

Tenas Coal Project
Initial Working Group/Mining Review Committee Meeting Notes
Tuesday, November 27, 2018 from 8:30am – 12:00pm (PST)

3726 Alfred Ave., Smithers, BC (Nora Building, 2nd Floor Caribou Room) and
Teleconference (1-877-353-9184, Conference ID: 6882496#)

Meeting Objectives:

- For the Environmental Assessment Office (EAO) and Ministry of Energy, Mines and Petroleum Resources (EMPR) to provide an overview of the environmental assessment (EA) process and the regulatory continuum;
- For Telkwa Coal Limited (TCL) to provide an overview of the Tenas Coal project and baseline studies to date; and a short overview of identified potential initial effects; and
- For the working group/mining review committee (WG/MRC) to ask initial questions and discuss preliminary issues/concerns to help inform their input into the EA and permitting reviews.

Meeting Notes:

1. Welcome and Introductions

2. EAO/EMPR Introduction to EA Process and Regulatory Continuum

- The EAO issued a Section 10 Order on November 6, 2018, initiating an EA review of the Tenas Coal project.
- Next Steps in the EA process:
 - o Section 11 Order to be issued by the EAO outlining the EA procedures and process
 - o Telkwa Coal Limited (TCL) to prepare Value Components (VCs), Application Information Review (AIR), and Information Requirement Table (IRT) documents which identify potential effects of the project.
 - o WG, Indigenous Community and Public provide feedback on draft AIR.
 - o AIR/IRT are finalized.
 - o Application for an EA Certificate is developed (consistent with information requirements of AIR).
- The Mining Regulatory Continuum:
 - o EMPR is leading permitting.
 - o Proponent has requested to run the EA and the Mines Permitting concurrently.
 - o Concurrent Approvals: Applications are submitted for all the permits with the EA application.

3. Overview of the Tenas Coal Project proposed by Telkwa Coal Limited (TCL)

- Itochu Corporation is now a Joint Venture with TCL.
- Itochu owns 20% of TCL with Allegiance owning 80%.
- TCL is focusing specifically on the Tenas deposit for the following reasons:
 - o To minimize the footprint.
 - o Tenas has a simpler geology not as complex as the other deposits.
 - o As a junior company, TCL wants to build something it can afford.
 - o Low OPEX – provides a natural hedge to commodity prices, it mitigates impact on the local community.
 - o Long mine life means less risk.

- TCL will be building a dedicated haul road as part of the EA to address previous concerns raised regarding haul truck traffic using the existing Telkwa Coal Mine Road.
- CN rail loop:
 - o CN traffic has increased substantially in the North and CN requires a rail loop off the main CN rail line.
 - o TCL has an agreement in place to purchase the property where the rail loadout will be constructed, pending EA and permit approval.
 - o The development of the rail loop may require additional authorizations (Regional District and ALC) or rezoning
- Potentially Acid Generating (PAG) Rock: TCL is proposing a proactive approach to prevent acid generating rock by constructing storage cells to store the rock to potentially stop acid generating before it starts.
- Up Dip mining method is proposed: backfill some waste rock to pit bottom and haul the remaining waste rock outside the pit.
- Components still under consideration:
 - o Water discharge into Telkwa River/Bulkley River.
 - o PAG cell design specifications.
 - o Employment numbers, shift schedules, equipment, and location of mine offices and infrastructure
- VCs 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)

4. Questions and Discussion

Office of the Wet'suwet'en (OW): Who Drafts the Assessment Report?

EAO: Typically, the EAO drafts the report but it can be done collaboratively with Indigenous Communities. The EAO team includes the project team, but the Assessment Report is vetted through EAO Executive Project Directors, the Assistant Deputy Minister and the Associate Deputy Minister, and others.

OW: What procedural aspects of consultation are delegated to the proponent? How will Indigenous engagement happen?

EAO: It will be outlined in the Section 11 Order, which is currently in an early draft form.

OW: We want to ensure that there is adequate data provided to conduct the assessment. Tabular spatial data form the building blocks for adequate assessments.

TCL: We recognize this request and have provided data to the OW in multiple forms (including Excel, GIS, PDF, Word formats) and we will continue to do so during the project review process.

Town of Smithers: In terms of Public Consultation, is there a way to have meaningful consultations in addition to the Open Houses? How will the public, including residents and neighbours, be meaningfully engaged?

EAO: we are currently drafting a section 11 order and have just started engaging with the public. The EAO has indicated to What Matters in our Valley that we'd like to meet in January. Would EMPR be open to having an EA meeting followed by an EMPR Information Requirements Table meeting with technical experts available for both?

EMPR: Yes that would be useful. If meetings focus on particular sub-topics, experts can join.

OW: What data management capacity does EMPR have? To make informed decisions, data is needed. Lack of Compliance and Enforcement (C&E) on the ground is a problem.

EMPR: EMPR has set up a website to try and improve transparency and C&E actions as there are permits and mines orders already online.

