

Issue Summary Note Advice to the Minister

Date: February 12, 2014

Project: Ajax Mine Project (proposed Project)

Recommended Response:

- The proposed Project is in the pre-application stage of the environmental assessment process and is subject to a coordinated federal-provincial environmental assessment.
- The Environmental Assessment Office (EAO) is taking extra steps on public consultation in recognition of the high level of public interest in the proposed Project.
- KGHM Ajax Mining did not submit their application for an environmental assessment certificate in fall 2013 as they had originally indicated due to their plans to change some components of the proposed Project. EAO did not ask for this delay – it was solely KGHM's decision. EAO understands that KGHM intends to publically announce the changes to the proposed Project in the spring of 2014.
- Once EAO receives clarity from the Proponent on their updated plans, EAO will work with CEA Agency to ensure the EA process continues as appropriate, given the changes made to the proposed Project.
- Any further questions about the decision or the timing of the application should be directed to KGHM.

Key Issues:

The proposed Project is a 60,000 tonne per day open-pit copper-gold mine partially within the City limits of Kamloops. Key issues include:

- water and air quality (e.g. dust);
- noise and vibration;
- socio-economic impacts;
- impacts to vegetation, wildlife and wildlife habitat, including impacts to fish and fish habitat;
- proximity to residential areas;
- impacts on tourism, agriculture and ranching activities;
- impacts to the local and regional economies; and
- impacts on First Nations' rights and interests.

Other relevant information

KGHM Ajax Mining Inc. (Proponent) proposes to develop a \$535 million open pit gold and copper mining project at the southwest edge of Kamloops, BC.

The proposed Project requires an EA certificate under the *Reviewable Projects Regulation* because it is a new mine facility that, during operations, will have a production capacity of greater than 75,000 tonnes per year of mineral ore.

Stage in EA process: Pre-application	
Milestone	Background/Status
February 8, 2011: The Proponent submitted a project description.	
February 25, 2011: The proposed Project entered the EA process.	
June 8 until July 11, 2011: A 33-day public comment period on the project description and the proposed Project.	
June 16, 2011: Open house held in Kamloops.	Approximately 350 people attended. EAO conducted the first public comment period and open house earlier than usual in the EA process to better coordinate with the federal review process, and to consider public input when determining the scope of the EA.
August 2011: The Proponent submitted the first	AIR/EIS Guidelines document provided to the

draft of the Application Information Requirements (AIR)/Environmental Impact Assessment (EIS) Guidelines.	technical Working Group and First Nations for input/comments.
January 11, 2012: Revised section 11 Order issued.	Included a requirement for a Public Consultation Plan and First Nations Consultation Plan to be developed to EAO's satisfaction.
January 11, 2012: Key stakeholders in the region were invited to participate on a Community Advisory Group.	Forum was designed for discussion and input related to the EA of the proposed Project.
January 2012: The second iteration of the draft AIR/EIS Guidelines was developed and posted to EAO's website for public comment.	This second version included input provided by First Nations and the Working Group.
January 11, 2012 - March 27, 2012: 75 day public comment period on the draft AIR/EIS Guidelines.	The comment period was extended from 60 to 75 days on March 7, 2012.
February 6 & 7, 2012: Public information sessions (with CEA Agency) held in Kamloops.	Approximately 1,100 people attended. The sessions offered one-on-one discussions between members of the public, the Proponent's technical experts, and provincial and federal agency staff.
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May 4, 2012: The Community Advisory Group was invited to review public comments on the draft AIR.	
June 19, 2012: EAO issued a Request for Proposals for socio-economic work related to the proposed Project.	The successful bidder is required to review the socio-economic work of the Proponent of the proposed Project at three stages of the EA process (pre-Application, Application Screening, and Application Review) and provide professional guidance and advice to EAO.
June 25, 2012: The Proponent submitted the issues tracking tables on the draft AIR document that incorporates input from the Public Comment Period and Working Group.	EAO will work with the Working Group, Community Advisory Group, and outside expertise to determine if the Proponent adequately responded to the input received.
July 23, 2012: EAO hired Socio-Economic contractor to provide advice to EAO.	Pierce – Lefebvre Consulting will provide advice to EAO on socio-economic aspects of draft AIR Review, Application Screening and Application Review. The contract is in effect until March 31, 2014 (subject to available funds).
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October 2012: Proponent public workshops

The Proponent hosted workshops with key interest groups and individuals to understand the potential social and economic effects of the proposed Project.

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January 17, 2013: EAO Presented at Public Forum	EAO representatives presented on the provincial EA process at a public forum organized by the Thompson Rivers University. Approx.150 attendees.
June 3, 2013: AIR	Final Application Information Requirements were issued.
August 2, 2013	<p>Proponent announced that they would not be submitting their application for an EA certificate in September, as originally indicated, because:</p> <ul style="list-style-type: none"> • they are considering modifications to the project layout that could move mine structures further away from residences and public infrastructure; and • they have identified “possible ore bodies” that might increase the project’s copper and gold resources. <p>Once EAO and CEAA receive clarity from the Proponent on their updated plans and proposed timing, a plan will be developed to ensure the EA process continued appropriate to the changes made to the proposed Project.</p>
Date TBD	Prior to submission of an application, the Proponent will host a series of public workshops to discuss the results of key studies that will be part of the EA application.

Project Details

- KGHM Ajax Mining Inc. (Proponent) proposes to develop a \$535 million open pit gold and copper mining project at the southwest edge of Kamloops, BC.
- The proposed Project requires an EA certificate under the *Reviewable Projects Regulation* because it is a new mine facility that, during operations, will have a production capacity of greater than 75,000 tonnes per year of mineral ore.
- Key issues include:
 - water and air quality (e.g. dust);
 - noise and vibration;
 - socio-economic impacts;
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 - impacts on tourism, agriculture and ranching activities;
 - impacts to the local and regional economies; and
 - impacts on First Nations rights and interests.

Federal Review

- The EA is being conducted as a coordinated federal/provincial comprehensive study.
- Fisheries and Oceans Canada has confirmed that the proposed Project will require a federal review and will likely include Natural Resources Canada, Health Canada, Transport Canada and Environment Canada.

First Nations and Other Governments

- The proposed Project is located within Secwepemc territory. The Kamloops and Skeetchestn Indian Bands are located in closest proximity to the proposed Project and are both participating in the EA. The Proponent is required to consult with these two Bands.
- Ashcroft Indian Band and Lower Nicola Indian Band are also participating in the EA as members of the Working Group. EAO is required to consult with these two bands.^{s.16}
- The City of Kamloops and the Thompson-Nicola Regional District have accepted EAO's invitation to participate in the EA.
- First Nations consultation is being led by EAO, in coordination with the MARR and the MFLNRO.

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