



## Environmental Assessment Office Inspection Record

<b>Project Name:</b>	Wolverine Coal Project	<b>Inspection Status:</b>	Final
<b>Certificate #:</b>	M04-01	<b>Inspection No:</b>	FY17/18-11
<b>Certificate Status:</b>	Certified	<b>Inspection Date:</b>	2017-06-20
<b>Region:</b>	Peace	<b>Office:</b>	Victoria
<b>Trigger:</b>	Planned	<b>Inspector Name(s):</b>	Justin Carlson (EAO) Mike Olsen (MEM) Victor Marques (MEM) Laurie Meade (MEM)
<b>Location Description:</b>	Approximately 25km west of Tumbler Ridge.	<b>Sector:</b>	Mines
<b>Latitude:</b>	+055.05995°	<b>Longitude:</b>	-121.25178°
<b>Incidents of Non-Compliance Observed</b>	Yes		
<b>Non-Compliance Decision Matrix Level:</b>	Choose an item.	<b>Non-Compliance Decision Matrix Category:</b>	Choose an item.
<b>Inspection Summary:</b>	<p>This record details the results of an inspection against conditions attached to Environmental Assessment Certificate (EAC) # M04-01, that occurred on June 20, 2017. The inspection was conducted by Justin Carlson, Compliance and Enforcement Officer, BC Environmental Assessment Office (C&amp;E Carlson) and the following representatives from the Ministry of Energy and Mines: Mike Olsen, Inspector of Mines - Interagency Coordinator Compliance and Enforcement (MEM Olsen), Victor Marques, Senior Geotechnical Inspector (MEM Marques), and Laurie Meade, Inspector of Mines- Health and Safety (MEM Meade).</p> <p>C&amp;E Carlson was accompanied during the inspection by the following project personnel: Jackie CALDWELL, Environmental Manager, Conuma Coal, Anthony MOREAU-COULSON, Loss Prevention Co-Ordinator, Conuma Coal and Jessie OLSEN, Loss Prevention Co-Ordinator with Conuma Coal.</p> <p>The Wolverine Mine has transitioned from Care and Maintenance back to Operations as of January 2017.</p> <p>On June 20, 2017 C&amp;E Carlson inspected operations of the mine as well as the following project components: Coarse Coal Rejects (CCR) Dump, the tailings pond, approximately 2km of the Perry Creek Road and the mine pit.</p>		



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	<p>C&amp;E Carlson, MEM Olsen and MEM Marques completed a verbal debrief of inspection observations on the day of inspection at approximately 1742 hrs. This debrief was presented to Trevor CORSI, Pit Supervisor, CALDWELL, MOREAU-COULSON, and OLSEN. The observations discussed are as follows:</p> <ul style="list-style-type: none"><li>• C&amp;E Carlson noted that the loadout facility at Wolverine is currently not in operations as the rail line is currently undergoing maintenance. The Project is currently transporting the coal from Wolverine via truck to Highway 29, North through Chetwynd and then west on Highway 97 to the Willow Creek load out facility. C&amp;E Carlson stated that he did not believe that this activity was approved by the EAC and stated that he will look into it further.</li><li>• MEM Marques identified geotechnical concerns on site. Full details regarding the concerns and outcomes are identified in MEM inspection report# 76501</li></ul> <p>After review of observations and information obtained during the inspection, the following compliance determination has been made:</p> <p>1. The Project is out of compliance with Condition 1, with respect to operating the Project as per the Documents 1, 2 and 3 of Schedule A.</p> <p>On June 30, 2017, an Order to Cease was issued requiring that the Holder:</p> <ol style="list-style-type: none"><li>1) Immediately upon receipt of this Order, cease hauling of coal by truck from the Project.</li><li>2) Not resume hauling coal from the Project unless it is by rail through the coal load out facility at the Project site, as authorized by the Certificate, or the Certificate is otherwise amended to authorize another method of transport.</li></ol> <p>Please note that the compliance determinations in this report reflect the findings from the inspection dates noted above and that these determinations can change at any time upon information gathered through future inspections or if new information is obtained by EAO C&amp;E.</p>		
	Certificate or Act:		
	Environmental Assessment Certificate #M04-01		
	Activity:		
	On Site		
Response:			
Order			
Audit Record(s):		Total Non-Compliance(s):	



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<b>Proponents Name:</b>	Conuma Coal Resources Limited
<b>Proponents Contact(s):</b>	Jackie CALDWELL, Byron EAGLES
<b>In attendance:</b>	Jackie CALDWELL, Environmental Manager, Conuma Coal, Anthony MOREAU-COULSON, Loss Prevention Co-Ordinator, Conuma Coal and Jessie OLSEN, Loss Prevention Co-Ordinator with Conuma Coal
<b>Mailing Address:</b>	Box 2140, Tumbler Ridge BC, V0C 2W0
<b>Phone No:</b>	(250) 242-3746 Ext. 2052 (CALDWELL)
<b>Fax No:</b>	
<b>Contact Email:</b>	Jackie Caldwell <a href="mailto:JCaldwell@conumacoal.com">JCaldwell@conumacoal.com</a> , Byron Eagles <BEagles@conumacoal.com>

### Inspection Details

<b>Types of Compliance:</b>	Operations
<b>Requirement Description:</b>	<p>Condition #1</p> <p>The Project must be designed, located, constructed and operated in accordance with the Conditions of this Certificate and the documents and correspondence listed in Schedule A (the Holder's commitments in Schedule A are summarized for ease of reference in Schedule B), and must comply with all of the Conditions of this Certificate to the reasonable satisfaction of the Minister.</p>
<b>Findings:</b>	<p>C&amp;E Carlson observed trucks from the Wolverine Mine site with fully covered loads travelling from the Wolverine Mine northeast on the Wolverine FSR to Highway 29. Trucks were going north on Highway 29 through Chetwynd and then proceeding west on Highway 97 to the Willow Creek FSR. Trucks from Wolverine Mine and Brule Mine were depositing their loads at the Willow Creek Mine loadout for transportation by rail.</p> <p>See the attached images:</p>

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Truck travelling northeast on Wolverine FSR towards Highway 29.



