



Kemess Underground CEEA Accidents and
Malfunctions Incident Report

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Acronyms and Abbreviations

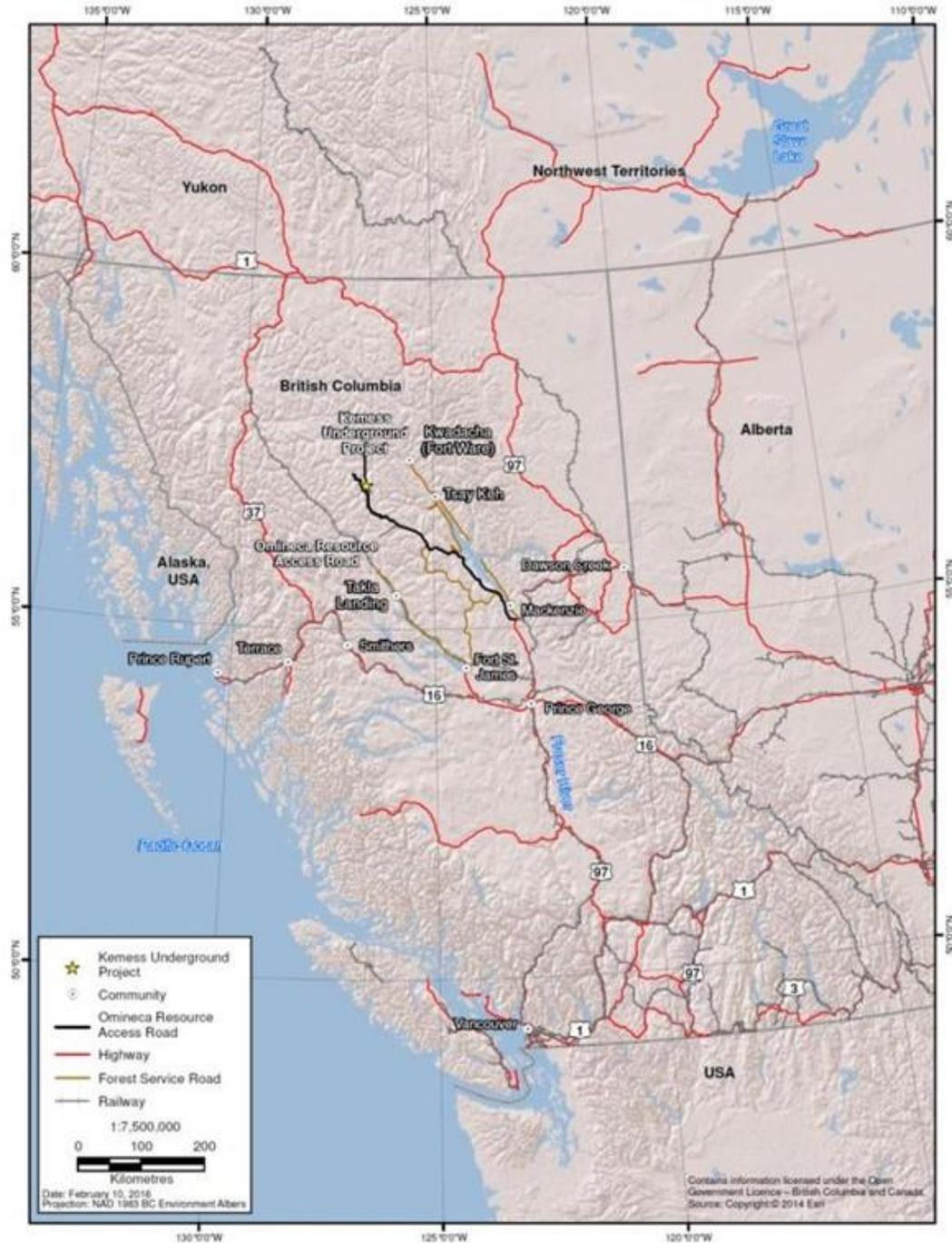
Terminology used in this document is defined where it is first used. The following list will assist readers who may choose to review only portions of the document.

