

File: ENVA-30020-04/RRMO 2023 - 2024

Reference: 408177

May 2, 2024

## SENT VIA EMAIL

Frank Marasco Jr. President and Chief Executive Officer West High Yield Resources Ltd. PO Box 68121 Calgary, AB T3G 3N8 Frank@whyresources.com

Dear Frank Marasco Jr.:

Thank you for your letter of December 11, 2023, regarding the proposed Record Ridge Industrial Mineral Mine Project (Record Ridge). In that letter and follow-up correspondence on February 23, 2024, you provided reasons for why West High Yield Resources Ltd. (W.H.Y. Resources) believes that Record Ridge should be considered an industrial mineral mine under the *Environmental Assessment Act* (2018) (the Act) <u>Reviewable Projects Regulation</u> (RPR).

The purpose of this letter is to conclude the process in which we've been engaged for several months. This letter also aims to inform W.H.Y. Resources of next steps associated with an application received by the Minister of Environment and Climate Change Strategy to consider whether Record Ridge should be designated as reviewable under Section 11 of the Act.

As you are aware, the RPR sets the criteria and thresholds for a project to be considered a reviewable project. If a project meets or exceeds the thresholds set out in the regulation, an environmental assessment is required. A project notification is required when a project comes close to the threshold. The Environmental Assessment Office (EAO) received a Project Notification from W.H.Y. Resources on May 12, 2023, that described a 249,000 tonnes per year mining operation of magnesium-bearing serpentinite rock.

Environmental Assessment Office Office of the Assistant Deputy Minister Mailing Address: PO Box 9426 Stn Prov Govt Victoria BC V8W 9V1 Location: 2<sup>nd</sup> FI – 836 Yates St Victoria BC V8W 1L8 After receiving the project notification, the EAO determined that there were information gaps in the submission, including details regarding whether Record Ridge fell under the Construction Stone and Industrial Mineral Quarries project category set out in Part 3, Table 6 of the RPR. The EAO decided under Section 10 of the Act that further review was required and directed W.H.Y. Resources to submit a revised project notification.

On November 28, 2023, W.H.Y. Resources sent a letter informing the EAO that Record Ridge had been modified to an operation of 200,000 tonnes per year. The letter included the position that because Record Ridge's proposed production rate was changed such that it was below the threshold for a project notification under the Act, Section 10 no longer applied, and W.H.Y. Resources would not be providing the additional information requested by the EAO.

In its May and November 2023 submissions to the EAO, W.H.Y. Resources asserted that Record Ridge was industrial mineral mine but did not provide an analysis in support of that assertion. The EAO requested additional information from W.H.Y. Resources in December 2023 in support of its' analysis of the appropriate category for the project in the RPR.

In correspondence to the EAO in December 2023, and February 2024, W.H.Y. Resources asserted that Record Ridge should be considered under the RPR Appendix 3, 1 (e) as a substance in which silica is the predominant mineral. To support this, W.H.Y. Resources provided an extract from a pre-feasibility study conducted for a magnesium oxide (magnesia) production plant. Results from "experimental work with the Record Ridge ore" indicated that the chemical make-up of a sample raw material (serpentine) contained 44.9 percent silicon dioxide (SiO<sub>2</sub>), 39.8 percent magnesium oxide (MgO), 10.2 percent iron oxide (FeO), and other trace chemicals.<sup>1</sup>

In addition to the information provided by W.H.Y. Resources, in early 2024 the Minister of Environment and Climate Change Strategy and the EAO received letters from members of the public questioning the categorization of Record Ridge as an industrial mineral mine. Several letters provided supporting evidence for the assertion that Record Ridge should not be considered an industrial mineral mine and should be classified as metal mine and that the EAO should carry out an environmental assessment.

On April 18, 2024, the Minister of Environment and Climate Change Strategy received a detailed request for an environmental assessment by Wildsight. This application means that the question of what category of mine Record Ridge falls under, which the EAO does not yet consider adequately resolved, will be determined through

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<sup>&</sup>lt;sup>1</sup> Source: <u>Technical Report: Pre-Feasibility Study for Record Ridge Magnesia Production</u>, page 1.

the consideration of that application. This is because only "eligible projects" may be designated under that Section. If Record Ridge is a reviewable project, it is not an "eligible project", and of course need not be designated under Section 11. If it is not, then the Minister, or the Chief Executive Assessment Officer as the delegated decision maker, will make a decision on whether to designated it as a reviewable project after considering Wildsight's application. The EAO will be assisting the Minister with Wildsight's application, including the issue of whether or not Record Ridge is an "eligible project", along with other necessary information for the decision maker.

In the coming days, the EAO will communicate to W.H.Y. Resources the steps planned to consider the request from Wildsight to designate Record Ridge as a reviewable project.

This letter, WHY Resources' correspondence related to the project notification process, the designation application submitted by Wildsight and the EAO's response to the request are all available on the EAO's <u>Project Information Centre website</u> (EPIC).

Sincerely,

Chris Trumpy Deputy Chief Executive Assessment Officer and Assistant Deputy Minister

cc: Chief Clarence Louie Osoyoos Indian Band Chief@oib.ca

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