

Decision Statement
Issued under Section 54 of the *Canadian Environmental Assessment Act, 2012*

to
New Gold Inc.
c/o Ryan Todd, Director, Blackwater Project

Sunlife Plaza
Suite 610, 1100 Melville Street
Vancouver, British Columbia
V6E 4A6

for the
Blackwater Gold Project

Description of the Designated Project

New Gold Inc. is proposing the construction, operation, and closure of an open-pit gold and silver mine located approximately 110 kilometres southwest of Vanderhoof, British Columbia. As proposed, the Blackwater Gold Project would produce 60,000 tonnes per day of gold and silver ore, over a mine life of 17 years.

Conduct of the environmental assessment

The Canadian Environmental Assessment Agency (the Agency) conducted an environmental assessment of the Designated Project in accordance with the requirements of the *Canadian Environmental Assessment Act, 2012*. The Agency commenced the environmental assessment on December 21, 2012, and submitted its report to me in my capacity as Minister of Environment and Climate Change.

Decision on environmental effects referred to in subsection 5(1) of the *Canadian Environmental Assessment Act, 2012*

In accordance with paragraph 52(1)(a) of the *Canadian Environmental Assessment Act, 2012*, after considering the report of the Agency on the Designated Project and the implementation of mitigation measures that I consider appropriate, I have determined that the Designated Project is not likely to cause significant adverse environmental effects referred to in subsection 5(1) of the *Canadian Environmental Assessment Act, 2012*.

In accordance with subsection 53(1) of the *Canadian Environmental Assessment Act, 2012*, I have established the conditions below in relation to the environmental effects referred to in subsection 5(1) of the *Canadian Environmental Assessment Act, 2012*, with which the Proponent must comply.

Decision on environmental effects referred to in subsection 5(2) of the *Canadian Environmental Assessment Act, 2012*

The carrying out of the Designated Project may require the following federal authorities to exercise a power or perform a duty or function conferred on them under an Act of Parliament other than the *Canadian Environmental Assessment Act, 2012*:

- The Minister of Fisheries and Oceans may issue authorization(s) under paragraph 35(2)(b) of the *Fisheries Act*;
- The Minister of Environment and Climate Change may propose an amendment under Schedule 2 of the *Metal Mining Effluent Regulations*;
- The Minister of Natural Resources may issue a licence under subsection 7(1) of the *Explosives Act*.

In accordance with paragraph 52(1)(b) of the *Canadian Environmental Assessment Act, 2012*, after considering the report of the Agency on the Designated Project and the implementation of mitigation measures that I consider appropriate, I have determined that the Designated Project is not likely to cause significant adverse environmental effects referred to in subsection 5(2) of the *Canadian Environmental Assessment Act, 2012*.

In accordance with subsection 53(2) of the *Canadian Environmental Assessment Act, 2012*, I have established the conditions below in relation to the environmental effects referred to in subsection 5(2) of the *Canadian Environmental Assessment Act, 2012*, with which the Proponent must comply.

Consultation with Indigenous groups

In establishing the conditions below in relation to the environmental effects referred to in subsections 5(1) and 5(2) of the *Canadian Environmental Assessment Act, 2012*, I took into account the concerns and interests identified in the consultation process with Indigenous groups. I also considered the measures to address these concerns and interests that have been identified in the environmental assessment and consultation processes. I am satisfied that the consultation process undertaken is consistent with the honour of the Crown and, with the conditions I have established, that the concerns and interests of Indigenous groups are appropriately accommodated for the purpose of issuing this Decision Statement.

1 Definitions

- 1.1 *Agency* means the Canadian Environmental Assessment Agency.
- 1.2 *Baseline* means the environmental conditions prior to initiating construction of the Designated Project as described in the Environmental Impact Statement.
- 1.3 *Blue-listed wetlands* means wetlands that are considered of special concern by the British Columbia Conservation Data Centre.
- 1.4 *Construction* means the phase of the Designated Project during which the Proponent undertakes the site preparation, building or installation of any components of the Designated Project, including periods during which these activities may temporarily cease.

