

Aaron, Sage PREM:EX

From: Hannah, Matt GCPE:EX
Sent: Tuesday, August 1, 2017 8:39 AM
To: McGregor, Cara GCPE:EX; Aaron, Sage PREM:EX
Subject: Fwd: Draft messages
Attachments: 2017.08.01 New Prosperity-draft.docx; ATT00001.htm

Updated messages on new prosperity

Matt Hannah
778.584.1249

Begin forwarded message:

From: "Hannah, Matt GCPE:EX" <Matt.Hannah@gov.bc.ca>
Date: August 1, 2017 at 8:03:47 AM PDT
To: "Haslam, David GCPE:EX" <David.Haslam@gov.bc.ca>
Subject: Draft messages

New Prosperity Mine

s.13

Page 01 to/à Page 08

Withheld pursuant to/removed as

s.14

MO Archive PREM:EX

From: McKnight, Elaine L MEM:EX
Sent: Monday, June 19, 2017 2:59 PM
To: Henderson, Kim N PREM:EX; Wharf, Sandy PREM:EX
Cc: Caul, Doug D ABR:EX; Fyfe, Richard J JAG:EX
Subject: 98138 IBN MO MMRD Taseko NoW New Prosperity June 16 (3).docx
Attachments: 98138 IBN MO MMRD Taseko NoW New Prosperity June 16 (3).docx

Kim this is an item that I need to talk to you and Richard about on a noon call. Richard's team and Doug's team have been supporting Mem's SDM.

**MINISTRY OF ENERGY AND MINES
BRIEFING NOTE FOR INFORMATION**

- I PREPARED FOR:** Honourable Rich Coleman, Minister of Energy and Mines
- II ISSUE:** Taseko Mines Limited (Taseko) Notice of Work Application (NoW) for the New Prosperity project
- III BACKGROUND:**

Taseko submitted a NoW to the Ministry of Energy and Mines (MEM) on October 17, 2016 to conduct site investigation work involving 47.2 hectares of new disturbance. Included among the proposed activities are the construction of a 50-person camp, 122 geotechnical drill sites, 367 trenches and/or test pits, and 20 kilometres of cut lines and induced polarization surveys. The NoW has been accepted by MEM for review, and First Nations consultation was initiated on November 22, 2016.

The proposed work under the NoW is located within the Tsilhqot'in National Government's (TNG) proven Aboriginal rights area (not in the declared Title area). As required under the Tsilhqot'in Stewardship Agreement, consultation is being conducted in accordance with constitutional and common law obligations.

Taseko was issued a B.C. Environmental Assessment Certificate (EAC) in January 2010 for the original Prosperity Gold-Copper Mine project, which included a proposal to create a tailings storage facility by dewatering Fish Lake. The federal government rejected the Prosperity project in November 2010 following a panel review. The project cannot be built in the absence of federal approval.

Taseko subsequently proposed changes to the project, including an alternate tailings storage facility location, and renamed it the New Prosperity project. Taseko applied for an amendment to its EAC in 2011 to account for the changes contemplated by the New Prosperity project design. The New Prosperity project was rejected by the federal government in February 2014.

Taseko applied for a five-year EAC extension in June 2014. Under the original EAC issued in 2010, had the project not substantially started by June 2015, the EAC would have expired. The B.C. Minister of Environment granted this extension in January 2015.

The Minister's decision to grant the extension recognized that the review of Taseko's EAC amendment had not been completed and noted that the Environmental Assessment Office (EAO) would consider additional material information that had become available since the EAC was originally issued. If Taseko does not substantially start construction on New

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In May 2016, Taseko wrote to the Premier calling for a timely EAO decision on Taseko's EAC amendment application. Taseko also raised concerns about MEM's actions during the Ministry's participation in the federal panel review process and claimed a lack of consultation on the Nenqay Deni Accord (Accord) signed between the Province and the TNG in February 2016.

The EAO responded to Taseko that it would move forward to complete its review of the company's amendment application. EAO is in the process of clarifying the scope of the amendment request and the most appropriate process for review, which will include consultation with the TNG.

