GX Technology Canada Ltd.'s LabradorSPAN 2D Seismic, Gravity and Magnetic Survey Environmental Assessment Amendment

Responses to Consolidated Review Comments

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The following responds to the document "C-NLOPB Consolidated Review Comments" (dated 21 March 2017), in response to GX Technology Canada Ltd.'s LabradorSPAN 2D Seismic, Gravity and Magnetic Survey Environmental Assessment Amendment, submitted in March 2016.

The responses that follow reproduce each of the comments received by GXT, organized under the commenting organization name, and provides GXT's response below each comment. This response document is ordered as follows:

- 1. Fisheries and Oceans Canada (DFO)
- 2. Department of National Defence (DND)
- 3. Nunatsiavut Government (NG)

1. Fisheries and Oceans Canada (DFO)

1.a DFO Comment: Please note that the planned changes to the project temporal scope and data acquisition as described in the March 2016 EA Amendment and the related evaluation of predicted effects and mitigations seems to be logical and consistent with the predicted outcomes described within the original project EA. That being said although there are currently no areas that have been designated as critical habitat for Species at Risk Act (SARA) listed species in the project area given that the proposed geophysical program is planned to extend to 2020 the status of designation of critical habitat for SARA listed species may (or may not) change. As such any future EA Updates should bear this in mind and ensure that they reflect the most current and accurate information vis a vis SARA species listings and critical habitat designations as well as possible changes relative to existing and active commercial fishing activity.

GXT Response: GXT will continue to monitor the status of SARA listed species and designations of critical habitat and will include and consider any such changes in the EA updates prepared for any survey program year.

2. Department of National Defence (DND)

2.a DND Comment: Please identify a specific individual or office to serve as a Point of Contact (POC) for MARLANT queries and concerns;

GXT Response: The current Point of Contact is Project Manager Dean Kennedy (dean.kennedy@iongeo.com); any changes to this will be included in EA updates prepared for any survey program year.

2.b DND Comment: Please ensure the appropriate Notice to Mariners will be issued for all underwater activities and any significant surface ventures, such as use of flares, buoys, and unconventional lighting;

GXT Response: As committed to in the EA, Notices to Shipping will be filed via CCG Port aux Basques Marine Communications and Traffic Services for all areas of operations; these will become Notices to Mariners if in effect long enough.

2.c DND Comment: Please ensure the appropriate Notice to Airmen will be issued for all activities that could affect air safety, such as use of balloons, Unmanned Aerial Vehicles (UAVs) or tethered airborne devices; and

GXT Response: No such activities are planned for this project.

2.e DND Comment: Please ensure engagement of CTF 84, through Director General Naval Strategic Readiness (DGNSR), to ensure de-confliction with possible Allied submarine activities.

GXT Response: GXT will inform and communicate survey plans to the MARLANT Safety and Environment Officer before any marine operations begin in any survey year (Via phone (902) 721-6881, fax (902) 721-5417 and/or email (Carollee.Giffin@forces.gc.ca).

2.f DND Comment: Due to the inherent dangers associated with UXO and the fact that the Northwest Atlantic Ocean was exposed to many naval engagements during WWII, should any suspected UXO be encountered during the course of the operations, the Proponent should not disturb/manipulate it. The Proponent should mark the location and immediately inform the Coast Guard. Additional information is available in the 2010 Annual Edition - Notices to Mariners, Section 37. Further UXO general information is available at our website at www.uxocanada.forces.gc.ca.

GXT Response: Noted; GXT will not disturb/manipulate any suspected UXO encountered, will mark the location and will immediately inform the Coast Guard.

3. Nunatsiavut Government (NG)

3.a NG Comment: The Nunatsiavut Government is not supportive of the proposed activities and timelines within the amendment. The NG finds that the proposed activities and temporal scope within the amendment deviate from the original Environmental Assessment to the degree that it is no longer valid and finds that the assessment provided in the amendment to be inadequate to assess impacts to VECs and cumulative impacts.

The request to extend the length of the program from 2015 to 2020 would add four years of seismic activity to the proposed program which is not properly assessed in the amendment. Furthermore, the request to increase the maximum annual production to 16,000 km lines goes well beyond what was originally approved (8,500 km lines) in the original EA. The environmental impacts of this extension have not been properly assessed by the company and have not been properly scrutinized by the regulatory authority and its reviewers. This is illustrated in Section 5 of the Amendment which solely assesses the impacts of the doubling of production lines by referencing the sections of the 2013 Environmental Assessment.

As an extension of the above, the amendment fails to properly address cumulative impacts. Proper cumulative impact assessments are required to fully assess the additive or multiplicative effects of potential projects. Therefore forgoing assessment with the reasoning that the number of active projects is unknown, as stated on page 13 of the Amendment is unacceptable EA practice. The proponent should clearly state and assess the maximum number of potential projects within the extended temporal scope of their program. Although the NG prefers EAs with annual timelines, the annual EA Update process should only be used to update cumulative impact assessments as more concrete information becomes available.

GXT Response: As described in GXT's EA Amendment filing, the extended temporal scope of the project and the increase in the maximum annual production do not introduce any new potential effects not already assessed in the original 2013 EA (LGL/GXT 2013), and there have been no pertinent changes to the VECs considered and assessed. Consequently, the assessment presented in 2013 remains directly and fully applicable to the potential interactions and effects of the amended program. Further, extending the potential maximum acquisition and the years in which the program might occur does not require any new or enhanced mitigation measures. (GXT notes that extending the temporal scope to 2020 is more in keeping with most recent EAs filed with the C-NLOPB, most of which are based on a 10+ year scope.) GXT also notes that while an extension of the EA scope to 2020 increases the potential years of activity originally scoped, surveying has only occurred during one year to date, so that a maximum of just four more years of surveying is possible under the proposed amendment. In terms of inter-project cumulative effects, this potential for other surveys to occur on the Labrador Shelf at the same time is the same as assessed in the original EA, and – as with any survey year - can only definitively be known as the survey season approaches, or as NG notes as more concrete information becomes available. As stated in the Amendment document, the required EA updates will identify other marine activities likely to occur during a program year, and communication protocols and mutual avoidance plans will be implemented. Specifically, "If GXT's operations do overlap spatially with another exploration project on the Labrador Shelf in any year, seismic operators will need to communicate with each other to ensure a spatial and/or temporal separation of operations. This is a standard practice in the industry, as stated in the 2013 EA and 2014 Update. ... A key mitigation approach for all of these programs is a simultaneous operations plan, which would aim to establish a minimum separation distance that both/all seismic operators would maintain while acquiring seismic data" (GXT EA Amendment p. 13).

Any other changes in circumstances relevant to the assessment – such as the change in a specie's SARA status, or the declaration of critical habitat under SARA – will also be considered in the EA updates prepared, submitted and reviewed before a program authorization is issued in any survey year.