

Project Name	Blackwater Gold Project	Inspection Status	Final
EA Certificate #	M19-01	Inspection No.	20240023_IR001
Project Status	Certified - construction	Inspection Start	2024-05-14
Inspection Type	Field and Administrative	Trigger	Planned Inspection
UTM	10N 390329, 5911372		
Project Description	The Blackwater Gold Project (Project) consists of an open pit mine for the extraction of gold and silver as well as ore processing facilities.		
Location Description	<p>The Project is located approximately 110 kilometres (km) south of Vanderhoof.</p> <p>Project access is via the Kluskus Forest Service Road (FSR), Kluskus-Ootsa FSR and Mine access Road, which connects to the Kluskus-Ootsa FSR at km 124.5. The Kluskus FSR joins Highway 16 west of Vanderhoof.</p> <p>The Chu Mineral Project Site (Chu Site) is located at approximately km 110 of the Kluskus FSR.</p>		
Inspection Summary	<p>The Officer inspected a camp constructed and operated by the Project at the Chu Site. The inspection included a debrief of observations with Project staff on May 14, 2024.</p> <p>The following requirements were inspected against:</p> <ol style="list-style-type: none"> Section 6(2) of the BC Environmental Assessment Act (Act), with respect to the requirement to undertake project construction activities in accordance with Environmental Assessment Certificate (Certificate) #M19-01 (Appendix 1) issued for the Project. <p>On July 5, 2024, Officer Rice provided the preliminary inspection record to the Certificate Holder.</p> <p>On July 18, 2024, the Certificate Holder provided comments pertaining to the preliminary inspection record. These comments were reviewed, and edits were made to the record by the EAO Compliance and Enforcement Branch (CEB) in response to comments provided by the Certificate Holder.</p> <p>Additional detail regarding these findings may be found in the sections below.</p> <p>The compliance determinations in this report reflect the findings from the inspection dates noted above. These determinations can change at any time upon information gathered through future inspections or if new information is obtained by the EAO CEB.</p>		
In Attendance	<p>Independent Environmental Monitor Environmental Superintendent, BW Gold, Artemis Gold Inc. Environmental Monitor, Nazko First Nation Environmental Monitor, Saik'uz First Nation</p>		
Certificate Holder	BW Gold Ltd.		
Mailing Address	595 Burrard Street, Vancouver, B.C. V7X 1L3		
Inspecting Officer(s)	<p>Kyle Rice Senior Compliance & Enforcement Officer</p>		

Record Prepared By:	Kyle Rice Senior Compliance & Enforcement Officer
Record Approved By	Chris Parks Deputy Director, Compliance & Enforcement

INSPECTION DETAILS

Requirement 1: The Act, Section 6(2)

Despite any other enactment, if an environmental assessment certificate has been issued for a reviewable project, a person must not, except in accordance with the certificate,

- a) undertake or carry on any activity that is authorized by the certificate, or
- b) construct, operate, modify, dismantle or abandon all or part of the project facilities that are authorized by the certificate.

Inspection Details:

The Project is currently in the Construction phase at the time of the inspection.

The Officer observed a camp on the Chu Site (Camp) at km 110 of the Kluskus FSR (Photos 1, 2 & 3). The Camp area had:

- A minimum of 48 accommodation units in the main wing (Photo 1) and a smaller wing immediately to the west (Photos 2 & 3);
- Three generators to power the Camp buildings (Photos 1 & 2); and
- Potable water storage (Photo 2).

Site representatives stated the following regarding the Camp:

- The camp facility was constructed by the Holder to house Blackwater Gold workers;
- The Certificate Holder gained approval from the Mines, Competitiveness and Authorizations Division of the Ministry of Energy, Mines and Low Carbon Innovation (EMLI) to construct the Camp; and
- The Camp was currently accommodating Blackwater Gold transmission line construction workers, and doing so since April 2024.

