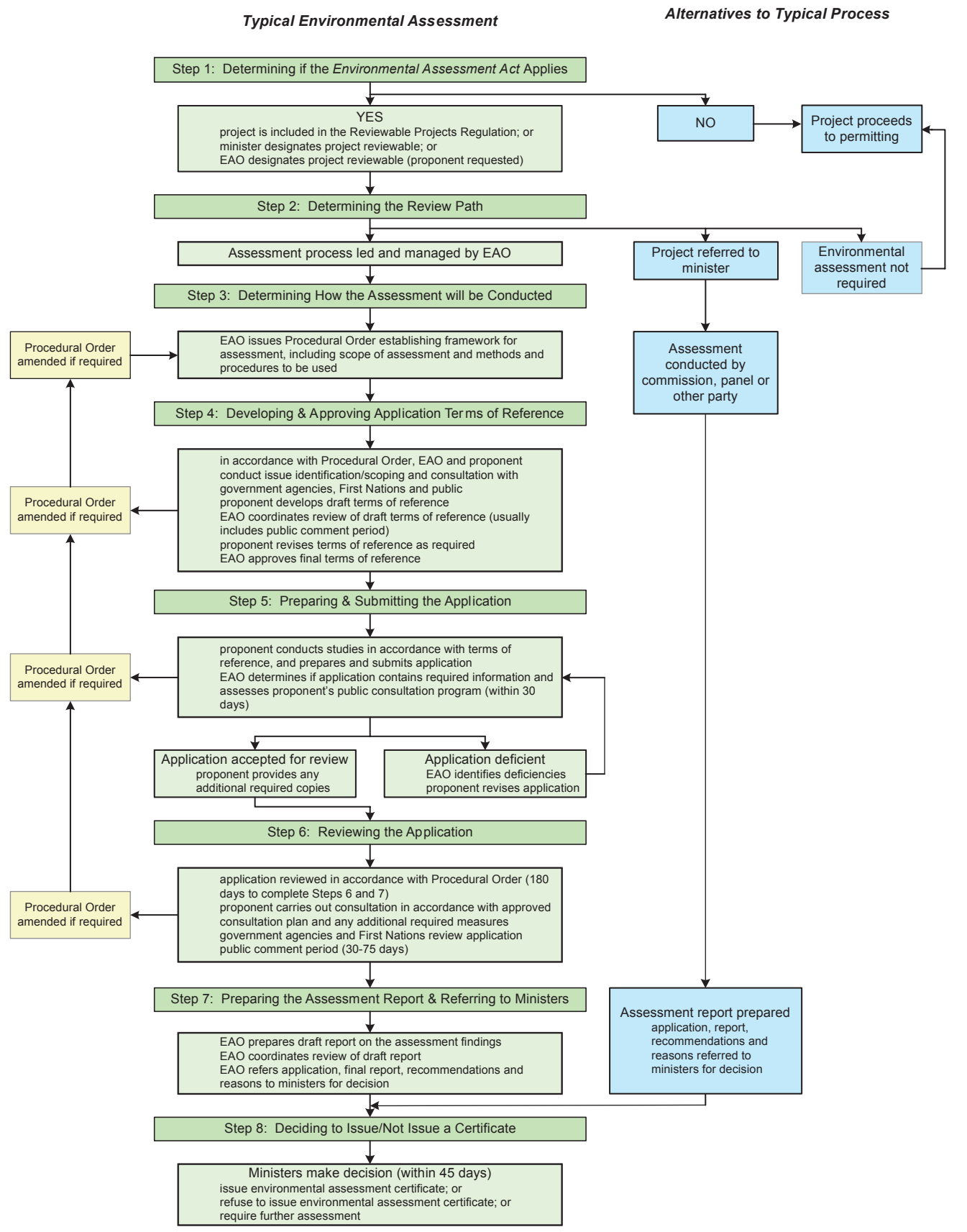
- The Minister of Energy, Mines and Petroleum Resources; and
- the Minister of Environment.

The various stages of the environmental review process are presented in Figure 2.1-1. The process has timelines built in at several phases of the review. Figure 2.1-2 presents an outline of the project proponent's responsibilities during the environmental assessment review process.

2.1.2 Project BCEAA History

The provincial regulatory process was initiated by NovaGold with the submission of a project Description on February 12, 2004. Figure 2.1-3 records significant activities in the EAO process since that date.

The EAO maintains a document registry available via their website at http://www.eao.gov.bc.ca/epic/output/html/deploy/epic_project_home_239.html. Details of many of the process activities, such as meeting minutes and correspondence, can be found in the registry.



Source: EAO (2003)

FIGURE 2.1-1

Environmental Assessment Process Managed by the B.C. Environmental Assessment Office

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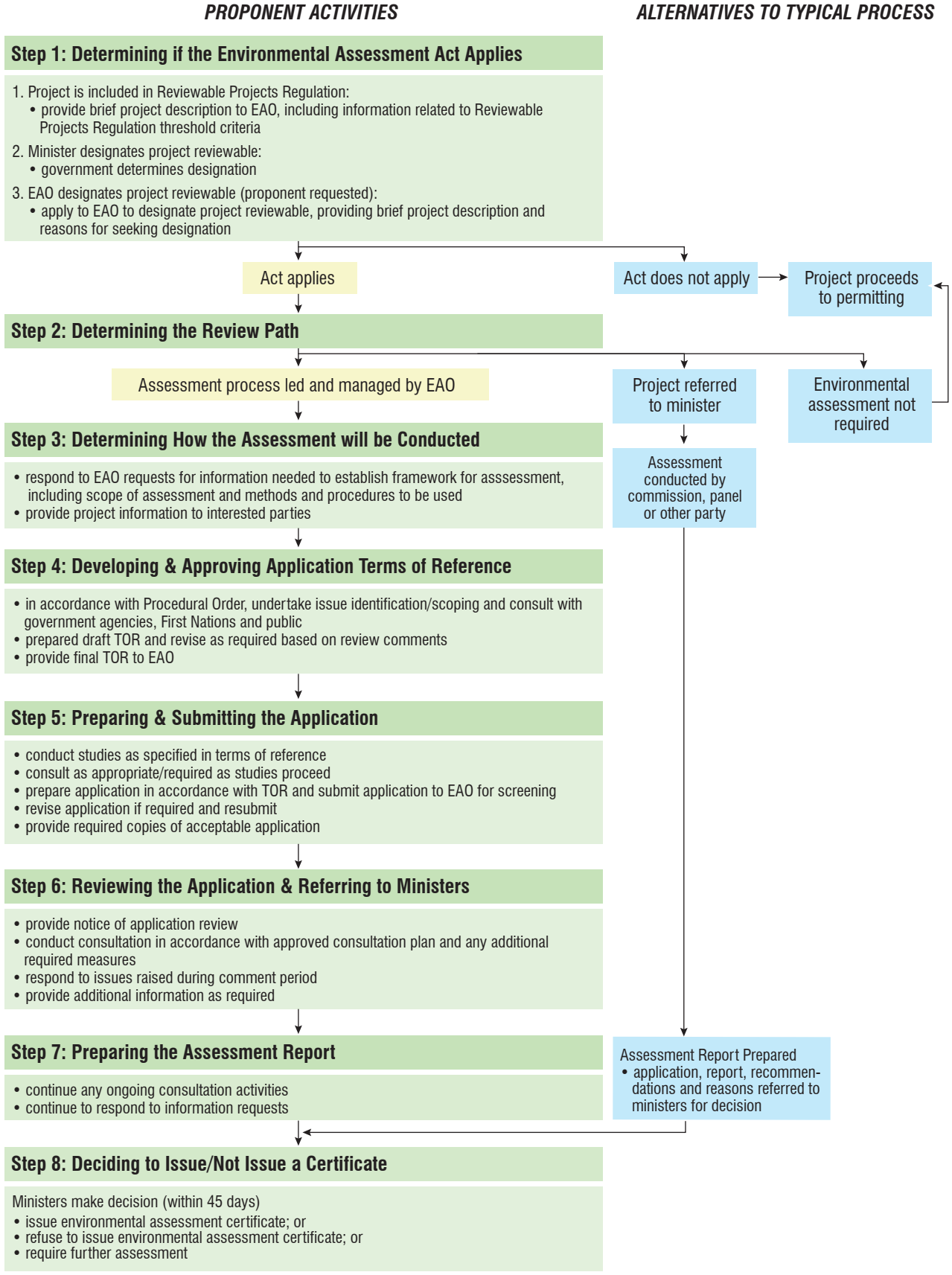

