

THE SISSON PARTNERSHIP

Sisson Tungsten and Molybdenum Project
in Central New Brunswick



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PARTNERSHIP



Responsible Resource Development

April 2018

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Background

- The Sisson Partnership submitted its Environmental Impact Assessment in 2013 and received provincial approval in December 2015
- The mining project also underwent a federal environmental assessment under the former *Canadian Environmental Assessment Act*, and received a positive decision in June 2017
- To go forward with the project, the Sisson Partnership will require various authorizations, permits, licences, including authorizations under the *Fisheries Act*



Provincial Approval: 40 Conditions

- The Project received provincial EIA approval on December 3, 2015. There were 40 conditions attached to the Approval
- These conditions were developed as a result of extensive First Nation and public consultation/submissions made under the EIA process and address a variety of comments including, but not limited to:
 - Environmental Monitoring
 - TSF Construction & Management
 - Water Quality & Management
 - Socio-Economic Considerations
 - *First Nation & Public Engagement*
 - *Local Hire Policy*
 - *Local Contractor Information Sessions*
 - *Community Liaison Committee*



Summary of Key Conditions Attached to the Provincial EIA Approval:

- The proponent must submit revised water quality modelling results and interpretation in support of a final engineered design, to the Manager, Environmental Assessment Section, DELG, for review/approval, prior to applying for Approvals to Construct or Operate... **(#4)**
- The proponent must obtain a Water Quality Approval to Operate, which will include MMER regulated water quality discharge limits to ensure protection of the receiving waters... **(#7)**
- The Water Monitoring/Management Plan must be submitted along with the Water Quality Approval to Construct permit application, and be approved prior to commencing construction... **(#8)**



Tailings Storage Facility (TSF)

Summary of Key Conditions Attached to the Provincial EIA Approval:

- The proponent must test for and map permeable zones of rock disruption/faults or weathered and unconsolidated granitic rock or other surficial material ... **(#23)**
- The proponent must conduct geotechnical drilling and test pitting along the centreline of the proposed TSF dam alignment... **(#24)**
- The proponent must conduct additional hydrogeological testing in order to evaluate the inferred fault zones underlying Sisson Brook ... **(#25)**
- The proponent shall establish and fund an Independent Tailings Review Board (ITRB) to evaluate the design, construction and performance of the TSF consistent with good practice and best available technology... **(#39)**

