

## **Amendment to the Environmental Impact Statement (EIS) - Kami Iron Ore Project**

We are pleased to provide you with a copy of the Amendment to the EIS for the Kami Iron Ore Project. This Amendment has been prepared in accordance with the EIS Guidelines and in response to information requests (IRs) from regulatory agencies, Aboriginal groups and the public which were provided to Alderon by the Canadian Environmental Assessment Agency (CEA Agency) and the Newfoundland and Labrador Department of Environment and Conservation (NLDOEC) in December 2012.

The Amendment to the EIS is composed of three volumes. **Volume 1** consists of a summary of Alderon's IR responses related to the Kami Iron Ore Mine and Rail Infrastructure in Labrador and is presented in the same format as Volume 1, Part 1 of the EIS. A similar summary of the IRs and associated Alderon responses related to the Kami Concentrate Storage and Load-Out Facility in Québec is presented in **Volume 2**. Detailed responses and additional information for each of the IRs from regulatory agencies, Aboriginal groups and the public are provided in **Volume 3**. Supporting technical reports and additional information are provided as appendices.

Alderon has prepared a courtesy French translation of Volume 1 and Volume 2, and its responses to the information requests which were originally submitted in French by the following groups: Environment Canada (Québec), Conseil Innu Takuaikan Uashat mak Mani-Utenam (ITUM), Town of Fermont, Mouvement Citoyen de Fermont, individual citizens of Fermont, Regroupement pour la Sauvegarde de la Grande Baie de Sept-Îles, Comité ZIP Côte-Nord and Conseil Régional de l'Environnement de la Côte-Nord. The translated documents will be available for distribution to regulatory agencies, Aboriginal groups and the public upon request.

Attached to this letter is a table of the new commitments presented in the Amendment to the EIS. Also, a revised Figure 10.4.1 (Volume 1) is attached.

Sincerely,

*original signed by*

Todd Burlingame  
Executive VP, Environment & Aboriginal Affairs

**New Commitments Presented in the Amendment to the EIS**

VEC	IR Reference	Commitment
<b>LABRADOR (EIS Volume 1)</b>		
Project Description / General	General	Implement a Sustainability Management Framework.
	PC 04; PC 05; and PC 08	Alderon is committed to blast design and monitoring the air blast and ground vibration levels from blasting activities at the mine and limiting the mass of explosives that are instantaneously initiated so that vibrations are minimized.
	IN 08	Alderon will consult as necessary with local emergency response personnel in both provinces during the development of the ERP notification procedures.
	DFO 11	Commitment to conduct baseline water sampling for fecal coliforms if the site septic effluent is discharged to surface waters as currently planned.
	IN 12 and IN 13	Rehabilitation and Closure planning will be further advanced through the detailed design stage, prior to submission to NLDNR as a component of the required submissions to obtain construction approval for the Project.
	PC 08	Alderon will utilize 'best practice' design and progressive rehabilitation techniques to limit dust generation from the Waste Rock Dumps.
	NLWR 07	Concrete, steel or plastic composite ties will be used instead of creosote ties in the sections of the rail route within the PWSA.
	PC 05	Alderon commits to joining the Mining Association of Canada following EA release and Project sanction.
Atmospheric Environment	HC 18	Alderon will incorporate particle composition in its ambient air quality monitoring where appropriate.
	NLPP 09	Model Project emissions during operation following the development of the final mine design plan.
Landforms, Soils, Snow and Ice	EC 38	The Proponent is committed to treating the Pit discharge to meet MMER discharge criteria if required.
	NLWR 12	Future humidity cell and batch cell tests can be conducted to confirm this drainage interaction within the Waste Rock Disposal Areas.

VEC	IR Reference	Commitment
<b>LABRADOR (EIS Volume 1)</b>		
Water Resources	NLWR 01; NLWR 09; and PC 07	<p>An Environmental Protection Plan (EPP) for construction within the PWSA will be developed as part of the overall Environmental Management System and Sustainability Management Framework for the Project.</p> <p>The EPP will include mitigation measures to protect Wahnahish Lake from impacts from construction activities including :</p> <ul style="list-style-type: none"> <li>• silt fences to control dust and sediment from entering the lake;</li> <li>• storm water management at drainage locations to minimize flow disruptions caused by construction; and</li> <li>• spill prevention protocols.</li> </ul>
	NLWR 01; NLWR 09; and PC 07	<p>The rail line will be operated as safely as possible to reduce the risk of a derailment. Below are examples of measures which will be implemented:</p> <ul style="list-style-type: none"> <li>• transport fuel and consumables separately from the main iron ore cars;</li> <li>• reduce the speed of the shipment;</li> <li>• move fuel and consumable railcars by daylight;</li> <li>• send an inspection vehicle (hi-rail pick-up truck) ahead of the fuel cars to inspect the line for damage and obstructions so that the train can be stopped well in advance of any problems on the route; and</li> <li>• the movement of fuel to the site will employ new, double-jacketed tank cars that are designed to withstand certain types of roll-overs and not spill.</li> </ul>
	NLWR 01; NLWR 09; and PC 07	<p>To address the unlikely event that there is a spill, the rail and road corridor through the PWSA the following mitigation measures will be implemented:</p> <ul style="list-style-type: none"> <li>• corridor will be designed as a spill containment area with lined ditches and berms along both sides of the corridor to capture spills;</li> <li>• oil / water separators (OWS) will be installed that will capture fuels so that they do not enter Wahnahish Lake; and</li> <li>• sluice gates, which would stop flow in the event of a spill within the PWSA, will be installed.</li> </ul>