Source: EAO (2003)

Proponent Activities in the B.C. Environmental Assessment Process Coordinated by the Environmental Assessment Office (EAO)

FIGURE 2.1-2

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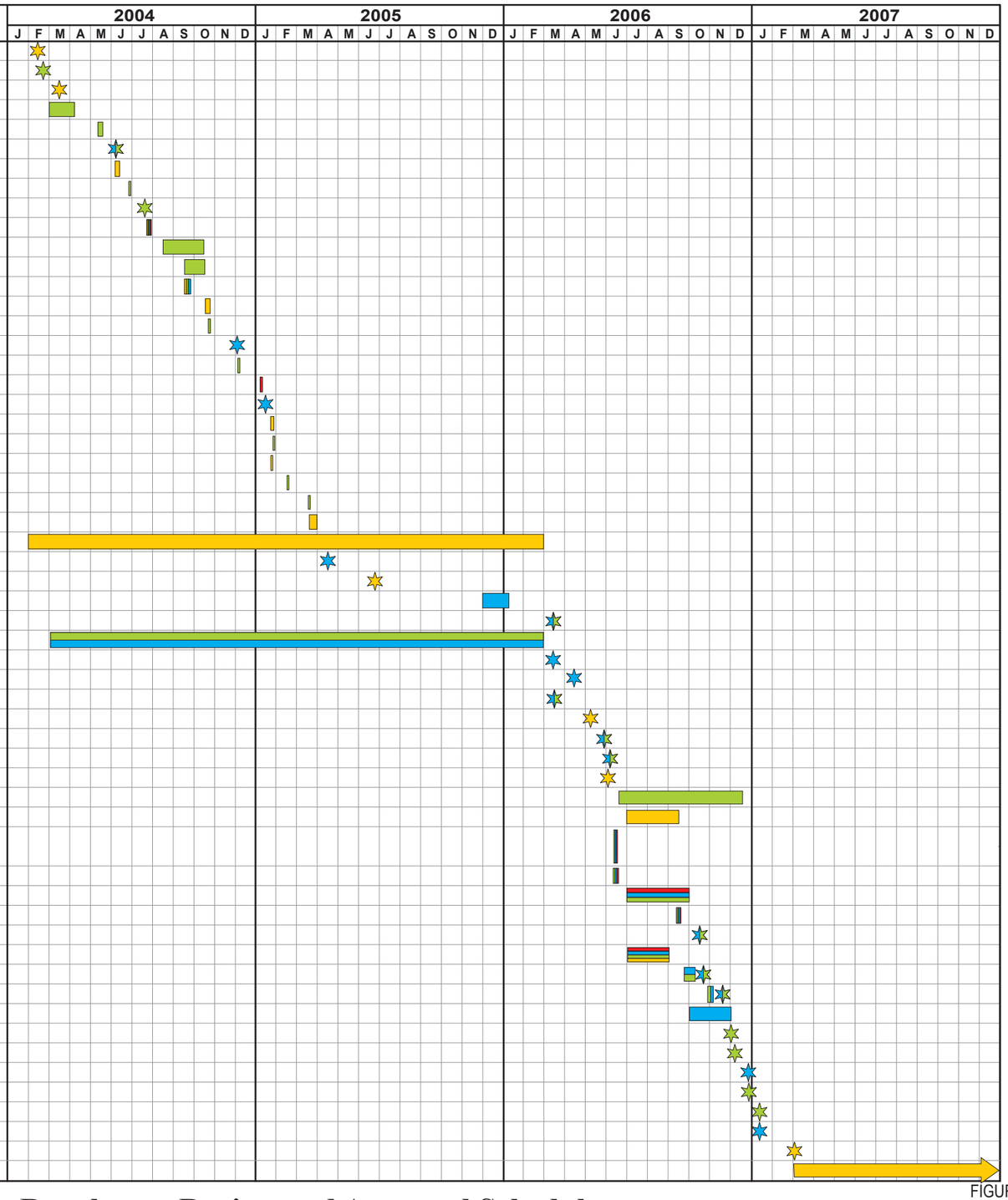
Task	Task Responsibility: NovaGold / EAO / CEAA / Tahltan Nation
1.	Submit Galore Creek Project Description - *Feb. 12, 2004*
2.	Section 10 Order issued under Environmental Assessment (EA) Act - *Feb. 25, 2004*
3.	Prepared and submitted initial draft Terms of Reference (TOR) for EA Application - *March 19, 2004*
4.	Initial project meeting with provincial and federal agencies, First Nations and NovaGold in Smithers - *April 5 & 6, 2004*
5.	Project meeting with U.S. Agencies, CEAA and NovaGold in Alaska - *May 13 & 14, 2004*
6.	Provincial and federal agency comments on draft TOR provided to Novagold - *June 3, 2004*
7.	Open houses in Iskut, Dease Lake, Stewart and Telegraph Creek - *June 7 to 10, 2004*
8.	US/Canada/Alaska/FN/NovaGold/BC Agency Meeting in Vancouver - *June 29, 2004*
9.	Post final version of 2004 Baseline Studies Program to EAO website - *July 20, 2004*
10.	Site visit/agency/Tahltan meeting - *July 27 & 28, 2004*
11.	Distribute Access Alternative Screening Report - *Aug. 16, 2004 (Written comments from agencies due by October 14, 2004)*
12.	Distribute draft TOR for agency/Tahltan/US/provincial agency comments - *Sept. 20, 2004 (Comments due by October 15, 2004)*
13.	Site visit/US-Alaskan, federal and provincial agencies, NovaGold/EAO/CEAA - *Sept. 23 & 24, 2004*
14.	Open houses in Wrangell, Smithers and Terrace, Dease Lake, Iskut, Stewart and Telegraph Creek - *Oct. 18 to 21, 2004*
15.	Access Working Group Meeting in Smithers to discuss Access Alternative Screening Report (7 to 2 options) - *Oct. 21, 2004*
16.	Submit CEAA Project Description - *Dec. 2, 2004*
17.	ML/ARD Working Group Meeting in Vancouver - *Dec. 3, 2004*
18.	Tahltan Nation Special Assembly Review of Route Access Options - *Jan. 8 & 9, 2005*
19.	NRCan and DOT Triggered CEAA Review - *Jan. 2005*
20.	2-day agency meeting to provide general update on results of 2004 baseline study program - *Jan. 26 & 27, 2005*
21.	Access Working Group meeting in Smithers - NovaGold to present Access Alternatives report which identifies preferred access route - *Jan. 28, 2005*
22.	Meet with Health Canada and Northern Health Unit to confirm requirement for health impact assessment - *Jan. 21, 2005*
23.	Access Working Group meeting in Smithers to discuss/review written comments on Alternatives Access Report - *Feb. 18, 2005*
24.	Agency meeting in Smithers to review proposed 2005 baseline study program - *March 17 & 18, 2005*
25.	Follow-up meetings with technical working groups as required to discuss 2005 baseline study program - *March 22 to 31, 2005*
26.	Baseline studies and preparation of EA Application - *Feb. 2004 to March 2006*
27.	DFO Triggered CEAA Review - *April 14, 2005*
28.	Revised CEAA Project Description - *June 27, 2005*
29.	CEAA Scoping Document Public Review (Section 21) - *November 30, 2005 to January 9, 2006*
30.	Complete BC-EAO/CEAA Workplan - *March 2006*
31.	CEAA/EAO Comment Period on Draft TOR - *March 2004 to March 2006*
32.	Federal RAs recommendation to Environment Minister on level of review (Comprehensive Study or Panel) - *March 2006*
33.	Federal Minister of Environment's decision on level of Review (Comprehensive Study or Panel) - *April 2006*
34.	Final EAO Section 11 Order and CEAA Section 21 Issued with Approval TOR - *March 006*
35.	Submit Application/Comprehensive Study EIA - *May 5, 2005*
36.	Provide comments to NovaGold on adequacy of public consultation program as outlined in the Application (to be completed during 30 day screening of Application) - *May 31, 2006*
37.	Screening of Application (to be completed within 30 days of receiving the Application) - *June 5, 2006*
38.	Submit concurrent provincial permit applications (timing of submission coincides with the acceptance of the Application) - *June 5, 2006*
39.	Accept Application and initiate review - *June 23 to December 19, 2006*
40.	Public comment period (60 - 75 days) - *July 1 to September 15, 2006*
41.	Agency, Tahltan FN meeting with NovaGold to review Application and provide preliminary verbal comments on the Application (meeting to be held within 21 days of initiating Application review). EAO initiates draft of summary outlining technical issues raised by agencies and the Tahltan FN - *June 2006*
42.	Public meetings on Application: Dease Lake, Iskut, Telegraph Creek, Stewart, Terrace, Smithers, Wrangell and Petersburg - *June 2006*
43.	Submit remaining permit applications during EA review - *July to Sept 2006*
44.	Agencies and Tahltan FN submit written comments on the Application to the EAO (deadline coincides with last day of public comment period) - *September 2006*
45.	Summarize agency and public comments, identify responses (within 14 days of receiving written comments) and distribute to agencies and Tahltan FN - *October 2006*
46.	Conference calls/meetings as required to resolve issues raised by agencies and Tahltan FN during the review of the Application - *July to September 2006*
47.	Distribute 1st draft of Assessment Report to agencies and Tahltan First Nation for Comment (14 day comment period) - *October 2006*
48.	Distribute 2nd draft of Assessment Report to agencies and Tahltan First Nation for Comment (7 day comment period) - *November 2006*
49.	Public comment period on Comprehensive Study Report - *October and November 2006*
50.	Finalize Assessment Report, EA Certificate and Application referral package - *November 30, 2006*
51.	Refer Application to Provincial Ministers (within 180 days of acceptance and receipt of Application) - *December 4, 2006*
52.	CEAA/RAs decisions on Comprehensive Study Report - *December 22, 2006*
53.	Decision on Application for EA Certificate (up to 45 days to make a decision) - *December 22, 2006*
54.	EA Certificate of Approval from EAO - *January 8, 2007*
55.	CEAA approval from Federal Minister of Environment - *January 8, 2007*
56.	All permits and licences in hand - *March 1, 2007*
57.	Start construction - *March 2007*