- 1.5 *Contact water* means water that has come into contact with any mine site components, excluding diversion ditches.
- 1.6 *Daylight* means from one hour before sunrise to one hour after sunset, as calculated by the National Research Council of Canada for Prince George.
- 1.7 *Days* means calendar days.
- 1.8 *Decommissioning* means the closure phase of the Designated Project during which the Proponent permanently ceases production and commences removal from service of any components of the Designated Project, and that continues until the Proponent completes the reclamation of the Designated Project area, with the exception of the water treatment plant(s), transmission line and mine access road which will remain operational through the post-closure phase.
- 1.9 *Deleterious substance* means "deleterious substance" as defined in subsection 34(1) of the *Fisheries Act* or any substances prescribed by regulations under subsection 34(2) of the *Fisheries Act*.
- 1.10 *Designated Project* means the Blackwater Gold Project as described in section 2 of the environmental assessment report prepared by the Canadian Environmental Assessment Agency (Canadian Environmental Assessment Registry Reference Number 80017, Document Number 27).
- 1.11 *Designated Project area* means the geographic area occupied by the Designated Project and includes the mine site and linear components.
- 1.12 *Environment and Climate Change Canada* means the Department of the Environment as established under subsection 2(1) of the *Department of the Environment Act*.
- 1.13 *Environmental assessment* means an assessment of the environmental effects of a designated project that is conducted in accordance with the *Canadian Environmental Assessment Act, 2012*, as defined in subsection 2(1) of the *Canadian Environmental Assessment Act, 2012*.
- 1.14 *Environmental effects* means "environmental effects" as described in section 5 of the *Canadian Environmental Assessment Act, 2012*.
- 1.15 *Environmental Impact Statement* means the January 2016 document entitled *Blackwater Gold Project: Environmental Impact Statement* (Canadian Environmental Assessment Registry Reference Number 80017, Document Number 17), including supplementary material submitted by the Proponent during the course of the Environmental Impact Statement review.
- 1.16 *Fish* means "fish" as defined in subsection 2(1) of the *Fisheries Act*.
- 1.17 *Fish habitat* means "fish habitat" as defined in subsection 2(1) of the *Fisheries Act*.
- 1.18 *Fisheries and Oceans Canada* means the Department of Fisheries and Oceans as established under subsection 2(1) of the *Department of Fisheries and Oceans Act*.

- 1.19 *Follow-up program* means a program for a) verifying the accuracy of the environmental assessment of a designated project; and b) determining the effectiveness of any mitigation measures, as defined in subsection 2(1) of the *Canadian Environmental Assessment Act, 2012*.
- 1.20 *Heritage value* means the aesthetic, historic, scientific, cultural, social or spiritual importance or significance for past, present or future generations.
- 1.21 *Listed species at risk* means a species that is listed on the List of Wildlife Species at Risk set out in Schedule 1 of the *Species at Risk Act*.
- 1.22 *Indigenous groups* means the following Aboriginal Peoples: Lhoosk'uz Dené Nation, Ulkatcho First Nation, Nadleh Whut'en First Nation, Saik'uz First Nation, Stelat'en First Nation, Nazko First Nation, Skin Tye Nation, Tsilhqot'in Nation, Métis Nation British Columbia, and Nee-Tahi-Buhn Band.
- 1.23 *Instream flow needs* means the recommended flow identified in section 4 of Appendix 5.1.2.6D of the Environmental Impact Statement for Davidson Creek.
- 1.24 *Migratory bird* means "migratory bird" as defined in subsection 2(1) of the *Migratory Birds Convention Act, 1994*.
- 1.25 *Mine site* means the area occupied by the mine site components as identified in Figure 2 of the environmental assessment report.
- 1.26 *Mitigation measures* means measures for the elimination, reduction, or control of the adverse environmental effects of a designated project, and includes restitution for any damage to the environment caused by those effects through replacement, restoration, compensation or any other means, as defined in subsection 2(1) of the *Canadian Environmental Assessment Act, 2012*.
- 1.27 *Offsetting plan* means "offsetting plan" as defined in section 1 of the Applications for Authorization under paragraph 35(2)(b) of the *Fisheries Act Regulations* and "compensation plan" as described in subsection 27.1 of the *Metal and Diamond Mining Effluent Regulations*.
- 1.28 *Operation* means the phase of the Designated Project during which the production takes place, including periods during which production may temporarily cease and during construction activities, and which continues until the start of decommissioning.
- 1.29 *Post-closure* means the phase during which the Proponent has completed the reclamation of the Designated Project area and during which the Proponent conducts monitoring of the Designated Project area to verify that reclamation activities have been successful.
- 1.30 *Progressive reclamation* means reclamation which is carried out by the Proponent concurrently with all phases of the Designated Project to progressively return any physically disturbed areas to a state better than or as close to the baseline as possible, as soon as is technically feasible after the disturbance, to mitigate the potential adverse environmental effects. When conducting progressive reclamation, the Proponent shall take into account the information from pre-construction surveys conducted in accordance with conditions 4.3, 5.5.1, 8.10, 8.14 and 8.16.