Taseko is challenging the federal panel report and process, as well as the federal decision rejecting the project, in Federal Court. This judicial review will be heard from January 30-February 3, 2017.

A key principle of the Accord concluded by the Province and the TNG is fostering economic development activities within TNG Territory that reflect the values, goals and priorities of the parties. While the New Prosperity project may provide the TNG with wealth creation opportunities, the TNG are strongly opposed to this project and its potential adverse environmental impacts.

The TNG wrote to the Province on December 1, 2016 and January 10, 2017 to reaffirm its strong opposition to the New Prosperity project (attached). The TNG also requested capacity funding from the Province to support its engagement. The Province has notified the TNG that it will provide \$18,000 to support its engagement in Taseko's NoW and related applications.

IV DISCUSSION:

The Ministry of Energy and Mines has an administrative law obligation to receive, review and consider Taseko's NoW, provided the application meets the content requirements specified in section 10 of the *Mines Act*. Taseko maintains that the NoW is required to support a *Mines Act* permit application and to enable the company to substantially start construction before the EAC expires in January 2020. MEM also has a constitutional obligation to ensure that the TNG are adequately consulted and accommodated in relation to both proven and asserted Aboriginal rights that may be impacted by the NoW.

The TNG are opposed to Taseko conducting any work related to New Prosperity. Pursuing the review of the NoW application will likely have a negative effect on the evolving government-to-government relationship with the TNG and may put pressure on implementation discussions evolving under the Accord. To date, the TNG have not indicated a willingness to engage on any discussions with the Province at the Accord table in relation to New Prosperity.

In accordance with the 2012 Settlement Agreement between Taseko and the TNG (attached), Taseko was obligated to engage the TNG in advance of submitting the NoW.

Taseko and the TNG met in September 2016 in this regard, and the proponent provided the TNG with 14 days to review the NoW before filing with MEM.

Despite Taseko's efforts to engage, the TNG continue to strongly oppose the proposed work program. The TNG are concerned with the cumulative effects the work may cause within the TNG's proven Aboriginal rights area, where there have already been numerous exploration activities.

MEM's strategy, with support from the Ministry of Aboriginal Relations and Reconciliation (MARR), is to process the NoW in a manner that is consistent with the Province's administrative law requirements and in accordance with the Province's constitutional obligations owed to the TNG. The Province is approaching consultation and accommodation with the TNG at the deeper level of the *Haida* spectrum and is actively working with both Taseko and other government agencies to ensure it meets its legal obligations.

V CONCLUSION:

- MEM has an administrative law obligation to receive, review, and ultimately decide on the NoW, after meeting its constitutional obligation to adequately consult and accommodate, where appropriate, the TNG.
- Reviewing, considering and rendering a decision on the NoW will likely negatively impact the evolving government-to-government relationship under the newly signed Accord with the TNG.
- MEM is working with MARR to ensure the NoW is processed in a manner that is consistent with the Province's administrative law requirements and in accordance with the Province's constitutional obligations owed to the TNG.
- The Province has engaged the TNG and is approaching consultation and accommodation at the deeper level of the *Haida* spectrum due to the level of concern TNG has expressed regarding disturbance in this area and the initial assessment of a moderate level for impacts associated with the proposed work under the NoW.

PREPARED BY:

Karina Sangha

250-952-0745

APPROVED BY:

Peter Csicsai, Director✓

Chris Trumpy, Executive Director✓

Peter Robb, ADM✓

Elaine McKnight, DM✓

MO Archive PREM:EX

From: Volk, Frances PREM:EX
Sent: Friday, May 19, 2017 9:18 AM
To: De Wit, Antoinette PREM:EX
Subject: New Prosperity Mine Update
Attachments: FW: New Prosperity Update

Importance: High

I took the following excerpt from the attached update provided by MEM....

Taseko is challenging the federal panel report and process, as well as the federal decision rejecting the project, in Federal Court. The judicial review was heard from January 30-February 3, 2017. A key principle of the Accord concluded by the Province and the TNG is fostering economic development activities within TNG Territory that reflect the values, goals and priorities of the parties. While the New Prosperity project may provide the TNG with wealth creation opportunities, the TNG are strongly opposed to this project and its potential adverse environmental impacts.