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Galore Creek Project: Regulatory Review and Approval Schedule

FIGURE 2.1-3

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The EAO signed off NovaGold's pre-application terms of reference on December 1, 2005, allowing the company to proceed with completion of this Environmental Assessment Application.

2.1.3 Project Technical Working Groups

Under the *B.C. Environmental Assessment Act*, the BC EAO has the authority to formulate the review process to best meet the requirements of each specific project. Although there is no longer a mandatory requirement to establish a project committee to review each project, in this situation, the EAO decided to form smaller technical committees to focus on specific issues. Accordingly, the EAO established one main working group for the Galore Creek Project, and then organized individual technical working groups to examine specific issues.

These groups were mandated to review and guide the project through field programs and on through submission of the Application. These working groups consisted of Canadian and US provincial, state and federal regulators, EAO, CEAA, NovaGold, and Tahltan Nation and local government representatives. The technical working groups were as follows:

- Access Road Technical Working Group;
- ML/ARD Technical Working Group;
- Water Quality/Hydrology/Water Management Technical Working Group;
- Wildlife/Terrain Technical Working Group;
- Fisheries and Navigable Water Working Group;
- Socio-economic Technical Working Group; and
- Mine Planning, Development and Closure Technical Working Group.

The review process procedures were formalized in a Section 11 Order issued by the EAO on December 1, 2005. The Order outlined the scope, procedures and methods to be used for the BCEAA review of the Galore Creek Project. The EAO is intended to be a neutral agency with the responsibility to administer and mange the assessment process under the BCEAA.

2.1.4 Tahltan Nation Participation

Court decisions have established that provincial government activities cannot infringe on aboriginal rights and/or title unless there is proper justification. In addition, recent court decisions by the Supreme Court of Canada, in the *Haida* case (*Haida Nation v. British Columbia*, 2004) and the *Taku River* case (*Taku River Tlingit First Nations v. British Columbia*, 2004), have further held that where a First Nation has asserted but not yet proven aboriginal rights and/or title, there is a legal duty on the Crown to consult and, in certain circumstances, accommodate the aboriginal rights being asserted.

The common law duty to consult and accommodate is triggered when the Crown has knowledge of the potential existence of an aboriginal right or title and contemplates conduct that may

adversely affect it. The duty to consult must be carried out in good faith and is rooted in the honour of the Crown,[1] meaning that it has a constitutional foundation. The duty to accommodate is dependent on the *strength of the First Nations claim* and the *nature of the risk and impacts/consequences* from the proposed government decision. The duty does not require that the First Nation agree to a proposed accommodation or a government decision. The Government is not required to give priority to the First Nation's interest, but must balance all interests at stake in land use decisions.

In accordance with these legal requirements and the provincial government's policy requirements, the Province considers aboriginal interests in relation to an environmental assessment to ensure that First Nation issues and concerns are identified, and the Province's legal obligations towards First Nations are met. The EAO operates under the terms of the most up-to-date version of the Provincial Consultation Policy (2002), which can be viewed at http://www.gov.bc.ca/arr/down/consultation_policy_fn.pdf. The Policy identifies guiding principles and stages in consultation. NovaGold understands that the Province is reviewing the current Policy as a result of the *Haida* and the *Taku River* cases, as well as subsequent court rulings.

First Nation consultation requirements are established for every environmental assessment, within the framework of the Policy and any future updates of that Policy. First Nations with interests in the area of the proposed project (*i.e.*, the project is in proximity to the First Nation's claimed traditional territory) or whose rights may be affected are provided the opportunity to participate in the environmental assessment.

The traditional territory of the Tahltan Nation encompasses the area of the Galore Creek Project. The Tahltan Nation has participated in the Galore Creek Project since NovaGold took control of the project in August, 2003. NovaGold management has spent considerable time discussing the project with the Tahltan Central Council and with the chiefs and councils of the Telegraph Creek/Dease Lake and Iskut Bands. See section 1 in Chapter 3 for more details on the interaction between NovaGold and the Tahltan.

NovaGold understands that the Tahltan Nation holds certain aboriginal title, rights and interests with respect to their traditional territory. With respect to aboriginal title, NovaGold has not considered it necessary to evaluate the *strength* of this title claim. Instead, NovaGold has entered into a participation agreement with the Tahltan Nation, as discussed in the next paragraph, which addresses to the satisfaction of the Tahltan Nation some of the monetary aspects related to their aboriginal title claim and the project's impacts. With respect to specific aboriginal rights, such as hunting, fishing, traditional and cultural uses, etc. ..., NovaGold has engaged directly with the Tahltan Nation in the preparation of this Application. As part of this

[1] The honour of the Crown has constitutional status, as it stems from the aboriginal rights guaranteed by section 35 of the *Constitution Act, 1982*. The Court held that the honour of the Crown requires that aboriginal rights be determined, recognized and respected, which in turn requires the Crown to participate in treaty negotiations leading to just settlements. While that process continues, the honour of the Crown requires it to consult and, where indicated, accommodate aboriginal interests.

engagement process, NovaGold has received input from the Tahltan Nation and taken steps to address the various aboriginal rights and interests as identified by the Tahltan Nation. The specific details of any issues or concerns that the Tahltan Nation have raised with Novagold, during the engagement process for the preparation of this Application, relating to their aboriginal interests and the response that NovaGold has made to these issues or concerns are dealt with in the relevant specific topic areas throughout this Application.