- 1.31 *Project roads* means roads associated with the Designated Project and include the mine access road, mine site roads, airstrip road and transmission line access roads.
- 1.32 *Proponent* means New Gold Inc. and its successors or assigns.
- 1.33 *Qualified individual* means someone who, through education, experience and knowledge relevant to a particular matter, may be relied on by the Proponent to provide advice within his or her area of expertise. Knowledge relevant to a particular matter may include community and Indigenous traditional knowledge.
- 1.34 *Qualified Professional* means a person who has training, experience and expertise in a discipline relevant to the field of practice set out in the condition, and who is registered with the appropriate professional organization in British Columbia, is acting under that organization's code of ethics and is subject to disciplinary action by that organization.
- 1.35 *Record* means “record,” including any correspondence, memorandum, book, plan, map, drawing, diagram, pictorial or graphic work, photograph, film, microform, sound recording, videotape and machine readable record, and any other documentary material, regardless of physical form or characteristics, and any copy of it as defined in subsection 2(1) of the *Canadian Environmental Assessment Act, 2012*.
- 1.36 *Red-listed wetlands* means wetlands that are considered at risk of being extirpated, endangered or threatened according to the British Columbia Conservation Data Centre.
- 1.37 *Relevant authorities* means federal and/or provincial authorities that are in possession of specialist or expert information or knowledge, or that have a responsibility for the administration of a law or regulation, with respect to the subject matter of a condition set out in this Decision Statement.
- 1.38 *Reporting year* means April 1 of a calendar year through March 31 of the subsequent calendar year.
- 1.39 *Structure, site or thing of historical, archeological, paleontological or architectural significance* means a structure, site or thing that is determined by a qualified individual, on the basis of heritage value, to be associated with an aspect of the history or culture of the people of Canada, including Indigenous groups.
- 1.40 *Water frequented by fish* means “water frequented by fish” as defined in subsection 34(1) of the *Fisheries Act*.
- 1.41 *Wetland* means land saturated with water long enough to promote formation of water altered soils, growth of water-tolerant vegetation and various kinds of biological activity that is adapted to the wet environment.
- 1.42 *Wetland functions* means the natural processes and derivation of benefits and values associated with wetland ecosystems, including economic production, fish and wildlife habitat, organic carbon storage, water supply and purification (e.g. groundwater recharge, flood control, maintenance of flow regimes, shoreline erosion buffering), and soil and water conservation, as well as tourism, heritage, recreational, educational, scientific, and aesthetic opportunities.

Conditions

These conditions are established for the sole purpose of the Decision Statement issued under the *Canadian Environmental Assessment Act, 2012*. They do not relieve the Proponent from any obligation to comply with other legislative or other legal requirements of the federal, provincial, or local governments. Nothing in this Decision Statement shall be construed as reducing, increasing, or otherwise affecting what may be required of the Proponent to comply with all applicable legislative or legal requirements.

2 General Conditions

- 2.1 The Proponent shall ensure that its actions in meeting the conditions set out in this Decision Statement during all phases of the Designated Project are considered in a careful and precautionary manner, promote sustainable development, are informed by the best information and knowledge available at the time the Proponent takes action (including community and Indigenous traditional knowledge), are based on methods and models that are recognized by standard-setting bodies, are undertaken by qualified individuals, and have applied the best available economically and technically feasible technologies.
- 2.2 The Proponent shall, when mitigation is a requirement of a condition set out in this Decision Statement, give preference to avoiding the adverse environmental effect of the Designated Project over minimizing the adverse environmental effect of the Designated Project. If unable to avoid the adverse environmental effect, the Proponent shall give preference to minimizing the adverse environmental effect of the Designated Project over compensating for the adverse environmental effect of the Designated Project. If unable to minimize the adverse environmental effect, the Proponent shall compensate for the adverse environmental effect of the Designated Project.