The TNG wrote to the Province on December 1, 2016 and January 10, 2017 to reaffirm its strong opposition to the New Prosperity project. On January 24, 2017, the TNG provided a response to the Province's consultation engagement request on the NoW application, totaling over 3,500 pages.

The Ministry of Energy and Mines is working closely with the Ministry of Forests, Lands and Natural Resource Operations and the Ministry of Justice to provide substantive responses to address the TNG's submissions. The Province is conducting an open and transparent consultation process, and sharing all of each parties' submissions with the TNG and Taseko.

From: MEM Correspondence MEM:EX
Sent: Wednesday, May 17, 2017 4:42 PM
To: Volk, Frances PREM:EX
Subject: RE: New Prosperity Mine
Importance: High

Hi Francis

Please see the attached email which contains a recent BN and some background material.

Susan Ferguson
Team Lead, Correspondence Unit
MEM and MNGD Cliff and eApprovals Administrator
Phone: 250.952.0400 | Email: Susan.Ferguson@gov.bc.ca



Corporate Initiatives Branch | Forward-looking corporate services for
the Ministry of Energy and Mines and the Ministry of Natural Gas Development

From: Volk, Frances PREM:EX
Sent: Tuesday, May 16, 2017 3:35 PM

To: MEM Correspondence MEM:EX
Subject: RE: New Prosperity Mine

Hi Susan,

Any word back yet?

Thanks,
Frances

From: MEM Correspondence MEM:EX
Sent: Tuesday, May 16, 2017 11:24 AM
To: Volk, Frances PREM:EX
Subject: RE: New Prosperity Mine

Hi Frances

I'll check with our Mining Division and get back to you.

Susan Ferguson
Team Lead, Correspondence Unit
MEM and MNGD Cliff and eApprovals Administrator
Phone: 250.952.0400 | Email: Susan.Ferguson@gov.bc.ca



Corporate Initiatives Branch | Forward-looking corporate services for
the Ministry of Energy and Mines and the Ministry of Natural Gas Development

From: Volk, Frances PREM:EX
Sent: Tuesday, May 16, 2017 10:23 AM
To: MEM Correspondence MEM:EX
Subject: New Prosperity Mine

Good morning,

Can you please update me on the status of the New Prosperity Mine? Has it been approved, and if not, what stage is it in?

Thanks in advance,

Frances Volk
Premier's Correspondence Office
250-356-5128

MO Archive PREM:EX

From: Musgrove, Kate MEM:EX
Sent: Wednesday, May 17, 2017 4:24 PM
Subject: FW: New Prosperity Update
Attachments: 98138 BN MMRD Taseko NoW New Prosperity 2017.04.21.docx; 98138 BN MO MMRD 20161201_JPL-EWreEngRequest.pdf; s.16

Importance: High

Hi Susan, please see most recent BN regarding New Prosperity. Reviewed and approved by Peter Robb.

Kate Musgrove
Executive Assistant to
Peter Robb, Assistant Deputy Minister
Mines and Mineral Resources Division
Ministry of Energy and Mines
6th Floor | 1810 Blanshard Street | Victoria, BC | V8W 9N3
Phone: 250 952-0470



Where ideas work

2016
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**MINISTRY OF ENERGY AND MINES
BRIEFING NOTE FOR INFORMATION**

- I PREPARED FOR:** Deputy Minister Elaine McKnight, Ministry of Energy and Mines
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The proposed work under the NoW is located within the Tsilhqot'in National Government's (TNG) proven Aboriginal rights area (not in the declared Title area). The Tsilhqot'in Stewardship Agreement (TSA) identifies that this area is excluded from the consultation process provisions of the TSA, therefore, consultation is being conducted in accordance with constitutional (*Haida*) and common law obligations.