The Certificate, Schedule A, Certified Project Description (CPD) states the following requirements regarding camps during Construction and Operations of the Project:

2.1 Mine Site

The following project components and infrastructure will be located within the Mine Site area:

Main Construction and Operations Camp area including:

- 19. Main Construction Camp to accommodate up to 1,000 personnel during Construction.*
- 20. Operations Camp to accommodate up to 500 personnel during Operations and Closure.*

The CPD Section 2.1 authorizes two camps (one Main Construction Camp and one Operations Camp) to be developed within the Mine Site only.

CPD Section 2.7 Electrical Transmission Line (ETL) states the following regarding what infrastructure may be included in the ETL right-of-way (ROW):

1. An up to 140 m wide corridor containing a 230 kV transmission line originating at BC Hydro's Glenannan Substation near Endako and connecting to the electrical substation at the plant site. The transmission line must be constructed within an up to 40 m wide cleared ROW for standard spans, and within an up to 50 m cleared ROW for long spans.
4. Equipment and material laydown areas within the cleared ROW.
5. Borrow areas within the cleared ROW.

CPD Section 2.7 does not list camps as infrastructure that may be included in the ETL ROW.



Photo 1. Camp, East side of main wing.



Photo 2. Camp, west side main wing (red arrows), south side smaller wing (green arrow), two generators (red polygon), potable water tanks (yellow polygon).

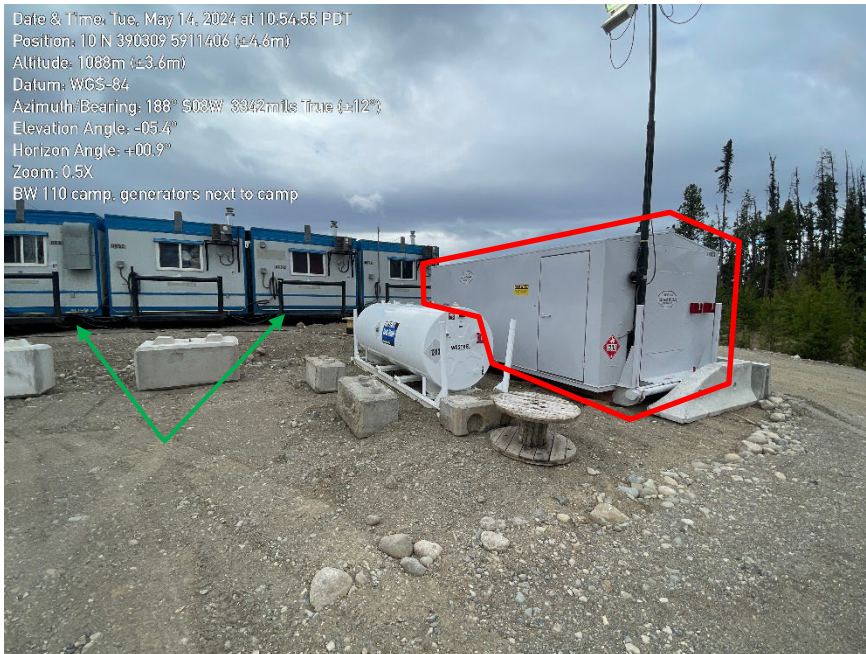


Photo 3. Camp, north side of smaller wing (green arrows), and one generator (red polygon).

On June 27, 2024, the Officer obtained the following documentation from EMLI:

- An email from the Certificate Holder to EMLI dated March 27, 2024, requesting the approval of a proposal to occupy the Chu Site (Certificate Holder Email, Appendix 2);

- A letter from EMLI to the Certificate Holder dated March 28, 2024 (EMLI Approval Letter, Appendix 3) stating the approval for the amendment of Chu Site Mines Act Permit #MX-13-133 (Chu MAP Amendment, Appendix 4) that authorizes the Certificate Holder to occupy the Chu Site; and
- The Chu Site Mines Act Permit (Appendix 4).

