

Meeting Objectives:

- 1) For the Environmental Assessment Office (EAO) and Ministry of Energy, Mines and Petroleum Resources (EMPR) to provide an overview of the environmental assessment process and the regulatory continuum for those Working Group (WG) members not able to attend the initial Working Group meeting on November 27, 2018.
- 2) For Telkwa Coal Limited (TCL) to provide an overview of the Tenas Coal project, baseline studies to date, proposed intermediate and valued components and a short overview of potential effects; and
- 3) For the working group/mining review committee to ask initial questions and discuss preliminary issues and concerns to help inform their input on aspects of the EA and permitting reviews.

Notes:

The EAO opened the meeting by extending a welcome to all members online and acknowledging the traditional territory of the Wet'suwet'en Nation on whose lands the Tenas Coal project is located. The agenda for the meeting was reviewed and approved. A round of introductions of members online was held. The meeting was introduced as a revisit of the November 27, 2018 meeting, for those who could not attend.

The EAO and EMPR presented a joint presentation on the Environmental Assessment (EA) and mine review processes for the Tenas Coal project:

The EAO presentation on next steps in the EA process

1. The EAO is in the process of preparing the S. 11 Order outlining the EA procedures, scope and processes of the EA
2. Telkwa Coal Limited (TCL) is working on drafting a Valued Components (VCs) document, draft Application Information Review (dAIR), and Information Requirement Table (IRT) documents to identify potential effects of the Tenas Coal project.
3. The working group (WG), Indigenous nations and the public provide feedback on draft AIR.
4. AIR/IRT are to be finalized.
5. Application for an EA Certificate is developed (consistent with information requirements of AIR).

EMPR presentation on the Mining Regulatory Continuum

- The Major Mines Office (MMO) with EMPR coordinates major mines permitting across the province.
- MMO will be leading the permit review process for the Tenas project.
- TCL has indicated that it intends to request concurrent permitting for the EA and permitting review processes.
- Concurrent permitting: A proponent with a reviewable project that applies for concurrent permitting of an application for an eligible approval must make an application for concurrent permitting review within the following applicable time limits:

- (a) If an executive director sets an earlier time limit under Sections 11 or 13 of the *Environmental Assessment Act*;
- (b) If the executive director does not require copies of an application for an environmental assessment certificate, within 7 days after the date which the executive director notifies the proponent that an application for an environmental assessment certificate has been accepted for review;
- (c) If the executive director requires copies of the proponent's application for an environmental assessment certificate, by the date the executive director receives the copies.

Within 60 days after an environmental assessment has been issued the ministry must make one of the following decisions:

- (a) issue the eligible approval,
- (b) refuse to issue eligible approval and provide reasons for the refusal, or
- (c) specify a later date on which the proponent will be given a decision on the application for the eligible approval and provide reasons for the delay.

TCL presentation on the Tenas Coal Project:

- Itochu Corporation is now a Joint Venture with TCL.
- Itochu currently owns 5% of TCL with the option of increasing its stake to 20% with Allegiance owning the remainder.
- TCL is focusing specifically on the Tenas deposit for the following reasons:
 - To minimize the footprint.
 - Tenas has a simpler geology not as complex as the other deposits.
 - As a junior company, TCL wants to build something it can afford.
 - Low operational expenditure – provides a natural hedge to commodity prices, it mitigates impact on the local community.
 - Long mine life means less risk.
 - Best coal quality.
- TCL will build a dedicated haul road as part of the EA to address previous concerns raised regarding coal haul truck traffic using the existing Telkwa Coal Mine Road.
- CN rail loop:
 - In recent years there has been a significant increase in CN traffic in the North. CN requires a rail loop off the main CN rail line.
 - TCL has an agreement in place to purchase the property where the rail loadout will be constructed, pending EA and permit approval. This was done to avoid the area identified as culturally significant on the Crown land parcel to the east of the private land parcel.
 - The development of the rail loop may require additional authorizations from Regional District and Agricultural Land Commission (ALC) or rezoning.
- Potentially Acid Generating (PAG) Rock: TCL is proposing a proactive approach by constructing storage cells for storing the rock to prevent acid generation before it starts.