On February 13, 2006 NovaGold announced that it had entered into a comprehensive agreement with the Tahltan Nation for their participation to support the development of the Galore Creek Project. Financial contributions will be made by NovaGold to the Tahltan Heritage Trust Fund which will be used to mitigate any adverse social and cultural impacts of mine development. During mine operations, Trust Fund payments are guaranteed to be no less than $1 million annually. Upon reaching certain agreed financial targets, and subject to positive mine operating cash flow, the Trust will receive the greater of $1 million or a 0.5% to 1.0% net smelter royalty each year.

The Tahltan Joint Council representing the Tahltan Bands from Telegraph Creek, Dease Lake and Iskut participated on a limited basis in the development of the Cassiar Iskut-Stikine Land Resource and Management Plan over a period of three years.

NovaGold's parent company has an extensive track record of positive working relationships with First Nations peoples in Alaska where it has negotiated agreements with four native organizations. NovaGold and its parent company have the same management team.

2.1.5 Concurrent Permitting

Provincial permitting, licensing and approval processes (statutory permit processes) may proceed concurrently with the BCEAA review or may, at the proponent's option, be initiated following the receipt of the Environmental Assessment Certificate. The "Concurrent Approval Regulation" (http://www.qp.gov.bc.ca/statreg/reg/E/EnvAssess/371_2002.htm) sets out the provisions related to concurrent permit approvals. To be eligible for concurrent review, the approval must be required to construct, operate, modify, dismantle, abandon or otherwise undertake part or all of the "Reviewable Project" that is the subject of the environmental assessment. Any such authorization is eligible for concurrent review except a Certificate of Public Convenience and Necessity under the *Utilities Commission Act*.

Under the "Concurrent Approval Regulation" an applicant must apply in writing for concurrent permitting within seven days of notification of the acceptance by the EAO of an application for an Environmental Assessment Certificate. The provincial ministry responsible for the permit may within 75 days of the notification of acceptance of an application for an Environmental Assessment Certificate request additional information from the applicant. The ministry responsible for the permit must make a decision to issue a permit, or explain why a permit will not be issued, within 60 days of an Environmental Assessment Certificate being issued.

Statutory permit approval processes are normally more specific than the environmental assessment level of review, and for example, will require detailed and possibly final engineering design information for certain permits such as the tailings impoundment structures and others.

NovaGold is seeking concurrent permits for the Galore Creek Project for the essential authorizations required to start construction in 2007. The key authorizations include the following:

- surface lease under the *Land Act* for the tailings and waste rock disposal area in the Galore Creek Valley;
- all licences, permits and approvals related to the construction and use of the access road, including *Forest and Range Practices Act* Special Use and Road Use permits, *Forest Act* Occupant Licence to Cut, and *Highway Act* Highway Access Permit;
- all licences, permits and approvals related to operation of temporary construction camps for mine, plant site and road including permits required under the *Health Act*, *Drinking Water Protection Act* and *Environmental Management Act* (sewage, incinerator, and waste generation); and
- all water licences for diversion, management, use and storage under the *Water Act*, and approval for release of sediment under the *Environmental Management Act*, pertaining to the initial earth moving work in the Galore Creek Valley.

2.2 Federal Environmental Assessment Process

2.2.1 Canadian Environmental Assessment Act

The federal environmental assessment process is governed by the *Canadian Environmental Assessment Act* (CEAA). In June 1992, Bill C-13, CEAA received royal assent. CEAA, which provides a legal basis for federal environmental assessment, came into force on January 19, 1995. Following extensive cross-Canada public consultations the Minister of the Environment tabled a report to introduce amendments to CEAA in March 2001 to strengthen the process. Bill C-9, an act to amend CEAA, received royal assent on June 11, 2003, and came into force on October 30, 2003. CEAA ensures that the environmental effects of projects are carefully reviewed before federal authorities take action in connection with them so that projects do not cause significant adverse environmental effects.

CEAA is triggered by federal involvement in a project. CEAA applies when a federal department or agency is required to make a decision on a proposed project. Under CEAA's "triggering" provisions, an assessment is required if a federal authority exercises or performs one or more of the following powers, duties or functions relating to a project:

- proposing the project (known as the "proponent trigger");
- granting money or any other form of financial assistance to the proponent (the "funding trigger");

- granting an interest in land to enable a project to be carried out (e.g., sell, lease or otherwise transfer control of land) (the "land trigger); or
- exercising a regulatory duty in relation to a project, such as issuing a permit or license, that is included in the Law List prescribed in CEAA's regulations (the "Law List trigger"). This includes various federal licenses and authorizations, including Section 5(1) under the *Navigable Waters Protection Act* (NWPA) and the *Fisheries Act* authorization under sub-section 35(2).

Special provisions of CEAA provide the federal Minister of the Environment with discretionary powers to trigger an environmental assessment in exceptional circumstances if the Minister believes the project:

- has potential for significant environmental effects; or
- raises public concerns; or
- may cause significant adverse transboundary environmental effects and no other federal act or regulation applies.

Under CEAA, projects receive a level of environmental assessment tailored to their impact potential. There are four environmental assessment review options under CEAA – screening, comprehensive study, mediation and panel review. The Galore Creek Project has triggered the CEAA process (pursuant to four law list triggers) and a comprehensive study report is required.

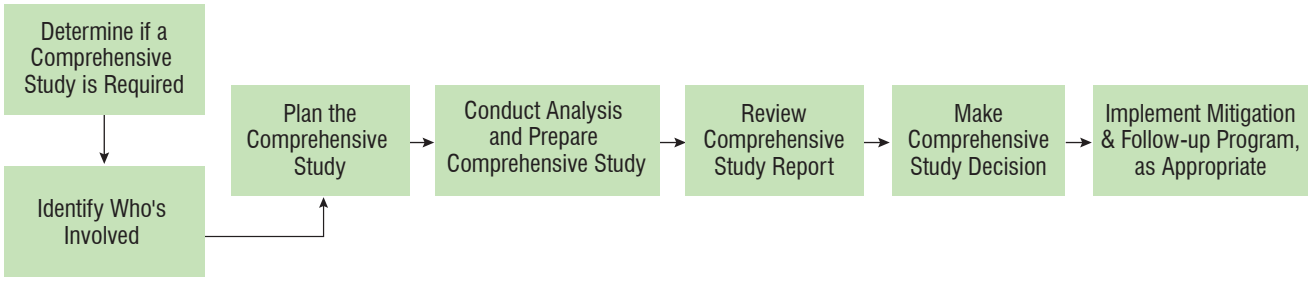
2.2.2 Project CEAA Process History

Initial meetings with CEAA, Department of Fisheries and Oceans (DFO) and Department of Transport and Natural Resources Canada in 2004 indicated that the Galore Creek Project would require federal authorization under various "Law List triggers. According to the Comprehensive Study List Regulations (SOR/94-638), the Galore Creek Project must proceed by way of a comprehensive study because, among other reasons, it involves the proposed construction of "a metal mill with an ore capacity of 4,000 tonnes/day or more."

NovaGold submitted an initial project description outlining the scope of the project to the Agency in December 2004. Based on this document, four regulatory authorities (RAs) triggered the CEAA process in January and April 2005. Subsequently, further study and analysis prompted NovaGold to change the production rate, from 30,000 tonnes per day to 60,000 tonnes per day, and the preferred access to the site from the southern route to a modified northern route. These changes were outlined in new project description submitted to the Agency in June 2005 to update the project in order to initiate the scoping process under Section 21 of the act. Section 3 of Chapter 3 summarizes the interactions between NovaGold and Canadian and US provincial, state and federal regulators.