Consultation

- 2.3 The Proponent shall, where consultation is a requirement of a condition set out in this Decision Statement:
 - 2.3.1 provide a written notice of the opportunity for the party or parties being consulted to present their views and information on the subject of the consultation;
 - 2.3.2 provide all information available and relevant on the scope and the subject matter of the consultation and a period of time agreed upon with the party or parties being consulted, not less than 15 days, to prepare their views and information;
 - 2.3.3 undertake a full and impartial consideration of all views and information presented by the party or parties being consulted on the subject matter of the consultation;
 - 2.3.4 strive to reach consensus with Indigenous groups; and

- 2.3.5 advise the party or parties being consulted on how the views and information received have been considered by the Proponent including a rationale for why the views have, or have not, been integrated. The Proponent shall advise the party or parties in a time period that does not exceed the period of time taken in 2.3.2.
- 2.4 The Proponent shall, where consultation with Indigenous groups is a requirement of a condition set out in this Decision Statement, determine and strive to reach consensus with each Indigenous group regarding the manner by which to satisfy the consultation requirements referred to in condition 2.3, including:
 - 2.4.1 the methods of notification;
 - 2.4.2 the type of information and the period of time to be provided when seeking input;
 - 2.4.3 the process to be used by the Proponent to undertake impartial consideration of all views and information presented on the subject of the consultation; and
 - 2.4.4 the period of time and the means by which to advise Indigenous groups of how their views and information were considered by the Proponent.

Follow-up and adaptive management

- 2.5 The Proponent shall, where a follow-up program is a requirement of a condition set out in this Decision Statement, have a Qualified Professional, where such a qualification exists for the subject matter of the follow-up program, determine, as part of the development of each follow-up program and in consultation with the party or parties being consulted during the development, the following information:
 - 2.5.1 the follow-up activities that must be undertaken by a qualified individual;
 - 2.5.2 the methodology, location, frequency, timing and duration of monitoring associated with the follow-up program;
 - 2.5.3 the scope, content, format and frequency of reporting of the results of the follow-up program;
 - 2.5.4 the levels of environmental change relative to baseline conditions that would require the Proponent to implement modified or additional mitigation measure(s), including instances where the Proponent may require Designated Project activities to be stopped; and
 - 2.5.5 the technically and economically feasible mitigation measures to be implemented by the Proponent if monitoring conducted as part of the follow-up program shows that the levels of environmental change referred to in condition 2.5.4 have been reached or exceeded.
- 2.6 The Proponent shall update and maintain the follow-up and adaptive management information referred to in condition 2.5 during the implementation of each follow-up program in consultation with the party or parties being consulted during the development of each follow-up program.
- 2.7 The Proponent shall provide a draft of the follow-up programs referred to in conditions 3.14, 3.15, 3.16, 4.5, 5.5, 6.11, 6.12, 6.13, 6.14, 8.18.6, 8.20.5, 8.21, and 8.22, if required, to the party or parties being consulted during the development of each follow-up program for a consultation period of up to 60 days prior to providing follow-up programs pursuant to condition 2.8.

- 2.8 The Proponent shall provide the follow-up programs referred to in conditions 3.14, 3.15, 3.16, 4.5, 5.5, 6.11, 6.12, 6.13, 6.14, 8.18.6, 8.20.5, 8.21, and 8.22, if required, to the Agency and to the party or parties being consulted during the development of each follow-up program prior to the implementation of each follow-up program. The Proponent shall also provide any update(s) made pursuant to condition 2.6 to the Agency and to the party or parties being consulted during the development of each follow-up program within 30 days of the follow-up program being updated.
- 2.9 The Proponent shall, where a follow-up program is a requirement of a condition set out in this Decision Statement:
- 2.9.1 conduct the follow-up program according to the information determined pursuant to condition 2.5;
 - 2.9.2 undertake monitoring and analysis to verify the accuracy of the environmental assessment as it pertains to the particular condition and/or to determine the effectiveness of any mitigation measure(s);
 - 2.9.3 determine whether modified or additional mitigation measures are required based on the monitoring and analysis undertaken in accordance with condition 2.9.2; and
 - 2.9.4 if modified or additional mitigation measures are required pursuant to condition 2.9.3, develop and implement these mitigation measures in a timely manner and monitor them in accordance with condition 2.9.2.
- 2.10 Where consultation with Indigenous groups is a requirement of a follow-up program, the Proponent shall discuss the follow-up program with Indigenous groups and determine, in consultation with Indigenous groups, opportunities for their participation in the implementation of the follow-up program, including the analysis of the follow-up results and whether modified or additional mitigation measures are required, as set out in condition 2.9.

