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Ref: 97339

Ken Stowe
Chief Executive Officer
Northgate Minerals Corporation
406-815 Hornby St
Vancouver BC V6Z 2E6

Dear Mr. Stowe:

I am writing on behalf of the Honourable Richard Neufeld, Minister of Energy, Mines and Petroleum Resources and myself to advise you of our decision under section 17(3) of the *Environmental Assessment Act* regarding Northgate Mineral Corporation's (Northgate) application for an environmental assessment certificate in respect of the proposed Kemess North mine (Project). In reaching this decision, we have considered the Joint Review Panel's (Panel) report, as well as comments received from Northgate, First Nations, and government agencies respecting the Panel's report.

We have decided to accept the Panel's recommendation to refuse to issue an environmental assessment certificate for the Project as proposed. We have reached this conclusion because it is our view that the Panel's report and principal recommendation - that the economic and social benefits provided by the Project are, on balance, outweighed by the adverse social, environmental and cultural effects and risks - conforms in all material respects with the terms of reference established for the Panel, and that there is no compelling reason why the Panel's principal recommendation should not be accepted in the circumstances of this case.

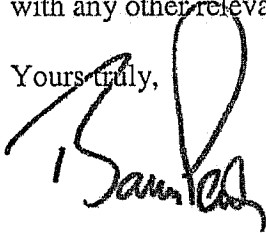
In reaching this conclusion we note that the proposed Project would have considerable implications for environmental and cultural values. These include the loss of Duncan Lake (also known as Amazay Lake), impacts on First Nations interests in the Project area, and certain long-term environmental risks (which it is acknowledged can be mitigated to a considerable degree). Against these, we note that the Project would have substantial benefits including continuation and enhancement of significant economic activity and employment opportunities (for an expected duration of 11 years).

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We wish to emphasize that our decision relates to the Project "as proposed", and we recognize that this qualifying term was used in many places throughout the Panel's report to make clear that it was referring to the Project as specifically proposed in these circumstances. Its overarching recommendation is not applicable to every possible proposal respecting mine activity in this area. More specifically, we wish to note that nothing in this decision prevents Northgate from seeking to reconfigure any aspect of the Project or the factors considered by the Panel, with a view to submitting a revised proposal for an environmental assessment in the future. We are neither encouraging nor discouraging that, but simply note that it is an option available to Northgate and one which it would need to consider based on its own assessment of relevant factors and its business interests.

Finally, it is essential to note that no one factor or aspect of the Panel's reasoning was considered by Minister Neufeld and I to be determinative in relation to our decision. More specifically, we wish to make clear that we are not holding that a mine project can never receive approval in circumstances where a lake is used to manage tailings for a long term into the future, as use of a lake for such purposes may be appropriate. Similarly, we are not holding that a mine can never proceed in circumstances where there is some degree of opposition by, or an adverse impact on, First Nations, although the interests of First Nations will be seriously considered so as to ensure that the Crown's duties of consultation and, where appropriate, accommodation are met. Finally, we are not concluding that a mine can never proceed if it is expected to have a relatively modest operating life. Rather, these are all merely factors that have been and will be entertained in our future decision-making, along with any other relevant factors, and each case will continue to be decided on its own merits.

Yours truly,



Barry Penner
Minister

pc: Honourable Richard Neufeld
Minister of Energy, Mines and Petroleum Resources