2.2.3 Federal Review Process

The key steps in the CEAA process are similar to the provincial BCEAA process. A summary of the environmental process under CEAA is presented in Figure 2.2-1. The first step in the CEAA process is to determine whether any of the four triggering provisions described above require the project to be subject to a comprehensive review.



Summary of Each Phase

Phase	Action
1. Determine if a Comprehensive Study assessment is required	A federal authority determines whether it has a responsibility to ensure that an environmental assessment is conducted. Are there any triggers?
2. Identify who's involved	The responsible party, called a responsible authority (RA), notifies other federal parties to determine whether they may have: • responsibilities to ensure the conduct of an environmental assessment; or • expert information to contribute
3. Plan the Comprehensive Study	RA determines how the Comprehensive Study will be conducted. For example, they identify the: • scope of the proposed project (Section 21); • scope of the factors that mush be considered in the Comprehensive Study • assessor; and • time lines.
4. Conduct the analysis and prepare the Comprehensive Study Report	One or more qualified environmental assessment practitioner(s) identifies the potential environmental effects and measures to mitigate those effects. The findings are presented in a written report.
5. Review the Comprehensive Study Report	The responsible authority(ies) reviews the report for adequacy and accuracy, and may have others review the report as well
6. Make the Comprehensive Study Report Decision	Bases on the findings of the report, the responsible authority(ies) decides whether adverse environmental effects are likely to be significant. This decision is taken into account when determining whether the proposed project should proceed.

Source: CEAA Website

FIGURE 2.2-1

Environmental Assessment Process Under the Canadian Environmental Assessment Act

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The second step is for Canadian Environmental Assessment Agency ("Agency") to identify all of the responsible authorities, expert federal authorities and other jurisdictions that should be involved in the environmental assessment. This requires that the proponent submit a project description which outlines the scope of the project.

The third step is to plan the environmental assessment. This step involves registering the project with the Agency, and establishing a work plan and time lines. The Agency coordinates these activities that include describing the project and conducting a public review. The Minister of Environment will decide on the type of process that the project will follow, *i.e.*, screening, comprehensive study, mediation or panel review.

The fourth step is the preparation of the environmental assessment report, which requires conducting baseline studies and other analyses.

The fifth step is the review of the report. The proponent is largely responsible for report preparation, but the Agency coordinates the review, in cooperation with the BC EAO. At the conclusion of the review, the Agency makes recommendations concerning the project to the Minister of the Environment.

The sixth step is the federal decision, which ultimately requires approval by the federal Minister of the Environment. The seventh and last step involves mitigation and follow-up programs, as appropriate.

2.2.4 Metal Mining Effluent Regulations

The Metal Mining Effluent Regulations (MMER), under the *Fisheries Act*, came into law on June 6, 2002. These regulations apply to all metal mines in Canada and impose limits for cyanide as well as for arsenic, copper, lead, zinc, nickel and radium-226 in discharge waters. They also prohibit the discharge of effluent that is acutely lethal to fish (rainbow trout). The maximum monthly mean concentration of total suspended solids has been set at 15 mg/L, and a pH range of 6.0 to 9.5 is required. Under the regulations, mines must conduct Environmental Effects Monitoring (EEM) programs to monitor and report on effluent quality, flow and the results of periodic effluent scans to identify adverse effects of their effluent on fish, fish habitat, and the use of fisheries resources. EEM studies will include effluent characterization, receiving water quality monitoring, sub-lethal effluent toxicity tests, site characterization, fish population surveys, fish tissue analysis and benthic invertebrate community surveys.

The MMER prohibits the discharge of deleterious substances in tailings impoundments frequented by fish. The proposed tailings impoundment at Galore Creek is exempted from this prohibition because of the presence of a natural fish migration barrier on the lower reaches of the creek.

2.3 Canada-British Columbia Cooperation Agreement

In March 2004, the governments of Canada and British Columbia signed an agreement to cooperate in conducting environmental assessments (the "Agreement"). This agreement can be viewed at http://www.eao.gov.bc.ca/publicat/canada-bc-agreement/can-bc-agree-mar1104.pdf. Under this bilateral Agreement, projects that require a review under both federal and provincial

environmental assessment legislation will undergo a single, cooperative assessment, meeting the legal requirements of both governments while maintaining their respective roles and responsibilities. This Agreement translates into a specific operating plan that incorporates the principles of the 1998 Canada-Wide Accord on Environmental Harmonization and the Sub-Agreement on Environmental Assessment.

The British Columbia responsible agency is the EAO and the Government of Canada responsible agency is the Canadian Environmental Assessment Agency.

Both the BC EAO and the Agency are required to notify each other about projects that require cooperative assessment and provide access to information. They must identify a lead party that will take primary responsibility for administering and coordinating the review. In general, the Agency will take the lead for projects on federal Crown land and the BC EAO will take the lead on projects within BC that are not on federal land. In all other cases, the lead party will be determined by mutual agreement between the Agency and the EAO.

Although this Agreement was designed to prevent duplication of effort and reduce the time required for completion of an environmental assessment, both the Agency and the EAO must also meet their own requirements for project registration and review and for dealing with First Nations issues and potential transboundary effects.

The BC EAO and the Agency have indicated to NovaGold that it is their intention that the environmental assessment process for the Galore Creek Project will undergo a single, cooperative assessment as provided for in the Canada-British Columbia Cooperation Agreement and that the BC EAO will take the lead in coordinating the assessment process. It is NovaGold's intention that this "Project Application Report" will meet the requirements of a Federal Comprehensive Study Report. The terms of reference for the Galore Creek Project environmental assessment incorporate the requirements of both processes. It is anticipated that the BC EAO and the Agency will prepare a joint report on the results of the environmental assessment for their respective ministers. Project approval will come separately from the British Columbia Government and the Government of Canada.

2.4 Alaskan and Federal United States Participation

The proposed Galore Creek mine is only 40 km from the British Columbia – Alaska border. All watersheds potentially affected by the mine and associated infrastructure eventually flow to Alaska through the Stikine River drainage system. The Stikine River hosts a significant international salmon fishery and is important to Alaskans for recreation. For these reasons the State of Alaska and the United States have an interest in the project and its social, economic and environmental implications. Details of the involvement and interaction with the US regulators and public are covered in Chapter 3.

2.4.1 Trans-boundary Management

The Alaska Panhandle separates much of northwestern British Columbia from the Pacific Ocean. However, long-standing treaties such as the 1825 convention between Great Britain and Russia

have recognized the right of Canadians to freely navigate rivers that cross the Panhandle. That treaty states, in part:

> *VI. It is understood that the Subjects of his Britannic Majesty, from whatever Quarter they may arrive, whether from the Ocean, or from the interior of the Continent, shall for ever enjoy the right of navigating freely, and without any hindrance whatever, all the rivers and streams which, in their course towards the Pacific Ocean, may cross the line of demarcation upon the line of coast described in Article 3 of the present Convention.*

Despite treaty rights to navigate freely, users of these waterways, such as the Stikine River, must obey the laws of both countries and international or bilateral conventions entered into by both countries. In particular, NovaGold will ensure that it complies with the following three international environmental conventions / enactments governing the potential transboundary effects of the project into Alaska through the Stikine River drainage system:

- Pacific Salmon Treaty between the Government of Canada and the Government of the United States of America (1985, as renewed in 1999) – This is a bi-lateral treaty binding on the federal governments of Canada and the U.S. There are no permits or authorizations required under this Treaty for the project. NovaGold will ensure the Galore Creek project does not interfere with the management and protection measures for salmon originating in the transboundary Stikine River, as governed by Article VII and Annex IV.

- *International Boundary Waters Treaty Act*, R.S.C. 1985, c. I-17 – This is a Canadian federal statute enacting Canada's obligations under the Treaty relating to Boundary Waters and Questions arising along the Boundary between Canada and the United States (1909).