EAO: the EAO is working closely with the provincial cumulative effects framework managed by the Ministry of Forests, Lands, Natural Resource Operations and Rural Development (FLNRORD). We need to discuss how data collected for the project is used elsewhere such as in the Environmental Stewardship Initiative (ESI).

Regional District: Coal processing plant and rail load out may require Regional District Authorizations.

EAO: what infrastructure might be located in Telkwa?

TCL: Administrative offices, changes rooms, and the main office are potentials.

OW: How is coal bed methane monitoring measured?

TCL: It is done using a statistical method (formula).

Ministry of Agriculture: Are there any existing agricultural features on the land?

TCL: part of the haul road and the farm adjacent to the proposed rail loop are in the Agricultural Land Reserve (ALR) and Cottonwood residents do some ranching. A Non-Farm Use on ALR Land Application and Approval will be required.

- **January 2, 2019 follow up:** EMPR noted that if a Mines Act permit is issued, it will be the responsibility of TCL to control access within the mine site boundary while adhering to the Health, Safety and Reclamation Code.

Town of Smithers: What are the broader cultural values of the communities? The Social Pillar is important and should include a consideration of quality of life, labour supply, and traffic. Since the project is still conceptual, a Socio Economic Management Plan (SEMP) should be developed before the project commences. How will the EAO ensure that the public is engaged in the EA?

EAO: The key point is that we are early in the EA process. There will be opportunities for the public to comment on the draft AIR. Concerns from the public will feed into this document.

OW: we are in a unique position with a new provincial government having a mandate to implement the United Nations Declaration on the Rights of Indigenous People (UNDRIP) and Truth and Reconciliation Commission (TRC) commitments. These were made at a higher level but it takes working level people (i.e. the WG/MRC) to implement. OW wants to push the boundaries of the current legislation. OW wants to work with local governments and the community. Need to work on tools to exercise rights and title and need government and proponents to help with this. Let's think outside the box.

Ministry of Transportation and Infrastructure (MOTI): How will public recreation (i.e. hiking trails and recreational fishing) be addressed given its importance to the local community? It was not covered in TCL's presentation.

TCL: This was touched on in the Project Description and will be covered in the EA. It's up to government to decide what to do with access to the mine site.

EAO: that is a good question. We will contact FLNRORD Recreation, Sites and Trails Branch to see if they can participate on the WG/MRC.

Regional District: will the rail load out be subdivided and purchased from the private land owners?

TCL: TCL is buying a parcel of land from the land owners.

Town of Smithers: what would be the effect from an additional vehicle 20-50 trips a day across the Bulkley River? More traffic to the mine site may cause an impact to the bridge weight limit and capacity over the Bulkley River.

TCL: We envision using crew busses to shuttle employees to site to minimize traffic. Offered to sit down anytime with Town of Smithers Mayor and Council.

EAO: has TCL considered parking facilities?

TCL is contemplating multiple pick-up locations in Smithers and Telkwa for employees

OW: the Department of Fisheries and Oceans Canada (DFO) doesn't appear to be present. Will DFO to be a part of the WG/MRC?

EAO: To date, Canadian Environment Assessment Act is not triggered; as such, DFO may not be required to be in attendance. The EAO has invited DFO, Environment and Climate Change Canada and Health Canada to participate in the EA.

Action: EAO and OW to follow up with DFO to see if they will participate in the EA.

Action: EAO to reach out to FLNRORD Recreation and Trails Branch to participate in the EA Process.

Action: EAO to set up a Sub WG for Water – potential January meeting

OW: What grade of data is the hydrometric program? A full quality control program which quantifies for each of the hydrometric slide standards will be established.

ENV: the Environmental Management System (EMS) is the provincial water quality database

TCL: water quality monitoring data for Tenas Coal has been uploaded to the EMS Also, the QA/QC program was fully described in the draft baseline report (2018) submitted to the OW July 2018, including the grade of data collected. The grade of data is dependent on: instrumentation, stream channel condition, field methods, data calculation and assessment.

EAO: the EAO may consider a small sub-working group for data management if there is a need as the review continues.

Town of Smithers: Will broader cultural values from the community be considered in the EA?

OW: The social aspects are usually considered in EAs, including the addition of workers on school, hospitals, etc.

The EAO noted that a SharePoint site has been set up for the project.

Second Open House held by TCL scheduled for November 28, 2018 between 5pm-8pm at the Telkwa School Gym.

5. Next Steps

- EAO/EMPR/TCL to hold an additional WG/MRC call in January for those agencies that could not attend this one and to answer any questions that arise as Working Group members consider the information presented.
- EAO/EMPR to hold a WG/MRC meeting in January to discuss VCs provided by TCL
- EAO to finalize a Section 11 Order with input from WG/MRC and Wet'suwet'en Nation.
- Draft AIR development and review and potential Site Visit in Spring of 2019. There may be an opportunity for an Indigenous cultural learning session for the WG/MRC as part of the site visit.
- TCL is proposing a 6-9 months estimated timeline for completion of the AIR

End of Meeting