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October 24, 2017

SENT VIA EMAIL

Rob McLeod President, CEO and Director IDM Mining Ltd. 1500 - 409 Granville Street Vancouver BC V6C 1T2 rm@idmmining.com

Michael McPhie Executive Chairman IDM Mining Ltd. 1500 - 409 Granville Street Vancouver BC V6C 1T2 mmcphie@jdsmining.ca

Dear Mr. McLeod and Mr. McPhie:

The Environmental Assessment Office (EAO) received an Application for an Environmental Assessment Certificate (Application) for the proposed Red Mountain Underground Gold Project (Red Mountain) from IDM Mining Ltd. (IDM) on July 14, 2017. Following the EAO's decision to not accept the Application on August 15, 2017, an updated Application was provided to the EAO on September 26, 2017. The result of Screening for the updated Application submitted by IDM to the EAO is outlined below.

Application Evaluation Decision

The Order issued under Section 11 of the *Environmental Assessment Act* (Act) on February 10, 2016, establishes that the Project Assessment Lead, with advice from the Working Group and Indigenous Groups, as requested, will evaluate and decide whether

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Mailing Address: PO Box 9426 Stn Prov Govt Victoria BC V8W 9V1 the Application contains the information specified in the Application Information Requirements (AIR).

In accordance with the Section 11 Order, the EAO has evaluated the Application and considered the feedback received from Working Group members and representatives of Nisga'a Nation.

I have concluded that the Application, as revised, adequately reflects the requirements in the AIR, and have decided to formally accept the Application for detailed review. I should reiterate that the evaluation was a scan of the Application for completeness, not an in-depth review to determine whether or not issues have been resolved to the EAO's satisfaction.

I also would like to call your attention to the Section 11 Order and the Act which provides me with the authority to request that IDM provide any information or address any issues that I consider necessary in order to complete the environmental assessment (EA) for Red Mountain. As per the Section 11 Order, in this letter I outline some key information requirements raised by Working Group members during their screening review of the Application which IDM must meet to support a rigorous, timely and efficient review of the Application. Please pay close attention to the important instructions and timing associated with these requirements that are included in the body of this letter.

I will also draw your attention to Section 24 of the Act, which outlines the provisions under which the Executive Director or Minister may suspend the review or extend the review time period. I should point out that a time-limit suspension can also be requested by a proponent.

Please review those sections of the Order that pertain to the Application Review Stage, including Sections 10, 12, 13, 15, 16, 17 and 18. Also, please review the consultation activities with the public and Indigenous groups that IDM has committed to undertake in chapters 27 and 28 of the Application during the Application Review Stage.

Updating and Distributing the Application for Review

IDM is responsible for supplying and distributing all copies of the final Application to the Working Group after the EAO accepts the Application for review, and in the formats specified in the attached addendum. The 180-day Application Review Stage will begin after the date on which the EAO confirms that all the copies of the Application have been delivered. I will advise IDM in writing of the start date of the Application Review.

Public Consultation

Please review the public consultation and notification requirements specified in

Sections 16 and 17 of the Section 11 Order. The EAO will require a formal 30-day public comment period and open house on the Application. IDM must obtain approval from the EAO for the publication schedule for the public comment period and open house advertisements; the means or methods of these advertisements; the date, time and location of the open house; and the venues in which the Application will be made available for review by the public.

Supplemental Information Required

During Application Screening, the Working Group identified a number of supplemental information requests that must be completed and provided to inform their detailed technical review of the Application. IDM must provide the following information to the EAO no later than day 20 of Application Review:

- 1. Wildlife Effects Assessment
 - a. Memo detailing the results of all outstanding wildlife surveys, including the marbled murrelet and black swift surveys. The content of the memo must be developed in consultation with the Canadian Wildlife Service, and at a minimum provide survey locations and methods, results and implications for potential impacts to wildlife.
- 2. Water Effects Assessment
 - a. Per comments received from the Working Group, provide information on the calibration of the water balance model to baseline flow conditions, or a detailed explanation and rationale for why the water balance model does not require calibration. The information should be provided in a memo and include any changes to the analysis, mitigation or findings in any other part of the Application.
- 3. Health Effects Assessment
 - a. IDM is to confirm whether the project site was included in the air quality modelling. If the project site was not included in the air quality modelling, the modelling must be updated to include this area. If an update is completed, the results of the updated air quality model must be provided in a memo and include any changes to the analysis, mitigation or findings in any other part of the Application.
 - b. Per comments received from Working Group members, contaminants of potential concern (COPCs) should not be screened out based on whether the predicted future concentration is less than 1% greater than local background, as there is no common justification that such concentrations would not have the potential to impact human health. IDM is to rescreen COPCs for all media and carry all COPCs forward that meet or exceed the screening criteria. The results of an updated screening must be detailed in a memo and include any changes to the analysis, mitigation or findings in/4

any other part of the Application.

- c. Per comments received from Working Group members, a sufficient rationale for using 0.6 and 1.0 hazard quotient (HQ)/hazard index (HI) acceptable risk thresholds instead of 0.2 (per Health Canada's guidance) has not been provided. IDM must update the Human Health Risk Assessment (HHRA) using a HQ/HI risk threshold of 0.2 or provide a detailed rationale that the risk thresholds used are appropriate and conservative, including how (and why or why not) background exposures (for example, consumer foods, retail foods, workforce exposures, environmental exposures while receptors are not in the study area) have been accounted for. If the HHRA is updated, the results of the updated HHRA must be detailed in a memo and include any changes to the analysis, mitigation or findings in any other part of the Application.
- d. Per comments received from Working Group members, surface water should be included as a drinking water pathway and compared to Canadian drinking water standards. This includes using total concentrations, as opposed to dissolved concentrations, or providing a strong rationale supported by literature and site monitoring as to why dissolved concentrations are equivalent. The appropriate factors of safety must also be incorporated where applicable. All changes as a result of this updated screening must be detailed in a memo.
- 4. Air Quality Effects Assessment
 - a. The SOP for Wind & Other Roses Using openair (ENV 2017) for conducting wind analysis using the openair R package is provided as an addendum. This standard operating procedure (SOP) outlines how to address issues that have been previously identified with this program. Please confirm if this SOP has been followed for the wind analysis by day 3 of Application Review. If the SOP has not been incorporated into the assessment, please provide an updated wind analysis using this SOP by day 20 of Application Review.
- 5. Effectiveness of Mitigations
 - a. Provide a table, developed in consultation with appropriate Working Group members identified by the EAO, outlining the time required for mitigation to become effective. This will include the time to install and commission for relevant mitigation measures outlined in the Application.

Please note that during Application Review, the EAO may require IDM to share raw data, upon request, with Working Group members, including the Nisga'a Lisims Government, to facilitate their review of the Application.

If you have any questions or require other information, please contact me by telephone/5

at 250 387-0833, or by email at <u>Lindsay.Luke@gov.bc.ca</u>. Alternatively, you may contact Chelsea Garside at 250 387-0712, or <u>Chelsea.Garside@gov.bc.ca</u>.

Yours truly,

Indoay Luke

Lindsay Luke Project Assessment Manager

Attachments (2)

cc: Mansell Griffin, Deputy Director, Nisga'a Lisims Government Mansellg@nisgaa.net

Andrea Raska, Project Manager, Canadian Environmental Assessment Agency Andrea.Raska@ceaa-acee.gc.ca

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