  This *Act* requires that a permit be sought by any person who uses, obstructs or diverts boundary waters, such as the Stikine River, or constructs, maintains, any remedial or protective work or any dam or other obstruction in waters flowing from boundary waters, in such a manner that affects or is likely to affect, in any way the natural level or flow of the boundary waters on the other side of the international boundary (sections 11 and 12). As the Galore Creek project is not expected to affect the natural level or flow of the boundary waters on the Alaska side of the Stikine River, NovaGold will not apply for a permit. NovaGold will ensure that it complies with the other provisions of the *Act* and, in particular, that the project does not use or divert boundary waters by removing water from the boundary waters and taking it outside the water basin in which the boundary waters are located (section 13).

- *International River Improvements Act*, R.S.C. 1985, c. I-20 - This is a Canadian federal statute requiring that a licence be sought by any person who constructs, operates or maintains an international river improvement, defined as a dam, obstruction, canal, reservoir or other work which alters the natural flow of an international river (sections 2 and 4). As the Galore Creek project is not expected to require an international river

improvement, NovaGold will not apply for a licence. There are no further requirements under this *Act* applicable to NovaGold in respect of the project.

Approvals from both Canadian (federal and/or British Columbian) and American (federal and/or Alaskan) authorities would also be required should the project require the construction of road access across the Panhandle, an important factor in the selection of the current access plan for the project.

NovaGold has included Alaskan and federal United States officials in discussions regarding the development of the project.

NovaGold made presentations to Alaskan and U.S. federal officials in Juneau on May 13, 2004. The company also held a public open house in Wrangell in October 2004 to communicate its plans and seek public input. The EAO attended this open house to explain the regulatory licensing and permitting process. The EAO has also included Alaskan and U.S. officials in meetings to discuss the project, on project working groups and in reviewing the TOR.

NovaGold has coordinated baseline surveys with the Alaska Department of Natural Resources, the Alaska Department of Fish and Game and the US Forest Service to ensure that adequate trans-boundary baseline information is available to properly assess the potential impacts of the project.

It is expected that Alaska and U.S. federal officials will review and comment on this Environmental Assessment Report and that their comments will be considered by both the EAO and the Agency in their recommendations to their respective Ministers on a final decision whether to approve the project.

2.5 Regional Land Use Planning Process

Environmental assessment is one component of British Columbia's overall land and resource management system. Other components include land use planning, land and resource tenuring, permitting and other review/approval mechanisms, and operations management. Each component, and its applicable laws, regulations, policies and technical guidelines, is intended to support provincial goals for economic development, environmental protection and community stability.

Environmental assessment evaluates major projects within the context of the provincial government's regulatory and policy framework and technical expectations, so that a decision can be made on the overall acceptability of the project. The process results in a ministerial-level decision on whether to issue an Environmental Assessment Certificate.

Provincial land use plans provide the framework and context for setting environmental, land use and resource management goals over provincial Crown land. Environmental assessment is conducted within the context of existing land use plans. While environmental assessment examines the effects of a project on adjacent land uses, it is a project-specific review mechanism and has no authority to act as a land use planning mechanism or to re-open previously approved land use plans.

Tenure-granting processes dispense some form of use or ownership rights to both public and private parties with respect to land and resources. Tenure rights to Crown land and resources that are required for a project to proceed may be in place when a proponent applies for an Environmental Assessment Certificate (*e.g.*, a mineral claim), or options to grant the necessary tenures may be reserved for the proponent subject to satisfactory completion of the environmental assessment (*e.g.*, *Land Act* reserves). Where a project is located on private land, the proponent may own the land or have the right to exercise an option on the land.

2.5.1 Cassiar Iskut-Stikine Land and Resource Management Plan

The Galore Creek Project lies within the area covered by the Cassiar Iskut-Stikine Land and Resource Management Plan (CIS-LRMP), which received ministerial approval in October of 2000. The CIS-LRMP encompasses 5.2 million hectares in northwestern British Columbia. The plan represents the consensus reached as a result of a three-year interest-based negotiation process that involved approximately 25 public, First Nations and provincial government representatives.

The Galore Creek Project falls within a General Management Area (principal extraction, processing and waste management facilities and much of the access corridor) and General Management Areas with Specific Direction (some of the access corridor, an aerodrome and the concentrate de-watering facility). Activities conducted within the General Management Area are subject to General Management Directions (GMD).

The Resource Area-Specific Management Zones within the CIS-LRMP are the:

- Lower Stikine-Iskut Coastal Grizzly/Salmon Resource Management Zone (202,000 ha);
- Lower Iskut Zone (12,000 ha); and
- Middle Iskut Zone (176,000 ha).

The CIS-LRMP establishes specific management directions for each of these zones. The description of each of these zones in the CIS-LRMP are essential reading. Clearly mineral development and access are permitted in these zones. The Lower Stikine-Iskut Coastal Grizzly/Salmon Zone section of the CIS-LRMP is reproduced below.

> "The Lower Stikine-Iskut Grizzly Salmon Management Zone includes the valley of the Stikine River from the Chutine confluence to the US border, and the lower Iskut River west of the Craig River. The intent of this zone is to maintain the functional integrity of biological processes and cultural heritage values in the Lower Stikine and Lower Iskut River valleys, as well as the scenic and remote character of the river corridors, while providing continued opportunities for mineral exploration and development. The management emphasis in this zone will be to maintain habitat values for grizzly and salmon in recognition of their role as a keystone species in the ecosystems of the Iskut-Stikine.
>
> The Stikine and Iskut Rivers and their drainages provide excellent habitat for all five species of Pacific salmon. This supports a commercial inland fishery and

traditional aboriginal food fishing by the Tahltan First Nation. The salmon are also a keystone species in the coastal food chain, providing a vital food source for grizzly bear and other animals, as well as contributing to a nutrient cycle critical to the health of coastal ecosystems.

The river valleys and the side drainages have very high biodiversity values. The ecosystems change from dry Sub-boreal Spruce near the Chutine confluence, to transitional Interior Cedar Hemlock, to wet Coastal Western Hemlock near the border with Alaska. The Lower Stikine is the largest river in the province where a complete transition area and productive valley-bottom riparian habitats have not been altered by timber harvesting. In addition to over-all high biodiversity, much of the zone contains provincially significant grizzly habitat and also has high values for mountain goats and moose. The confluence of the Iskut and Stikine contains a wetland complex that provides habitat to a number of species, including migratory waterfowl and an over-wintering area for trumpeter swans.

The abundance of salmon and traditional travel routes along the Stikine and Iskut rivers have resulted in a high number of aboriginal cultural heritage sites, including old villages, legend sites and traditional fishing areas. The river has been a transportation route since time immemorial, first for the First Nations, and later for fur traders and prospectors. The area has long been prized for its recreation and tourism values. In the Lower Stikine, remoteness, spectacular scenery, glaciers, hot-springs and abundant wildlife draw visitors from around the world. The Lower Iskut is less travelled, but also has potential for world class tourism opportunities.

Mineral exploration and development are accepted activities within the Coastal Grizzly/Salmon Management Zone, including roaded access where needed. The Lower Iskut area within the zone is provincially significant for mineralization and the adjacent areas are among the most highly mineralized in the province. This adjacent area includes an operating mine (Eskay Creek), a number of past producers including the recently closed Snip mine, two projects in the Environmental Assessment Process (mine development review phase), and a number of developed prospects. The areas adjacent to the Stikine River are also rich in mineral resources, as evidenced by large undeveloped base metal deposits at Galore Creek and Shaft Creek. Rugged terrain makes the valleys of the Lower Stikine and Iskut strategic in terms of transportation routes for potential future mine development. Careful planning and management of access will be critical for mineral development in order to maintain the high ecological, recreational and cultural values of the area.