VEC	IR Reference	Commitment
<b>LABRADOR (EIS Volume 1)</b>		
	NLWR 01; NLWR 09; and PC 07	A track maintenance plan will be prepared and implemented to reduce the frequency and magnitude of incidents and maximize the safe handling of all commodities.
	NLWR 01; NLWR 09; and PC 07	Alderon commits to studying and implementing options to ensure the continued supply of water to the Town of Wabush in the unlikely event of a spill. Alderon will also consult and work with the WRMD and the Town of Wabush with the objective of identifying an alternative water supply location that can be used for emergencies and also as a back-up for maintenance and operational issues with the existing water supply system.
	NLWR 01; NLWR 09; and PC 07	Alderon will establish and lead a working committee with WRMD and the Town of Wabush to involve both parties in the design process with respect to the rail routing and selection of an alternative back-up water supply or relocation of the existing PWSA.
	NLWR 21	A specific Environmental Protection Plan (EPP) for any construction within the Protected Potable Water Supply Area will be developed.
	NRCan 07	<p>As part of the ongoing Project design process, Alderon will continue the field work and analyses necessary to update and refine the current model of the existing hydrogeological environment around the proposed open pit, and the potential impacts of the open pit development.</p> <p>The results of the advanced hydrogeological work will be presented in support of Alderon's development and operation permit documentation for review by regulators.</p>
	NRCan 07	Hydraulic conductivity estimates will be refined/updated as additional investigation of soil and bedrock hydraulic properties is carried out during the detailed engineering and design phase of the Project.

VEC	IR Reference	Commitment
<b>LABRADOR (EIS Volume 1)</b>		
	NLWR 28	Surface water quantity monitoring during construction, operations and closure using real-time and/or traditional methods as recommended by the regulatory agencies. Monitoring of groundwater chemistry and water levels using real-time and/or traditional methods as recommended by the regulatory agencies.
	HC 10	<p>Alderon will complete additional water sampling for total and fecal coliforms in Long Lake to identify background levels prior to development of the Kami mine as recommended.</p> <p>The detailed engineering design of the treatment and discharge system will address the Guidelines for both Canadian Drinking Water Quality and Recreational Water Quality.</p>
Wetlands	EC 41	Development of a wetland mitigation and monitoring plan as part of the EPP, incorporating the hierarchical progression of mitigation alternatives (avoidance, minimization, and compensation), where feasible.
	EC 42	Development of a wetland compensation / rehabilitation strategy, in conjunction with adherence with the wetland mitigation and monitoring plan as part of the EPP.
	EC 44	Alderon will evaluate options actions to integrate / coordinate its activities with other operators (e.g., IOC, Cliffs) to ensure research into wetland reclamation / rehabilitation in the region is initiated and supported.
Birds, Other Wildlife and their Habitats, and Protected Areas	EC 52	Targeted dusk surveys for Common Nighthawk ( <i>Chordeiles minor</i> ) will be undertaken in 2013.
	NLWD 29	Amphibian relocation will be considered.
	NLWD 74	Cabins and caves will be surveyed prior to construction activity as part of the EPP. If bat colonies are identified, they will be dealt with according to guidelines set out by provincial regulators.
	NLPP 15	Alderon intends to consult with the other mining operations in the area with respect to their experiences (successes and failures) regarding revegetation practices in support to conducting independent vegetation studies and trials given the specific overburden, topography, drainage, and mine design conditions for the Kami Project.

VEC	IR Reference	Commitment
<b>LABRADOR (EIS Volume 1)</b>		
Species at Risk and Species of Conservation Concern	NLWD 143	Focus on the use of native local species during progressive revegetation, provided that they are effective in preventing dust lift and erosion.
Other Current Use of Lands and Resources	PC 01	Alderon has committed to working with local user groups (e.g. snowmobile clubs) to address specific project concerns.
Community Services and Infrastructure	PC 05	Alderon has committed to participating in a consultation committee comprised of a number of mining companies in the Fermont area. Alderon has committed to participating in the Route 389 Safety Committee.
	PC 06	Alderon will work with relevant government agencies and other organizations to provide information about the Project which could affect community infrastructure and services (e.g. municipal and provincial roads, airport, community infrastructure, education, health, child care; specific mine training and laboratories / shops).
Health and Community Health	HC 15	Alderon will initiate country foods baseline monitoring program in 2013.
Economy, Employment and Business	IN 21	Alderon has adopted a position that there will be a reasonable transition period required, but on or before December 31, 2017 the local workforce will be entirely local residents.

VEC	IR Reference	New Commitment for Discussion
<b>QUÉBEC (EIS Volume 2)</b>		
Project Description/General	QEC 53	Commitment to consult with DFO on issue of impacts of a breach of the retention pond which releases into the Baie des Sept-Iles.
Water Resources	QEC 01	A Water Management Plan will be developed and implemented to describe how water on site will be diverted, collected, treated, and/or stored so as to minimize adverse environmental effects. The details require to complete this plan will become available at the permitting stage when the Project design is sufficiently detailed and finalized to prescribe site-specific measures. The plan will be developed by Alderon and submitted to appropriate regulatory agencies for review prior to the initiation of Project activities.
	QEC 57	Alderon will monitor the quality of both streams during operation.
Birds, Other Wildlife and their Habitats, and Protected Areas	PC 11	Monitoring of the Anse à Brochu and Anse à la Baleine for concentrations of waterfowl will be conducted prior to and during blasting, if it is to occur during the migration season.

### Revised Figure 10.4.1, Volume 1

**Figure 10.4.1 Proportion of Issues identified by Aboriginal Participants during the EIS Public Review Period (Revised)**