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The Minister's decision to grant the extension recognized that the review of Taseko's EAC amendment had not been completed and noted that the Environmental Assessment Office (EAO) would consider additional material information that had become available since the EAC was originally issued. If Taseko does not substantially start construction on New

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s.13

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s.13

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s.13

PREPARED BY:

Karina Sangha
250-952-0745

UPDATED BY:

Rick Adams
250-828-4583

APPROVED BY:

Peter Csicsai, Director✓
Chris Trumpy, Executive Director✓
Peter Robb, ADM ✓
Elaine McKnight, DM

APPROVED BY:

Julie Chace✓

Peter Robb, ADM ✓



TŚILHQOT'IN NATIONAL GOVERNMENT

253 – 4th Avenue North • Williams Lake, BC V2G 4T4 • Phone (250) 392-3918 • Fax (250) 398-5798

December 1, 2016

Emily Watson
Acting Senior Director, First Nations Relations
Cariboo Regional District

Re: Engagement Request – Taseko Mines Limited (TML) Proposed Exploration

Dear Ms. Watson,

I am writing in response to the engagement request to the Tsilhqot'in National Government ("TNG") regarding TML's multi-year application for exploration activities in the Teztan Biny (Fish Lake) and Nabas region.

As you are likely aware, Teztan Biny and Nabas are places of profound cultural and spiritual importance to the Tsilhqot'in people. TML's application for extensive exploration activities in this region is of the utmost concern to the Tsilhqot'in Nation.

On September 29, 2016, Chief Alphonse and Chief William (the Chair and Vice-Chair of TNG) advised the company that the Tsilhqot'in Nation opposes further widespread damage and disruption from exploration activities, in such a critical area, in support of a project that has been rejected—twice—and cannot be built. The Chiefs advised TML in the strongest terms not to proceed with the application.

It is unfortunate that TML has disregarded the views of the Tsilhqot'in Nation and has proceeded with this application.

The Tsilhqot'in Nation has fully participated in two separate environmental assessment processes for Prosperity and New Prosperity. These processes have taken a considerable toll each time. It is frankly an unfair burden for British Columbia to expect the Tsilhqot'in Nation to expend even more time, energy and resources on further engagement for a project that has been rejected and cannot proceed. This includes both the EAO's amendment process for TML's Prosperity Certificate (which is currently active) and this present application for exploration work.

As it stands, TNG has very limited capacity to review and comment on the engagement request (and the associated technical documents, including the Notice of Work and the forthcoming impact assessment report), or to respond to the extensive information requests that you have posed to the Tsilhqot'in, or to engage with the leadership and communities about this critical issue.

I note that this engagement request falls within Engagement Zone "D" under the *Tsilhqot'in Stewardship Agreement* ("TSA"). The TSA expressly states "[t]he TNG will not be required to use funding provided under section 4.2 - 4.3 of this Agreement to address Engagement Requests in Engagement Zone D" (TSA, Appendix A, s. 2.12).

We would appreciate your confirmation that British Columbia will provide the funding required for the Tsilhqot'in Nation to meaningfully respond to this engagement request, including funding for technical support, legal advice and community engagement. We will also need to discuss the appropriate process and realistic timelines for engagement (particularly given other pressing demands and the closure of TNG and the band offices over the holidays).

Thank you for your consideration of these matters. We will look forward to your prompt response.

Sincerely,



J.P. Laplante
TNG Mining, Oil & Gas Manager

cc. *Tsilhqot'in Chiefs*
C. Verhaeghe (Lead Negotiator)
G. Crowe (TNG Executive Director)

Page 23 to/à Page 33

Withheld pursuant to/removed as

s.16

MO Archive PREM:EX

Subject: Daily call - Richard, Neil, Sarf,Elaine, Doug Caul, Dave N
Location: s.15,s.17 (Kim to moderate)
Start: Tue 2017-06-20 12:00 PM
End: Tue 2017-06-20 12:30 PM
Show Time As: Tentative
Recurrence: Daily
Recurrence Pattern: every day from 12:00 PM to 12:30 PM
Meeting Status: Not yet responded
Organizer: Henderson, Kim N PREM:EX
Required Attendees: Fyfe, Richard J JAG:EX; Sweeney, Neil PREM:EX; Ahmed, Sarf MTIC:EX; McKnight, Elaine L MEM:EX; Caul, Doug D ABR:EX; Nikolejsin, Dave MNGD:EX

