



Sustainable Development

Environmental Stewardship Division
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File: 5583.00

January 30, 2017

Mr. Jay Cooper
Hudbay Minerals Inc.
P.O. Box 1500
Flin Flon, MB R8A 1N9

Dear Mr. Cooper:

Re: Hudbay Minerals Inc. – Environment Act Licence No. 3096 – Notice of Alteration – Lalor Paste Plant

Receipt of your December 19, 2016 submission is acknowledged as a notice of alteration in accordance with Section 14 of *The Environment Act*.

The requested changes to the Development as Licensed are the construction and operation of a paste backfill plant located on the Lalor Mine site (Lalor Paste Plant), a pipeline system to transport tailings from the Stall Lake Concentrator to the Lalor Paste Plant, return water pipeline, booster pump station and ancillary components.

The information provided states that the tailings from the Stall Lake Concentrator would be pumped to the Lalor Paste Plant via pipeline system for processing into a paste backfill material. The paste backfill would be pumped to an underground distribution system at the Lalor Mine. The underground distribution system consists of two boreholes at the surface, a sump, pressure gauge, camera and distribution pipes. It is stated that the use of a paste backfill plant is regarded as a best practice in the mining industry and will replace the use of waste rock as backfill at the Lalor Mine.

The pipeline system would consist of two main pipes to be laid on surface for approximately 14 km to transport tailings from the Stall Lake Concentrator to the Lalor Paste Plant via the Anderson booster pump station and to transport thickener overflow water from the Lalor Paste Plant to the Anderson booster pump station. Ancillary pipes would also be required at the Anderson Tailings Impoundment Area (TIA) site and Lalor Mine site.

The information provided states that all components of the proposed alteration to the Development are contained within land that is held by the Licencee under lease or in fee simple and which is already occupied and used for mining purposes.

The reuse of tailings from the Stall Lake Concentrator will reduce the need for tailings storage at the Anderson TIA and is a mitigation measure to the operation of the Lalor Mine.

The potential environmental effect of the requested changes 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 construction and operation of the Lalor Paste Plant and pipeline system as described in the December 19, 2016 submission.

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/Cristal Huculak – Environmental Compliance and Enforcement Branch, Manitoba Sustainable Development
Jennifer Winsor – Environmental Approvals Branch, Manitoba Sustainable Development
Public Registries