Objective Continue to provide opportunities for mineral exploration and mine and road development while maintaining the following:

- Habitat values for salmon, grizzly, mountain goat and moose;

- fisheries values, emphasizing no net loss of fish habitat and sustainable salmon populations;
- the ecological integrity of the confluence area of the Iskut and Stikine Rivers, including habitat for migratory waterfowl, wintering areas for trumpeter swans, fish, wildlife and cultural heritage values;
- the ecological integrity of other riparian areas, including active floodplains, wetlands and stream confluences;
- the ecological integrity of the transition zone from dry interior to wet coastal ecosystems;
- recreation and tourism values;
- water quality; and
- visual quality from the Stikine and Iskut rivers.

Logging is only allowed for the purposes of mineral exploration and/or mine development and for localized use.

Biodiversity	See Timber, Wildlife
Wildlife	Provide adequate buffers to prevent disturbance of overwintering swans where these are identified (including the Iskut-Stikine confluence). Assess habitat values for swans and other waterfowl at the Iskut-Stikine confluence and along the Iskut River. Where inventories indicate significant habitat values, implement appropriate measures to conserve these values such as assigning an appropriate wildlife designation (e.g., wildlife sanctuary, wildlife habitat area, federal migratory bird sanctuary). Apply the following strategies to address grizzly bear habitat: Complete detailed mapping to identify critical patch habitats (1-10 ha in size) in areas potentially impacted by projects (e.g., mine development, roads). Detailed mapping is not required for mineral exploration activities but GMD still applies. Critical patch habitats include: salmon spawning areas and other fish habitat areas where grizzly bears feed; herb-dominated avalanche tracks and run-out zones on southerly and westerly aspects; skunk cabbage swamps and non-forested fen/marsh complexes; herbaceous riparian meadow/wetland complexes; post-fire stands dominated by *Vaccinium* species; subalpine parkland meadows; Hedysarum and glacier lily complexes. Locate roads and mine infrastructure to minimize impacts to the mapped critical patch habitats identified through the mapping prescribed in 1. Monitor for changes to habitat suitability and effectiveness and develop preventative, mitigative or restorative management practices, as required, to maintain the quality of grizzly habitat. Maintain ungulate winter range for goat and moose (as per GMD).
Aquatic Ecosystems and Riparian Habitat	Manage all activities along the Stikine, Iskut and Craig rivers and their tributaries so that there is no net loss of fish habitat, with particular emphasis on sensitive fish habitats like wetland areas, small streams in the floodplain, stream confluences and salmon rearing and spawning areas.
Hunting, Trapping, Guide-outfitting,	Monitor hunting mortality of grizzly, moose and mountain goats and undertake mitigative measures if population viability is threatened.

Fishing	Support an ecologically sustainable salmon fishery.
Recreation/Tourism	Manage recreation and tourism (facilities and commercial activities) for a backcountry experience. Manage levels of recreational use to minimize impacts to wildlife and sensitive sites.
Visual Quality	Designate viewscapes from the Stikine and Iskut rivers as known scenic areas. Wherever possible, there should be no visible change to the natural landscape as seen from the river. Minimize visual impacts of roads from the river.
Cultural/Heritage Resources	Conserve cultural/heritage sites as per GMD
Access Management	Roads are allowed within this zone for the purpose of mineral exploration and mine development. Separate access strategies for the Lower Stikine and Lower Iskut have been developed: LOWER STIKINE CORRIDOR Mineral exploration: Use non-roaded access for mineral exploration unless it can be demonstrated that there are no practicable alternatives. The types of roaded access that may be required for exploration activities could include the construction of spur roads from the river or airstrips for the transportation of heavy equipment or bulk samples. Permanently deactivate mineral exploration trails in a timely manner, consistent with the Mineral Exploration Code. Mine development: Where roaded access is required, it is recommended the following measures be applied to any roaded access in the Lower Stikine corridor. This is intended as guidance for road approval and to assist potential proponents to prepare road proposals that address the key values for this area. For mine development, permits to begin construction of major road corridors should only be issued after over-all project approval requirements have been met. Avoid constructing roads within the zone. Use non-roaded access or roads outside of this zone unless it can be demonstrated that there are no practicable alternatives. Minimize impacts to views from the Stikine River (see Visual Quality). The following access routes are preferred, linking with Highway #37: South from Mess Creek through to More Creek (or Forrest Kerr Creek); East via Porcupine Creek to More Creek (or Forrest Kerr Creek). LOWER ISKUT Air or water access is strongly encouraged for mineral exploration activities. The following access routes are preferred, linking with Highway #37: Along the north side of the Lower Iskut, away from the floodplain and crossing upstream of the Craig to connect with the Eskay Mine Road ACCESS STRATEGIES THAT APPLY TO BOTH THE LOWER STIKINE AND THE LOWER ISKUT The following measures are recommended for either exploration or mine roads: Prepare an access management plan to minimize impacts on ecological, scenic and recreational values. Access management plans will address road use and deactivation and the need for access controls such as gates, removal of temporary bridges, *etc.* Avoid roads within site-specific critical habitat features (terrestrial and aquatic) as identified in GMD (see Wildlife).

	Minimize road density, using shared routes where possible for roads and infrastructure. Limit main stem road development so that roads are on one side of a valley at any one location. Only consider exceptions to this strategy after fairly assessing and weighing all implications (ecological, economic, safety, *etc.*) Employ transportation methods that incur the least environmental risk, are ecologically appropriate and economically feasible. Do not construct circle routes. Permanently deactivate roads within the zone upon completion of operations.
Mineral and Energy Resources	See Access Management Do not locate tailings ponds on the active floodplain (see Glossary). Where possible, avoid locating tailings ponds on the 100 year floodplain. Where possible, locate exploration base camps so that they are not visible from the river and are away from high value recreational sites. Recommend that placer tenures continue to be disallowed.
Timber	Commercial timber harvesting at any scale is not allowed in the Lower Stikine-Iskut Grizzly/Salmon zone. Removal of trees is allowed only where required for the purposes of approved mineral exploration and mine development, including access, and to meet localized non-commercial needs, e.g., firewood, fence rails, building materials (including for construction of commercial facilities), *etc.*"

Part of the access corridor and the proposed Porcupine River aerodrome will lie within the Lower Stikine-Iskut Grizzly/Salmon zone. The start of the access corridor and the concentrate dewatering complex will be located in the Middle Iskut zone. The text from the CIS-LRMP regarding this zone is reproduced below.

> "The Middle Iskut zone follows the Iskut River to Forrest Kerr canyon and includes the Highway 37 corridor south of Kinaskan Provincial Park.
>
> This zone includes a significant portion of the timber harvesting land base for the LRMP area and is the main area where commercial timber harvesting has occurred to date. Riparian areas along this section of the river are part of a unique transitional ecosystem linking Interior Cedar Hemlock ecosystems with boreal forest to the north.
>
> Much of this zone also includes Highway 37, which supports significant tourism traffic. Because of the proximity of the highway and other roads, several sections of the river are accessible, providing a range of recreation opportunities, including kayaking, rafting, hiking along canyons, camping at Devil Lake and visiting the Iskut Hot Springs.
>
> Because of the high recreation and tourism potential and high ecological and connectivity values in this zone, the LRMP provides for stronger riparian management than provided by the General Management Direction.

Objective To maintain the structural and functional integrity of riparian habitat along the Iskut River and to maintain the recreation values along the river and highway corridor while continuing to allow commercial timber harvesting and mineral exploration and development.