- Up-dip mining method proposed: it involves backfill some rock to pit bottom and haul the remaining rock outside the pit.
- Components still under consideration:
 - Water discharge into Telkwa River or Bulkley River.
 - PAG cell design specifications.
 - Employment numbers, shift schedules, equipment, and location of mine offices and infrastructure
- VCs identified are preliminary and can be modified after further discussion.
- Summary of baseline information was presented (Geochemistry, surface and ground water quality and quantity (hydrology), meteorology, air quality, noise, aquatic resources, fish, wildlife); terrestrial ecosystems (soils, wildlife, vegetation); and visual quality.
- TCL has held two open houses and plans on holding another three.
- TCL intends to incorporate Wet'suwet'en traditional knowledge of historical land use.

Questions and Discussions:

Ministry of Environment (ENV): we are concerned that having the mining review committee (MRC) and WG running concurrently, participation of technical WG members will be impacted and would like to have a separate meeting to discuss the MRC and WG participation.

Office of the Wet'suwet'en (OW): Can someone other than a land owner challenge or dispute a mine permit decision?

EMPR: will look into this question and respond. Concurrent permitting application would contain substantial detail covering the EA and mine permit process.

Environment and Climate Change Canada (ECCC): Pointed out that the Federal Government has new regulations proposed for coal mines.

TCL: The work will have permit level engineering detail. This will mean the MRC and WG will have the same technical reviews. Expecting to see efficiency in technical review. In early scoping meetings with EAO and MMO, there were discussions about how to structure the application so the EAO and MMO would have what is needed. There will be additional conversations once AIR/IRT discussions are underway.

TCL is fully aware of the proposed federal effluent regulations and will consider them.

EMPR: What is the relative amount of Potential Acid Generation (PAG) and Non-Potential Acid Generating (NAG)?

TCL: TCL advised 1/3 of the pit material is PAG. The volume is in the project description and it is understood to be approximately 25 million cubic meters. The exact quantity will be in the EA application by phase/bench. TCL is testing humidity cells from each of the zones to understand potential acid generation. TCL has 10 weeks of data which is

currently sustaining neutral data. It will get nailed down as more data becomes available. This information will augment existing humidity cell data. Onset of acidity can take place fairly quickly, in months to years.

ECCC: raised questions about ground water seepage from the mine into nearby streams.

TCL: ECCC invited to participate in the Aquatics meeting on January 30th where geochemistry, baseline, quantity and quality for surface water and ground water baseline data will be presented

ENV: Will PAG storage design be lined? Will cells be created to hold the water overflow?

TCL: Once then storage data is collected, and assessed, TCL will decide whether the storage cells should or should not be lined. The storage design will be dependent on the assessment report.

EMPR: Are there any more details on the storage cells?

TCL: There will definitely be a dam, but generally it's a purpose dug pit for PAG material. There will be a short dam. Compared to average tailing facilities seen at hard rock mines the dam proposed for the management ponds will be very shallow. As more details are available post-feasibility studies, we will share those.

OW: OW is working with individual clans and house groups to get them together for discussion and is hopeful for positive movement in 2019.

TCL: Experts consulted seven documents to assess the culture and heritage. TCL would like to sit down with OW and the cultural / heritage consultant to discuss how best to treat the existing documents.

ALC: What is the footprint of the rail loop in view of the area identified as culturally significant? Is the loop in the ALR?

TCL: Portions of the rail loadout are in the ALR and TCL is aware they have to apply for an exemption. TCL will work with ALC to discuss the application and permitting requirements in a separate meeting. TCL will work with ALC to address this in a side-table meeting. It is important to note that TCL moved the loop off the area with the heritage elements and onto the private farm to avoid the cultural site. TCL has an agreement with the landowner related to its use of the land.

Northern Health: requested more information on Health VCs.

TCL: we will discuss Health VCs at the VC meeting.

OW: What is the term of the dam - short or long term? How do you know when you put the dam in place that it is reaching the required pH level? What about the water quality check for pH levels? How are the effects of fracturing to the environment being addressed? Mine creation causes possibility of fracturing. OW does not have confidence that when the dam is created the water quality from the dam site will not be impacted. How do they know if it will fit in the receiving environment?

TCL: the dam will be a permanent feature. It is a stack of conventional material under existing ground outside of the excavation zone of the cell. Water will be monitoring on an ongoing basis for multiple parameters including Ph. PAG material will be placed under water.