Wolverine truck on site with card identifying Truck number and mine location.

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Date & Time: Mon Jun 19 18:33:51 MST 2017  
 Position: +055.69344° / -122.24659°  
 Altitude: 652m  
 Datum: WGS-84  
 Azimuth/Bearing: 163° S17E 2898mils (Magnetic)  
 Elevation Angle: -02.4°  
 Horizon Angle: 00.2°  
 Zoom: 1X



Wolverine Truck#20 seen leaving the Willow Creek Mine FSR on June 19, 2017.

The documents attached to schedule A of EAC#M04-01 state that coal would leave the Wolverine Mine site via the loadout facility and rail site located adjacent to the Wolverine Mine. Product coal is to be loaded on trains and then transported via train to Ridley Island for shipping to export markets.

See the following documents located on the EAO public website here:

<https://projects.eao.gov.bc.ca/p/wolverine-coal-mine/docs>

- #1. January 10, 2002-Wolverine Coal Project- Application Report (including Appendices), submitted by Western Canadian Coal Corp.
- #2. October 10, 2003- Wolverine Coal Project- Revised Project Description (including Appendices), submitted by Western Canadian Coal Corp.
- #3. May 11, 2204- Wolverine Coal Project Environmental Assessment- Additional Information Report (including Appendices), submitted by Western Canadian Coal Corp.

An image of the loadout facility and rail on the Wolverine Project can be found here:

## Environmental Assessment Office Inspection Record

Date & Time: Tue Jun 20 15:03:12 MST 2017  
 Position: +055.05726° / -121.26397°  
 Altitude: 886m  
 Datum: WGS-84  
 Azimuth/Bearing: 039° N39E 0693mils (Magnetic)  
 Elevation Angle: -02.7°  
 Horizon Angle: -00.4°  
 Zoom: 1X



Overview of the coal processing and loadout facility on Wolverine.

C&E Carlson spoke with CALDWELL during this inspection regarding the transportation of coal from Wolverine to Willow Creek and CALDWELL stated that this activity has been ongoing since January 2017 as the railway tracks adjacent to Wolverine are currently in disrepair. CALDWELL stated that track repairs are underway and she is unaware of when those repairs will be completed.

Following the review of observations made in the field against the requirements of EAC#M04-01; C&E Carlson and Chris Parks, Senior Compliance and Enforcement Officer EAO (C&E Parks), held a conference call with Byron EAGLES and Conuma representative, Kresho GALOVICH on June 29, 2017 at approximately 1015 hrs to discuss this non-compliance. EAGLES provided the following information:

- Hauling has been ongoing for the last 3-4 months.
- Approximately 50-100 truck loads are hauling per day
- The mitigation measures being implemented are those used by BRB trucking like maintaining posted speed limits and covering truck loads.
- Hauling will continue the next 9-10 days. After which, coal will be stockpiled on site until the rail



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	<p>loadout on Wolverine reactivates this September.</p> <p>The Project was not operating in compliance with the requirements of this condition on the date of inspection. On June 30, 2017, an Order to Cease was issued to address this non-compliance.</p> <p>The Order can be found on the EAO public website <a href="#">here</a>.</p>
<b>Compliance:</b>	Out

<b>Actions Required by Proponent(s) &amp; Additional Comments:</b>	
CONUMA COAL RESOURCES LIMITED HAS BEEN ISSUED AN <b>ORDER</b> UNDER SECTION 34 OF THE ENVIRONMENTAL ASSESSMENT ACT ON JUNE 30, 2017. THIS ORDER WAS ISSUED TO ADDRESS THE NON-COMPLIANCES OBSERVED WITH THE REQUIREMENTS OF CONDITION #1 OF ENVIRONMENTAL ASSESSMENT CERTIFICATE M#04-01. FAILURE TO COMPLY WITH THIS ORDER MAY RESULT IN ADDITIONAL ENFORCEMENT UNDER THE ENVIRONMENTAL ASSESSMENT ACT.	
<b>Inspection Conducted by:</b> Justin Carlson	
<b>Signature:</b> Justin Carlson, Environmental Assessment Compliance and Enforcement Officer	<b>Date Signed:</b> 2017-07-13
<b>Enclosure(s) to Proponent(s) &amp; Description:</b>	
<b>Regulatory Consideration:</b>	

Environmental Assessment Office	<b>Mailing Address:</b> PO Box 9426 Stn Prov Govt Victoria BC V8W 9V1	<b>Telephone:</b> 250 387-0131 <b>Fax:</b> 250 387-2208 <b>Email:</b> <a href="mailto:eao.compliance@gov.bc.ca">eao.compliance@gov.bc.ca</a> <b>Website:</b> <a href="http://www.eao.gov.bc.ca">http://www.eao.gov.bc.ca</a>
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