



Sustainable Development

Environmental Stewardship Division
Environmental Approvals Branch
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File: 557.10

March 14, 2018

Mr. Lyle Safronetz
Vale Canada Inc.
P.O. Box 5000
Thompson, MB R8N 1P3

Dear Mr. Safronetz:

Re: Vale Canada Incorporated – Environment Act Licence No. 960VC – Notice of Alteration – Smelter and Refinery Closure

Receipt of your March 30, 2017 submission is acknowledged as a notice of alteration in accordance with Section 14 of The Environment Act.

The requested change to the Development as Licensed is for the permanent closure of the existing smelter and refinery in 2018.

Following the closure of the smelter and refinery, Vale's overall process would change such that nickel ore would be crushed and ground at the existing mill, then processed and dewatered to produce nickel concentrate. The nickel concentrate would then be transported offsite for further processing at Vale Operations in Sudbury and Newfoundland.

The information provided states that the environmental impact of the smelter and refinery closure will be significantly positive with a 47% reduction in raw water usage; elimination of ~68 million pounds of annual bulk chemicals consumed and a ~42% reduction in annual waste generation.

The potential environmental effect of the requested change to the Development as Licensed is insignificant and considered to be a minor alteration in accordance with Section 14(2) of The Environment Act. Approval is hereby granted for the closure of the smelter and refinery as described in the March 30, 2017 submission and subject to the following condition:

1. The Licencee shall continue to operate the air quality monitoring stations in accordance with the direction of the Climate Change and Air Quality Branch of Manitoba Sustainable Development; and
2. The Licencee shall prepare and submit quarterly progress reports detailing the status of the smelter and refinery decommissioning.

Please note that Manitoba Regulation 165/88 Inco Limited and Hudson Bay Mining Co. Limited Smelter Complex (C.C.S.M. c. E125) will be repealed upon the completion of the decommissioning of the smelter and refinery.

All limits, terms and conditions of Environment Act Licence No. 960VC remain in effect. This approval is contingent on Vale Canada Inc. accepting an updated Environment Act Licence for the Development to be issued in the near future.

If you have any questions, please contact Jennifer Winsor, P.Eng. at 204-945-7012.

Yours sincerely,



Tracey Braun, M.Sc.
Director

- c. Don Labossiere/Tim Prawdzik/Jeff Fountain – Environmental Compliance and Enforcement Branch, Manitoba Sustainable Development
Jennifer Winsor – Environmental Approvals Branch, Manitoba Sustainable Development
Public Registries