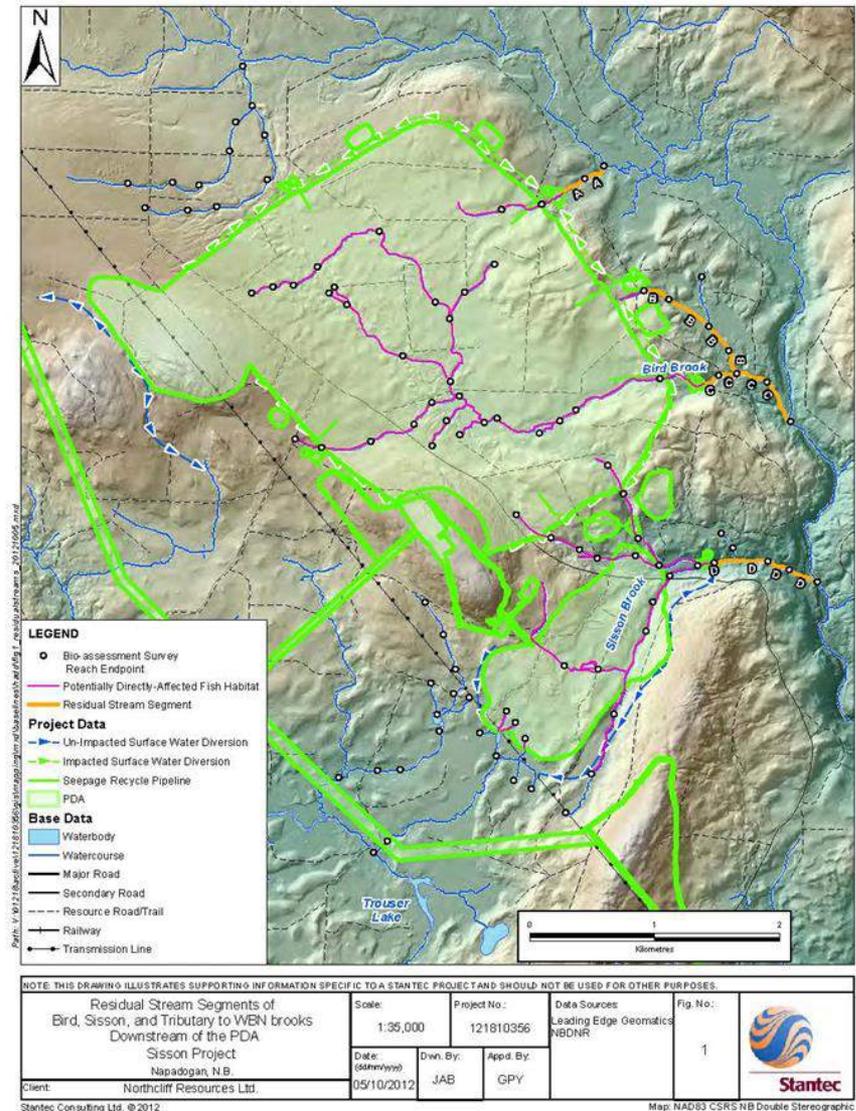


Examples of TSF Construction

- The MMER Permit Process Reviews
 - TSF Alternative Assessment
 - Fish Habitat Compensation Plan
- To date 37 bodies of water are listed in Schedule 2, associated with 19 mines in Canada
- Regulations require mines to:
 - Manage effluent and ensure effluent meets MMER discharge quality standards
 - Monitor the quality and quantity of effluent
 - Testing for potential environmental effects through an environmental effects monitoring program

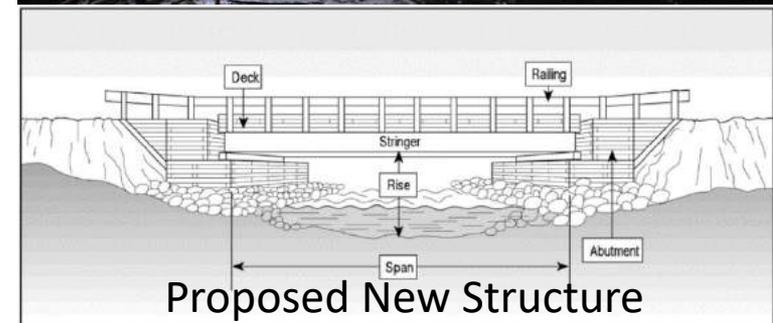
Process: MMER Schedule 2 Permit

- The proposed location for the Tailings Storage Facility (TSF) would result in the loss of portions of Bird Brook and an unnamed tributary to the West Branch Napadogan Brook that are frequented by fish (*Final EIA Report, Section 8.5, Page 8-137*)
- These waters would need to be added to Schedule 2 of the MMER prior to constructing the TSF
- As a result of this lost fish habitat the Sisson Partnership has developed a proposed Fish Habitat Compensation Plan to offset for the loss, as per the MMER Regulations



Fish Habitat Compensation Plan

- Sisson is required to offset losses in fisheries productivity due to the Project by enhancing other areas of fish habitat in the Nashwaak River watershed
- A fisheries productivity offsetting plan must be approved by Fisheries and Oceans Canada and Environment and Climate Change Canada
- The total anticipated direct and indirect fish habitat lost as a result of the project is $\sim 54,400 \text{ m}^2$.
- Our proposal is to remove an old water-level control dam/road culvert on the Nashwaak River just below its exit from Nashwaak Lake, and to replace it with a bridge. The dam/culvert is a barrier to fish passage (*Final EIA Report*, Section 7.4, Page 7-82)
- The total fish habitat access regained as a result of the compensation plan is projected to be $\sim 1,143,700 \text{ m}^2$