The Certificate Holder Email states the following for the purpose of the Chu Site occupation:

- *“The designated area will serve as an overflow camp for Mine Construction Workers and the Transmission Line Contractors. We plan to deploy a 44-person camp (dimensions: 240’ x 29’) alongside a parking lot of similar size, as detailed in the markup.”; and*
- *“The Chu Camp location was not initially considered in our construction plans.”*

The EMLI Approval Letter and the Chu MAP Amendment respectively say the following:

- “This permit applies only to the requirements under the Mines Act and Health, Safety and Reclamation Code for Mines in British Columbia (Code). Other legislation may be applicable to the operation and you (the Permittee) may be required to obtain approvals or permits under that legislation.”
- “You are reminded here that: You must remain in compliance with all conditions of your Environmental Assessment Certificate.”; and
- “Nothing in this permit limits the authority of other government agencies to set additional requirements or to act independently under their respective authorizations and legislation.”

On July 18, 2024, the Certificate Holder provided comments pertaining to the preliminary inspection record.

The Officer provides the following as clarification for the findings in this record:

- The Certificate Holder Email explicitly states the intention to use the Camp at the Chu Site as an overflow camp for Mine Construction Workers.
- The Certificate Holder Email also states that the Camp at the Che Site was not considered in construction plans, which indicates that the use of the Camp at the Chu Site was not contemplated in the Environmental Assessment for the Project.
- During the inspection, site representatives stated the original Chu Site camp was demolished and a new camp facility was constructed by the Holder to house Blackwater Gold workers.
- Evidence of the demolition of the previously existing camp was present at the Chu Site as a large waste pile (Photo 4).
- CPD Section 2.1 states the Main Construction Camp within the Mine Site is for personnel accommodation during Construction.
- CPD Section 2.7 does not list camps as infrastructure that may be included in the ETL ROW or in the ETL Corridor.
- Other than the Mine Site Area, there are no other camp locations authorized by the certificate.



Photo 4. Chu Site, waste pile from the demolition of the original camp buildings.

Section 6(2) of *the Act* requires that Project facilities be constructed in accordance with the Certificate, despite approvals received under any other enactment. The Certificate authorizes one temporary construction camp and one operations camp to be constructed at the Mine Site as identified in the CPD. The camp constructed at the Chu site is not authorized by the Certificate. The information documented in this record confirms that the Certificate Holder is not compliant with section 6(2) of *the Act* because they constructed a camp facility that is not authorized by the Certificate.

Compliance Finding	Out
Enforcement Action	Order - Refer to Enforcement Summary

Actions Required by Certificate Holder & Additional Comments
None at this time
Enforcement Summary
<p>BW GOLD LTD. IS NOT COMPLIANT WITH SECTION 6(2) OF THE ACT. SEE APPENDIX 5 FOR AN ORDER ISSUED UNDER SECTION 53 OF THE ACT (2018).</p> <p>THE EAO CEB MAY INSPECT TO DETERMINE IF THE BLACKWATER GOLD PROJECT HAS BEEN BROUGHT BACK INTO COMPLIANCE WITH THESE REQUIREMENTS. CONTINUED NON-COMPLIANCE WITH THESE REQUIREMENTS MAY RESULT IN ADDITIONAL ENFORCEMENT UNDER THE ENVIRONMENTAL ASSESSMENT ACT (2018).</p>

Regulatory Considerations	
None at this time.	
Inspection Record Version Dates	
Date Preliminary 2024-07-05	
Date Finalized 2024-07-31	
Appendices:	
Appendix 1: Environmental Assessment Certificate # M19-01 Appendix 2: Email, TTM Chu Camp Kluskus 110KM - Camp and Office Establishment - Blackwater Gold, 2024-03-27 Appendix 3: 1000899-2024-01 Permit Enclosed Letter 20240328 Appendix 4: 1000899-2024-01 Permit 2024-03-28 Appendix 5: BLAGOL_20240023_OR001	
Environmental Assessment Office - Compliance & Enforcement Branch	
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