Biodiversity	See Aquatic/Riparian and Access
Wildlife	Manage for Ungulate Winter Range and other wildlife species as per GMD
Aquatic Ecosystems and Riparian Habitat	Implement a minimum 100 m reserve zone extending from the outer edge of the active floodplain to each side of the Iskut River and adjacent mapped environmentally sensitive areas, as described below. There will be no timber harvesting within the reserve zone. The reserve zone applies to forestry activities, not mining. The reserve zone includes all of the area within 100m of the outer edge of the active floodplain (see Glossary) or the top of the inner gorge for areas with steep banks/canyons. In some areas this zone will be widened to include "high wildlife environmentally sensitive areas" i.e., critical wildlife riparian habitats such as wetland complexes, confluence areas, ungulate winter range within riparian habitat, and mapped environmentally sensitive areas for wildlife which are within or contiguous with the 100m reserve zone.
Hunting, Trapping, Guide-outfitting, Fishing	If an access road is constructed to Devil Lake, monitor fish populations and take action to prevent overfishing.
Recreation/ Tourism	Provide opportunities for frontcountry tourism development at Devil Lake Locate and design commercial facilities at Devil Lake to reflect the natural setting of the area.
Visual quality	Designate viewscapes from the Iskut River, Devil Lake, and Highway 37 as known scenic areas. Changes to the natural landscape should, where possible, be difficult to distinguish from natural openings from navigable portions of the Iskut River; From Highway 37, alterations may be visible but not readily apparent. Design logging and road building to mimic natural landscape line, form, colour and texture.
Access Management	For new roads, restrict public access west of the Iskut river using river crossings as access control points to minimize impacts on grizzly habitat. In the interest of maintaining biodiversity, encourage the location of main haul roads for forestry to be as far as is technically and feasibly possible from the Iskut River.
Mineral and Energy Resources	As per GMD
Timber	As per GMD (See Aquatic/Riparian and Visual Quality)"

The full text of the CIS-LRMP and all related maps can be found at http://srmwww.gov.bc.ca /ske/lrmp/cassiar/.

2.5.2 Project Adherence to the CIS-LRMP

The CIS-LRMP acknowledges the impressive mineral potential of the Cassiar Iskut-Stikine area. Mineral exploration and mining and construction of access roads for mining are all permitted

activities in the project area subject to the constraints of the General Management Directions and the specific management directions of the Resource Area-Specific Management Zones. NovaGold believes that it can successfully develop, operate and reclaim the Galore Creek mine in a manner wholly consistent with intentions of the CIS-LRMP.

2.6 Licences, Permits and Approvals

Ministerial approvals of the project under the BCEAA and CEAA are not the sole authorizations required to allow the project to proceed. Many other federal and provincial licences, permits and approvals will be required to address the technical and administrative details to construct, operate, decommission and close the Galore Creek mine. The following sections list and summarize the major permits, licences, approvals, consents and material authorizations which are required to occupy, use, construct and operate the Galore Creek mine. The lists cannot be considered comprehensive due to the complexity of government regulatory processes which evolve over time and the large number of minor permits, licences, approvals, consents and authorizations and potential amendments which will be required throughout the life of the mine.

Table 2.6-1 presents a list of British Columbia authorizations, licences and permits required to develop the Galore Creek mine. NovaGold intends to proceed with concurrent permitting for the Galore Creek Project. The agency responsible for the approval of specific permits may be required to make a decision relating to issuing the approval within a specified timeframe. However, under no circumstance can an authorization to construct or operate the mine be issued until the environmental assessment has been completed and an Environmental Assessment Certificate has been granted.

2.6.1 Federal Licences and Approvals

Federal approvals required for the Galore Creek Project (Table 2.6-2) include an authorization from the federal Minister of Environment approving the combined Application/Comprehensive Study Report. Major authorizations are required from Fisheries and Oceans under the *Fisheries Act*. Approvals for water crossings will also be required from Transport Canada under the *Navigable Waters Protection Act*. An explosive factory licence and explosives magazine licence will be required from Natural Resources Canada under the *Explosives Act*. The Metal Mining Effluent Regulation under the *Fisheries Act* and administered by Environment Canada is not likely to require a Schedule II authorization to permit discharge of deleterious substances to the tailings impoundment because the areas proposed for the tailings impoundment do not contain fish. Other federal requirements such as those in respect of radio communication and aviation matters will need licences.

Table 2.6-1
List of British Columbia Authorizations, Licences and Permits Required to Develop Galore Creek Mine

BC Government Permits and Licences	Enabling Legislation
Environmental Assessment Certificate	*BC Environmental Assessment Act*
Permit Approving Work System & Reclamation (Minesite – Initial Development)	*Mines Act*
Amendment to Permit Approving Work System & Reclamation Program (Pre-production)	*Mines Act*
Amendment to Permit Approving Work System & Reclamation Program (Bonding)	*Mines Act*
Amendment to Permit Approving Work System & Reclamation Program (Mine Plan – Production)	*Mines Act*
Amendment to Permit Approving Work System & Reclamation Program (Construction & Operation of Tailings Impoundment Dam)	*Mines Act*
Permit Approving Work System & Reclamation Program (Gravel Pit/Wash Plant/Rock Borrow Pit)	*Mines Act*
Water Licence – Notice of Intention (Application)	*Water Act*
Water Licence – Storage & Diversion	*Water Act*
Water Licence – Use	*Water Act*
Occupant Licence to Cut – Minesite/Tailings Impoundment	*Forest Act*
Occupant Licence to Cut – Gravel Pits	*Forest Act*
Occupant Licence to Cut – Access Road	*Forest Act*
Occupant Licence to Cut – Borrow Areas	*Forest Act*
Occupant Licence to Cut– Power Transmission Line	*Forest Act*
Special Use Permit – Access Road	*Forest Act*
Licence of Occupation –Water Discharge Line	*Land Act*
Licence of Occupation – Borrow/Gravel Pits	*Land Act*
Licence of Occupation – Staging Areas	*Land Act*
Licence of Occupation / Statutory Right of Way – Power Transmission Line	*Land Act*
Surface Lease – Minesite Facilities	*Land Act*
Surface Lease – Concentrate Dewatering Facility (Filter Plant)	*Land Act*
Right of Way – Concentrate and Diesel Pipelines	*Land Act*
Pipeline Permit	*Pipeline Act*
Road Use Permit – Devil Creek Forest Service Road	*Forest Act*
Waste Management Permit – Effluent (Sediment, Tailings & Sewage)	*Environmental Management Act*
Waste Management Permit – Discharge from Filter Plant	*Environmental Management Act*
Waste Management Permit – Air (Crushers, Concentrator)	*Environmental Management Act*
Waste Management Permit – Refuse	*Environmental Management Act*
Camp Operation Permits (Drinking Water, Sewage Disposal, Sanitation and Food Handling)	*Environmental Management Act*
Special Waste Generator Permit (Waste Oil)	*Environmental Management Act (Special Waste Regulations)*
Firearm Restricted Area	*Wildlife Act*

Table 2.6-2
List of Federal Approvals and Licences
Required to Develop Galore Creek Mine

Federal Government Approvals & Licences	Enabling Legislation
CEAA Approval	*Canadian Environmental Assessment Act*
Metal Mining Effluent Regulations (MMER)	*Fisheries Act*/Environment Canada
Fish Habitat Compensation Agreement	*Fisheries Act*
Section 35(2) Authorization	*Fisheries Act*
For harmful alteration, disruption or destruction of fish habitat	
Navigable Water: Stream Crossings Authorization	*Navigable Waters Protection Act*
Explosives Factory Licence	*Explosives Act*
Explosives Magazine Licence	*Explosives Act*
Ammonium Nitrate Storage Facilities	*Canada Transportation Act*
Radio Licences	*Radio Communication Act*
Radioisotope Licence (Nuclear Density Gauges/X-ray analyzer)	*Atomic Energy Control Act*

2.7 Regulatory Schedule

The project area has a limited construction season. The construction season is constrained by harsh winters, vigorous spring freshets, heavy autumn rains and operating windows for fisheries and wildlife management. Timely construction permitting will be critical to the success of the project.

NovaGold will require early approval for multiple construction sites in 2007 to maximize the available construction windows to achieve the target 2010 production start-up. Early initiation of construction of access facilities will be most important. The critical activities will be establishment of multiple headings for road construction, establishing both portals for the Scotsimpson-Galore tunnel, and pre-stripping and diversion channel excavations and tailings dam foundation work on the mine site.

Activities associated with the road, powerline and initial activities in the Galore Creek Valley will be applied for under concurrent permits. Permit applications for construction and operation of the tunnel and mine site will be applied for during the EA review process.

Figure 2.1-3 outlines the regulatory review and approval schedule.