

Fish Habitat Compensation Plan for MMER Schedule 2 Amendments

The Rainy River Project is an advanced gold exploration project located within the Township of Chapple, approximately 65 kilometres northwest of Fort Frances in Northwestern Ontario. New Gold is pursuing environmental approvals for the development of a gold mine that will see a capital investment of approximately \$700M along with the creation of approximately 500 fulltime jobs with a projected project life of 16+ years.



Proposed Design & Impacts

Development of the Rainy River Project will require the permanent storage of mine waste such as mine rock, effluent, overburden, and mine tailings. Some of the storage facilities will result in the filling of natural creeks and ponds that contain small fish – minnows, for example.

Using a natural water body that contains fish for mine waste disposal requires an amendment to Schedule 2 of the Metal Mining Effluent Regulations (MMER) which was developed under subsections 34(2), 36(5) and 38(9) of the Federal Fisheries Act to regulate the deposit of mine waste into natural waters frequented by fish. As part of the MMER Schedule 2 consultation process under the coordinated Federal-Provincial Environmental Assessment, it is expected that the Federal government will undertake community consultations in the fall of 2014.

Before selecting the preferred storage locations, New Gold considered several alternative storage locations for mine waste. The assessment of alternative locations was based on:

- Technical applicability and/or system integrity & reliability;
- Ability to service the site effectively;
- Cost effectiveness;
- Adverse effects on the natural environment;
- Effects on the human environment; and
- Ease of reclamation.

The selected locations of the Tailings Management Area, and, the overburden and mine rock stockpiles will result in the filling with mine waste of creeks and ponds associated with Loslo Creek and Marr Creek sub-watersheds, small tributaries to the Pinewood River, which support several species of minnows and White Sucker.

Fish Habitat Compensation & No Net Loss Plan

Prior to listing the affected water bodies on Schedule 2, a detailed fish habitat compensation plan (also called a No Net Loss Plan) is developed to ensure that there is no overall loss to fisheries productivity. In the case of the RRP, the Project team has committed to the construction of replacement habitat equal to or greater than the amount of the fish habitat that will be filled in.

Approximately 21.32 hectares (ha) of fish frequented waters will be filled in to accommodate mine waste storage during site development and operation. To compensate for this lost fish habitat, the RRP will construct approximately 25.71 ha of new pond and creek habitat around the property. This will insure that more fish habitat is built than is lost – currently, the project design will result in a net gain of 4.39 ha. The table below summarizes the fisheries habitat lost and created due to the Project.

Lost Habitat (Filled in)		Developed Habitat (Compensation)
Tailings Area	15.83 ha	New Creek Channel 6.20 ha
Effluent Storage	4.74 ha	New Ponds 19.51 ha
Waste Rock	0.55 ha	
Overburden	0.20 ha	
TOTAL	21.32 ha	TOTAL 25.71 ha
COMPENSATION NET GAIN – 4.39 ha		

The Project team will monitor the constructed channels and ponds until it is demonstrated that they are functional and providing the required level of fisheries value.

To ensure the works are completed as proposed, a letter of credit for the full cost of the compensation plan will be filed with the government until monitoring has demonstrated that the commitments of the fish habitat compensation plan have been met.