AuRico	AuRico Metals Inc.
CEAA	Canadian Environmental Assessment Agency
EA	Environmental Assessment
EMC	Environmental Management Committee
ENV	Ministry of Environment
EMPR	Ministry of Energy, Mines and Petroleum Resources
FLNRORD	Ministry of Forests, Lands, Natural Resource Operations and Rural Development
IBA	Impact and Benefit Agreement
KwN	Kwadacha Nation
KUG	Kemess Underground
MERP	Mine Emergency Response Plan
SIC	Senior Implementation Committee
TKDN	Tsay Keh Dene Nation
TKN	Tsay Keh Nay
TLFN	Takla Lake First Nation

Report Introduction

On May 16, 2018 a wildfire was discovered in the Kemess Lake Valley area in the Kemess Mine site project footprint. This report is developed to comply with Condition 9 *Accidents and Malfunctions* of the Canadian Environmental Assessment Agency (CEAA) Environmental Assessment (EA) Certificate M-17-01. Specifically, this document was drafted to fulfil the requirement in CEAA condition 9.4.3 for AuRico Metals Inc. (AuRico) to *“submit a written report to the Agency no later than 30 days after the day in which the accident or malfunction took place.”* In compliance with CEAA requirement 2.11 *“The Proponent shall publish on the Internet, or any medium which is widely publicly available, ... the reports related to accidents and malfunctions referred to in conditions 9.4.3 and 9.4.4... upon submission of these documents to the parties referenced in the respective conditions. The Proponent shall keep these documents publicly available throughout construction and operation and until the end of decommissioning. The Proponent shall notify the Agency, Indigenous groups, and Gitxsan Wilp Nii Kyap of the availability of these documents upon publication.* A copy of this report is published online at <https://www.centerragold.com/operations/kemess/kemess-underground-project> and AuRico has notified the Agency, Indigenous Groups and Gitxsan Wilp Nii Kyap of the availability of the document.

Figure 1 Kemess Underground Project Location Map



Compliance Obligations

CEAA EAC Certificate Decision Conditions

CEAA Condition 9.4: Accidents and Malfunctions for EA Certificate M-17-01 sets out the following:

In the event of an accident or malfunction with the potential to cause adverse environmental effects, the Proponent shall implement the emergency response plan referred to in condition 9.3 and shall:

9.4.1 notify Indigenous groups, Gitxsan Wilp Nii Kyap, and relevant authorities of the accident or malfunction as soon as possible, and notify the Agency in writing;

9.4.2 implement immediate measures to mitigate any adverse environmental effects associated with the accident or malfunction;

9.4.3 submit a written report to the Agency no later than 30 days after the day on which the accident or malfunction took place. The written report shall include:

9.4.3.1 a description of the accident or malfunction and of its adverse environmental effects;

9.4.3.2 the measures that were taken by the Proponent to mitigate the adverse environmental effects of the accident or malfunction;

9.4.3.3 any views received from Indigenous groups, Gitxsan Wilp Nii Kyap, and relevant authorities with respect to the accident or malfunction, its adverse environmental effects, and measures taken by the Proponent to mitigate adverse environmental effects;

9.4.3.4 a description of any residual adverse environmental effects and any modified or additional measures required by the Proponent to mitigate residual adverse environmental effects;

9.4.3.5 details concerning the implementation

Incident Description and its Adverse Environmental Effects: CEAA Condition 9.4.3.1

From May 1- May 14, 2018 AuRico, under the authority of Burn Registration ID R 18-G0225, through their construction contractor, began a category three controlled burn of waste wood from the planned clearing of the access corridor to KUG through the Kemess Lake Valley. A written plan identifying five safety measures to control was put in place prior to the planned burn. The planned burn began on May

1 and concluded on May 9 without incident. On subsequent visits to the KLV by AuRico on May 11 and May 14 no signs of smoke or fire were observed.

On May 16 at ~18:30 employees noted smoke coming from the KLV area and a team of four KUG employees including the Project Manager, Construction Manager, Environmental Coordinator and Safety Coordinator headed to the area to investigate. Upon observation, it was discovered that there were active fires in the recently cleared area and in the standing timber adjacent to the clearing area on the northside of the KLV. AuRico personnel were dispatched to fight the fire by hand and a bulldozer was driven to the location of the fire to create a fire break. The Ministry of Forest Lands and Natural Resource Operations wildfire branch was notified around 19:00 hours on May 16. An aerial assessment of the fire was conducted on the evening of May 16. On May 17 Kemess personnel continued to work on the fire. A FLNRO crew of 6 were dispatched to fight the fire, arriving at approximately 3 pm by plane at the KUG airstrip on May 17.