Summary

- The Tailings Storage Alternative Analysis is included in the EIA Report
- There are conditions attached to the Provincial EIA Approval that are:
 - Specific to TSF construction & safety
 - Specific to regulated water quality discharge limits to ensure protection of the receiving waters
- The MMER Permit Process Reviews
 - TSF Alternative Assessment Report
 - Fish Habitat Compensation Plan
- The MMER Schedule 2 permitting process is not an application to release untreated mine waste water directly into the environment



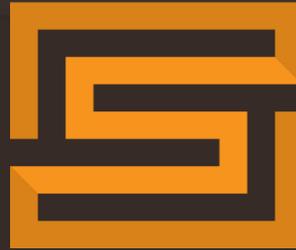
- The water discharged from the TSF will be subject to MMER regulated water quality discharge limits to ensure protection of the receiving waters and the project is obliged, by law, to meet these limits.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This document contains “forward-looking statements” that are based on Northcliff’s expectations, estimates and projections as of the dates as of which those statements were made. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as “outlook”, “anticipate”, “project”, “target”, “believe”, “estimate”, “expect”, “intend”, “should” and similar expressions. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. These include but are not limited to uncertainties and costs related to the Company’s exploration and development activities, such as those associated with determining whether mineral resources or reserves exist on a property; uncertainties related to feasibility studies that provide estimates of expected or anticipated costs, expenditures and economic returns from a mining project; uncertainties related to expected production rates, timing of production and the cash and total costs of production and milling; uncertainties related to the ability to obtain necessary licenses, permits, electricity, surface rights and title for development projects; operating and technical difficulties in connection with mining development activities; uncertainties related to the accuracy of our mineral reserve and mineral resource estimates and our estimates of future production and future cash and total costs of production, and the geotechnical or hydrogeological nature of ore deposits, and diminishing quantities or grades of mineral reserves; uncertainties related to unexpected judicial or regulatory proceedings; changes in, and the effects of, the laws, regulations and government policies affecting our mining operations, particularly laws, regulations and policies relating to mine expansions, environmental protection and associated compliance costs arising from exploration, mine development, mine operations and mine closures; expected effective future tax rates in jurisdictions in which our operations are located; the protection of the health and safety of mine workers; and mineral rights ownership in countries where our mineral deposits are located; changes in general economic conditions, the financial markets and in the demand and market price for gold, silver and other minerals and commodities, such as diesel fuel, coal, petroleum coke, steel, concrete, electricity and other forms of energy, mining equipment, and fluctuations in exchange rates, particularly with respect to the value of the U.S. dollar and Canadian dollar; unusual or unexpected formation, cave-ins, flooding, pressures, and precious metals losses, or other similar events (and the risk of inadequate insurance or inability to obtain insurance to cover these risks); changes in accounting policies and methods we use to report our financial condition, including uncertainties associated with critical accounting assumptions and estimates; environmental issues and liabilities associated with mining including processing and stock piling ore; geopolitical uncertainty and political and economic instability in countries which we operate; and labour strikes, work stoppages, or other interruptions to, or difficulties in, the employment of labour in markets in which we operate mineral projects or mines, or environmental hazards, industrial accidents or other events or occurrences, including third party interference that interrupt the production of minerals in our mines. For further information, investors should review the Company’s filings that are available at www.sedar.com.

FEBRUARY 2015: FINAL ENVIRONMENTAL IMPACT ASSESSMENT REPORT

The Final Environmental Impact Assessment Report was completed in February 2015. The report was developed by Stantec Consulting Ltd. with input from a number of other consultants.



SISSONPARTNERSHIP.COM

FREDERICTON OFFICE

212 Queen Street Suite, Fredericton, NB E3B 1A8

Tel: 506.455.0530

HEAD OFFICE

15th Floor - 1040 W. Georgia St., Vancouver, BC V6E 4H1

Tel: 604.684.6365 **Fax:** 604.684.8092 **TF:** 800.667.2114