OW: Will there be a forever water quality monitoring similar to the Equity Silver Mine?

TCL: It is important to note that we are preventing acid rock from starting. These are really good questions. More technical details will be available on the Jan 30th meeting. Situation is very different from Equity Silver. One major difference is that for that project, they didn't know that they had an acid rock drainage (ARD) issue until they started operating. This is different from here as we have a well-characterized site and know about the potential beforehand and why we're able to develop the mitigation beforehand versus after the fact. We could probably improve our naming and language around this subject. As we mentioned, the idea is that as opposed to Equity Silver where things went acid, we're preventing the onset of ARD from the start. With respect to your second question about long term stability, I think that might be best answered as we get into the detailed design of what were proposing. The start of that will be on Jan 30. Essentially, the dam is built from PAG cell material and stacked like a conventional earthen dam structure. The PAG material is mined and placed inside the cell. The PAG is being mined and placed under water almost immediately.

OW: the Department of Fisheries and Oceans Canada (DFO) hasn't been on the WG calls. OW feels that DFO should be participating to in the meeting to oversee concerns regarding:

- a. the dilution factor of Telkwa and Bulkley Rivers. OW would like to see a detailed breakdown of the dilution factors
- b. impacts of metal leaching on fish used by First Nations for Food, Social, Ceremonial purposes. OW needs to see the data on the water quality and impacts to fish from metals.
- c. what are the environmental management plans, and adaptive monitoring management plans?
- d. what about the impacts of the detour on wildlife and the environment from increased traffic by road and rail.

TCL: The intention is to go through all of these baseline technical details on the 30th. I will take your comments back to the technical team, so they know and that it's top of mind. We really look forward to having that conversation on the 30th. We are going to be looking at, as part of our overall water management plan, monitoring, including water quality sampling sites and adaptive management that would be associated with those monitoring results. We're going to be informed by data all the way along. We are going to be looking to OW for direction as to how you want to be engaged in monitoring and evaluations. Not just through the review, but if approved, have your detailed oversight into the environmental management.

OW: What about the impacts of the rail siding on wildlife and the environment from increased traffic by road and rail? OW is wondering if CN could provide additional information to the working group.

TCL: train traffic anticipated once a week. This compares to the current rail traffic of one train per hour. TCL provided CN contacts to the EAO.

OW: I've been having some side conversations regarding fish toxicology, and we need a better idea of what is happening during different stages of what is the toxicology of effects. We want to know individual metals onto fish as well. I think this information is required so the Wet'suwet'en are sure the fish we're eating are healthy for the environment and our consumption.

TCL: Certainly, we're aware of how we need to assess the toxicology. It's isn't just one parameter individually. What are the synergistic and antagonistic effects of parameters together? As we have discussed previously, the process of looking at fish toxicology starts once we have water quality predictions. We can have conversations about what types of testing we can do based on water quality predictions. We're not there yet because feasibility study isn't done. But once it is, we can then further these discussions.

EAO: There two upcoming meetings in Smithers on January 30th and 31st:

1. Jan 30th – Aquatics sub-group meeting on TCL water/aquatics
2. Jan 31st – WG/MRC review TCL project Valued Components

Next steps:

- a. The EAO is in the process of drafting a section 11 order which will be reviewed by OW and several key WG members.
- b. TCL to identify candidate VCs for discussion on January 30/31st with Working Group. Assessment methodology for identified VCs will be identified in the draft AIR.
- c. EMPR expecting to receive the draft IRT from TCL.

Action Items:

- The EAO will connect with CN to discuss their participation.
- The EAO to set up a call with ENV and EMPR to discuss WG vs. MRC participation.

- *Update:* the EAO discussed with ENV and EMPR. The WG will have an opportunity to review the draft AIR before the MRC is struck and reviews the draft IRT.
- The EAO to provide contact information for the ALC's working group representative to TCL.
 - *Update:* the EAO provided ALC contact info to TCL on January 18, 2019.
- The EAO to provide contact information for Northern Health's working group representative to TCL.
 - *Update:* the EAO provided Northern Health contact info to TCL on January 17, 2019.

End of meeting (~11:00am).