

MINISTRY OF ENERGY, MINES AND LOW CARBON INNOVATION

BRIEFING NOTE FOR INFORMATION

PREPARED FOR: Honourable David Eby, Premier of British Columbia

ISSUE: Permitting challenges at Teck's Elk Valley coal mines

KEY MESSAGES:

- British Columbia (BC) recognizes the value and significant economic contribution Teck Resources Ltd. (Teck) brings to the province.
- BC understands the importance of the Cougar Phase 7-2 Project at Greenhills Operations (GHO Phase 7-2 Project) and the East Refuse Extension Coarse Coal Rejects Phase 2 Project at Line Creek Operations and the implications of delays on Teck's operations.
- BC has consultation obligations through the Strategic Engagement Agreement with the Ktunaxa Nation, which must be factored into our permitting timelines.
- The GHO Phase 7-2 Project was referred to Statutory Decision Makers (SDMs) on October 5th.
 - SDMs have scheduled a meeting with Ktunaxa Nation Counsel Society (KNCS) for October 11th to review the draft project permit. SDMs can move to decision as early as Oct. 12th.
 - EMLI staff are in regular contact with Teck and provided an update on the permitting timelines to key executive and staff on October 5/6.
- The issues Teck raises with respect to permitting timelines are taken seriously by BC and staff have met with Teck to expediate the applications to the extent possible.
 - BC understands the urgency to advance the application for the LCO East Refuse Extension Coarse Coal Rejects Phase 2 Project (the "ERX CCR Project") and are on schedule for a SDMs decision by December 2023.
- BC has offered to work with and provide guidance to Teck on future applications to ensure efficiencies of information and address timelines pressures.

MINISTRY RESPONSE:

The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) and the Ministry of Environment and Climate Change Strategy (ENV) will continue to engage with Teck on permitting projects and seek timeline efficiencies where possible. BC has advised Teck that taking a more comprehensive approach to future mine planning and application development would support resolving issues and advancing projects in a more wholistic manner.

BACKGROUND:

Teck is the largest mining company operating in BC and among the largest mining companies in Canada with market capitalization of \$20.2 billion and employing 10,730 workers. Teck operates

four metallurgic (steel making) coal mines in the Elk Valley: Fording River Operations (FRO), Greenhills Operations (GHO), Line Creek Operations (LCO) and Elkview Operations (EVO).

Teck had proposed the Fording River Extension (FRX) Project to authorize future mining. However, the FRX Project did not pass the Readiness Decision phase of the Environmental Assessment and is currently being revised by Teck. **s.21**

s.21

GHO Cougar Phase 7-2 Project

The GHO Phase 7-2 Project is a widening and deepening of the Cougar Pit which would extend GHO's mine life by one-year to 2028. **s.21**

s.21

Teck submitted a permit application for the Phase 7-2 Project on February 6, 2023, which has been reviewed by a Mine Review Committee (MRC) composed of BC Subject Matter Experts and the Ktunaxa Nation Council (KNC). Concurrently, the Phase 7-2 Project triggered notification to the Environmental Assessment Office (EAO) which undertook a separate review, including a First Nations and Public Engagement Comment Period. The EAO concluded no further review or amendment of the Environmental Assessment Certificate was required.

s.21

s.21

Subsequently, comments were received, and responded to by Teck. The KNC's concerns centre around groundwater flows, air quality and water quality. On September 22, 2023, draft permits were shared with the KNC and Teck for input. **s.21**

s.21

LCO East Refuse Extension Coarse Coal Rejects Phase 2 Project

The LCO ERX CCR Project is an expansion of the storage capacity for coal processing byproducts to align with permitted coal reserves. **s.21**

s.21

Teck submitted a permit application for the ERX CCR Project on December 1, 2022 which is under review by an MRC composed of BC Subject Matter Experts and the KNC. Among others, the KNC have concerns regarding air quality, water quality, and impacts to archaeological sites.

Separate from BC's process, s.21

s.21 BC understands that the KNC are seeking Ktunaxa Leadership direction and position with respect to the ERX CCR Project.

BC will continue to advance the application process and move towards providing decision packages to SDMs. Ktunaxa Leadership's position and ongoing consultation with the KNC will influence timelines and next steps. BC will continue to work with Teck to define the ERX CCR Project schedule and identify any schedule efficiencies. s.21

s.21 **contingent on completing technical review and the Ktunaxa's position and timing. BC understands from Teck staff that December is operationally feasible for Teck.**

DISCUSSION:

The permitting landscape in the Elk Valley remains challenging. s.21

s.21

s.21 while also considering BC's broader economic, environmental, and reconciliation interests.

Progress is being made to address the environmental impacts of past and current mining in the Elk Valley. There are currently three operating water treatment facilities and one water treatment facility undergoing commissioning that is expected to be fully operational by the end of the year. The four water treatment facilities have a combined permitted capacity of 77.5 million litres/day with additional treatment facilities planned. The influence of water treatment is starting to appear downstream of water treatment facilities as Teck removes large quantities of selenium and nitrate from the watershed. As more treatment comes online, water quality is expected to improve at more locations in the watershed. s.21

s.21

BC has suggested that Teck undertake a more comprehensive approach to planning future mining phases. The current phased approach advanced by Teck for projects often does not allow for the efficient and complete resolution of issues. Undertaking larger, longer-term projects will require more time for Teck to develop applications and for BC and the KNC to review. However, with comprehensive, long-term plans for mining with sufficient time and capacity for review, BC will be better positioned to resolve issues. BC has offered to provide guidance on how this can be achieved.

NEXT STEPS:

BC will continue to advance the regulatory process for the GHO Cougar Phase 7-2 Project and the LCO ERX CCR Project while balancing BC's economic, environmental, and reconciliation interests. Continued work with Ktunaxa Nations is also critical to continued permitting in the southeast. Ongoing action is needed to mitigate the impacts of past and current mining to demonstrate that future mining can be done sustainably. In addition to advancing mitigations, BC will continue to engage with Teck to further discuss the opportunities for a longer-term more

comprehensive approach to their development projects to reduce smaller one-off amendments. Until progress is made, the permitting landscape in the SE will remain challenging.

DRAFTED BY:

Sam Barnes, Director, MMO

APPROVED BY:

TJ Parhar, EL, RMCD ✓

Tania Demchuk, ADM, RMCD ✓

Shannon Baskerville, DM, EMLI ✓