- 1. Sarf Ahmed - asset sale issue related s.14,s.17
- 2. Elaine and Doug Caul



- 3. Dave N - Canada Energy Partners/PCD issue

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PREPARED BY:

Karina Sangha
250-952-0745

APPROVED BY:

Peter Csicsai, Director✓
Chris Trumpy, Executive Director✓
Peter Robb, ADM✓
Elaine McKnight, DM✓

Page 39 to/à Page 42

Withheld pursuant to/removed as

DUPLICATE

TASEKO MINES NEW PROSPERITY PROJECT – NOTICE OF WORK APPLICATION

Topic: On October 17, 2016, Taseko Mines submitted a Notice of Work (NoW) application to the Ministry of Energy and Mines (MEM) for its New Prosperity Mine project. First Nations, including Tsilhqot'in National Government, Esk'eteme and Canoe Creek Band, continue to oppose the development of the New Prosperity mine.

- Last summer, Taseko Mines Ltd. exercised its legal right to request that BC Environmental Assessment Office complete its review of Taseko's proposed amendment to its B.C. Environmental Assessment certificate for its proposed New Prosperity project
- In 2014 the federal Minister of Environment concluded that Taseko's New Prosperity mine plan could not proceed but the federal agency's positions do not relieve the BC EAO's legal obligations under its own process.
- In October, the company submitted a Notice of Work application to collect additional geotechnical and hydrological data for its proposed New Prosperity project.
- Taseko states that it needs to undertake this work in order to get all of the necessary information required to complete the various assessment and review processes required by the Province.
- As required by its statutory framework, the Ministry of Energy and Mines will review Taseko's application before making a decision.
- The Province will also meet its consultation obligations to the Tsilhqot'in National Government.

- I want to stress that even if the Notice of Work application is approved, it does not authorize Taseko to begin mining at the site.
- The Province is committed to working with the Tsilhqot'in Nation and proponents while meeting our commitments made under the Nenqay Deni Accord and the Tsilhqot'in Stewardship Agreement.
- On January 24, 2017, the TNG provided a substantive response to the province's consultation engagement request on the NOW application.
- MEM is working closely with the Ministry of Forests, Lands and Natural Resource Operations staff to address the TNG's response.
- The provincial government issues permits only when all technical, health, environmental, safety standards and consultation obligations are satisfied.
- Decisions on Notice of Work application decisions are made by statutory decision makers in the Ministry of Energy and Mines – completely independent of any political influence.

June 13, 2017

Background:

On January 24, 2017, the Tsilhqot'in National Government (TNG) provided a substantive response to the province's consultation engagement request on the Notice of Work (NoW) application. The TNG response included over 3,500 pages of correspondence and questions, and as per Debbie Chan's advice (attached) will require a very substantive response. The majority of the TNG response and questions are regarding wildlife assessments, wildlife impacts, cumulative effects assessments, validity and currency of available cumulative effects assessments, and cultural heritage values. MEM is working closely with Ministry of Forests, Lands and Natural Resource Operations (FLNRO) staff to address the TNG's response.

On October 17, 2016, Taseko Mines submitted a NoW application to the Ministry of Energy and Mines (MEM) for its New Prosperity Mine project. In the NoW application, the company proposes to undertake the following:

- A camp of 50 people.
- 321 trenches/test pits.
- 110 geotech drill holes.
- 53km of new exploration trails.
- 66km of access modification.

Taseko Mines needs to collect additional geotechnical and hydrogeological information to inform their alternate tailings storage facility design and ensure Fish lake will not drain to the open pit, in order to:

- Satisfy the Federal CEAA criticisms of its previous application;
- Inform its amendment application for its BC EAO certificate; and
- To develop its mine plan.

MEM regional staff will review the NoW application in accordance with applicable legislation.

On July 20, 2016 Taseko announced that the Environmental Assessment Office (EAO) was proceeding with the company's request to amend the EA certificate for New Prosperity. In the same announcement, Taseko said it would file a NoW with the Ministry of Energy and Mines (MEM) that, if approved, would allow the company to gather information to advance its mine permit application under the British Columbia Mines Act.