Kemess personnel continued to assist FLNRO wildfire team on May 17. FLNRO wildfire personnel stayed onsite until May 20, 2018 when the fire was extinguished.

An initial survey of the wildfire area by FLNRO listed the impacted area at 15 hectares. No loss of life, injury or equipment was associated with the incident.

Notification: CEAA Condition 9.4.1

“9.4.1 notify Indigenous groups, Gitxsan Wilp Nii Kyap, and relevant authorities of the accident or malfunction as soon as possible, and notify the Agency in writing;”

As per CEAA Condition 9.4.1, and the Kemess Underground Accidents and Malfunctions Communications Plan, AuRico notified the relevant authorities indigenous groups, and Gitxsan Wilp Nii Kyap of the incident. Table 1 captures who AuRico notified of the incident and the method of contact communication.

Table 1: Accidents and Malfunctions Communication Tracking

Agency, relevant Authorities, or First Nation	Date	Method of Contact
FLNRORD Wildfire branch	2018-05-16	Phone
TKN	2018-05-19	Phone and email
EMPR	2018-05-18	Phone
CEAA	2018-05-20	Email
Gitxsan Wilp Nii Kyap	2018-05-20	Email

Immediate Mitigation Measures Taken: CEA Condition 9.4.2

9.4.2 implement immediate measures to mitigate any adverse environmental effects associated with the accident or malfunction;

Upon discovery of the wildfire Kemess personnel assessed the scope of the fire and began to actively fight to contain the fire creating fire breaks by hand and through use of onsite heavy equipment. Firefighting efforts were conducted during daily light hours for safety considerations. The wildfire was reported to the FLNRORD wildfire branch May 16th at approximately 19:00 hrs. AuRico personnel continued to assist FLNRORD wildfire crews once they were deployed to site until the fire was deemed extinguished on May 20, 2018.

Mitigation Measures: CEAA Condition 9.4.3.2

9.4.3.2 the measures that were taken by the Proponent to mitigate the adverse environmental effects of the accident or malfunction;

AuRico is currently reviewing their internal communication, policies and procedures for waste wood management and considering comments from Kemess personnel, contractor and Indigenous Groups and Gitksan Nii Kyap for corrective and preventive actions. In future, alternative methods of waste wood management such as chipping would be considered.

Feedback and Comments Received on the Incident: CEAA Condition 9.4.3.3

9.4.3.3 any views received from Indigenous groups, Gitksan Wilp Nii Kyap, and relevant authorities with respect to the accident or malfunction, its adverse environmental effects, and measures taken by the Proponent to mitigate adverse environmental effects;

To date there have been no comments received from TKN about the incident. On May 31, Gitksan Nii Kyap commented on the quick response time of AuRico to the incident.

Residual Adverse Environmental Effects: CEAA Condition 9.4.3.4

9.4.3.4 a description of any residual adverse environmental effects and any modified or additional measures required by the Proponent to mitigate residual adverse environmental effects;

To date no adverse environmental effects have been identified from the incident. AuRico will continue to monitor the area to determine if any delayed adverse environmental effects may present.

Implementation of the Emergency Response Plan: CEAA Condition 9.4.3.5

9.4.3.5 details concerning the implementation of the emergency response plan referred to in condition 9.3; and

AuRico has conducted a post incident review of Accidents and Malfunctions Communication Plan and has subsequently identified potential updates to the plan. The draft update will be circulated to TKN and Gitxsan Wilp Nii Kyap for comment.

NEXT STEPS

In keeping with their commitment to adaptive management, AuRico is currently reviewing their internal policies and procedures for waste wood management and considering comments from Kemess personnel, contractors, Indigenous Groups and Gitxsan Nii Kyap for corrective and preventive actions. An update of the Accidents and Malfunctions Communication Plan will be circulated to TKN and Gitxsan Wilp Nii Kyap for comment. As per CEAA Condition 9, AuRico will submit a written report to the Agency, no later than 90 days after the day on which the accident or malfunction took place, (on or before August 14, 2018) on the changes made to avoid a subsequent occurrence of the accident or malfunction, and on the implementation of any modified or additional measures to mitigate and monitor residual adverse environmental effects and to carry out any required progressive reclamation, taking into account the information in the written report submitted pursuant to condition 9.4.3.