Annual reporting

- 2.11 The Proponent shall, commencing in the reporting year during which the Proponent begins the implementation of the conditions set out in this Decision Statement, prepare an annual report that sets out:
- 2.11.1 the activities undertaken by the Proponent in the reporting year to comply with each of the conditions set out in this Decision Statement;
 - 2.11.2 how the Proponent complied with condition 2.1;
 - 2.11.3 for conditions set out in this Decision Statement for which consultation is a requirement, how the Proponent considered any views and information that the Proponent received during or as a result of the consultation, including a rationale for how the views have, or have not, been integrated;
 - 2.11.4 the information referred to in conditions 2.5 and 2.6 for each follow-up program;
 - 2.11.5 the results of the follow-up program requirements identified in conditions 3.14, 3.15, 3.16, 4.5, 5.5, 6.11, 6.12, 6.13, 6.14, 8.18.6, 8.20.5, 8.21, and 8.22 if required;
 - 2.11.6 any update made to any follow-up program in the reporting year;

- 2.11.7 any modified or additional mitigation measures implemented or proposed to be implemented by the Proponent, as determined under condition 2.9 and rationale for why mitigation measures were selected pursuant to condition 2.5.4; and
- 2.11.8 any change(s) to the Designated Project in the reporting year.
- 2.12 The Proponent shall provide a draft annual report referred to in condition 2.11 to Indigenous groups, no later than June 30 following the reporting year to which the annual report applies. The Proponent shall consult Indigenous groups on the content and findings in the draft annual report.
- 2.13 The Proponent, in consideration of any comments received from Indigenous groups pursuant to condition, 2.12 shall revise and submit to the Agency and Indigenous groups a final annual report, including an executive summary in both official languages, no later than September 30 following the reporting year to which the annual report applies.

Information sharing

- 2.14 The Proponent shall publish on the Internet, or any medium which is publicly available, the annual reports and the executive summaries referred to in conditions 2.11 and 2.13, the offsetting plan(s) referred to in condition 3.11, the compensation plan referred to in condition 8.18 and, if required, condition 5.3, the whitebark pine management plan referred to in condition 8.20, the communication plans referred to in conditions 6.15 and 10.5, the reports related to accidents and malfunctions referred to in conditions 10.4.2 and 10.4.3, the schedules referred to in conditions 11.1 and 11.2, and any update(s) or revision(s) to the above documents, upon submission of these documents to the parties referenced in the respective conditions. The Proponent shall keep these documents publicly available for 25 years following the end of decommissioning of the Designated Project. The Proponent shall notify the Agency and Indigenous groups of the availability of these documents within 48 hours of their publication.
- 2.15 When the development of any plan is a requirement of a condition set out in this Decision Statement, the Proponent shall submit the plan to the Agency and to Indigenous groups prior to construction, unless otherwise required through the condition.

Change of Proponent

- 2.16 The Proponent shall notify the Agency and Indigenous groups in writing no later than 30 days after the day on which there is any transfer of ownership, care, control or management of the Designated Project in whole or in part.

Change to the Designated Project

- 2.17 The Proponent shall consult with Indigenous groups and relevant authorities prior to initiating any change(s) to the Designated Project that may result in adverse environmental effects, and shall notify the Agency and Indigenous groups in writing at a minimum of 60 days prior to initiating the change(s).
- 2.18 In notifying the Agency and Indigenous groups pursuant to condition 2.17, the Proponent shall provide the Agency with a description of the potential adverse environmental effects of the change(s) to the Designated Project, the proposed mitigation measures and follow-up

requirements to be implemented by the Proponent, and the results of the consultation with Indigenous groups and relevant authorities.

3 Fish and fish habitat

- 3.1 The Proponent shall implement measures to control erosion and sedimentation within the Designated Project area to avoid the deposit of deleterious substances in water frequented by fish. The Proponent shall submit these measures to the Agency and to Indigenous groups before implementing them.
- 3.2 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and Fisheries and Oceans Canada, measures to protect fish and fish habitat when undertaking activities in or near water, taking into account Fisheries and Oceans Canada's *Measures to Avoid Causing Harm to Fish and Fish Habitat*. In doing so, the Proponent shall:
 - 3.2.1 develop, to the satisfaction of Fisheries and Oceans Canada and any other relevant authorities, and in consultation with Indigenous groups, a proposal to salvage and relocate fish prior to conducting any Designated Project activity requiring removal of fish habitat. The Proponent, if authorized under the *Fisheries Act* and its regulations, shall salvage and relocate fish in a manner consistent with their authorization.
- 3.3 The Proponent shall design, install and operate the freshwater intakes for the freshwater supply system to avoid fish entry or reduce the incidental capture, death or injury of fish through entrainment and impingement.
- 3.4 The Proponent shall comply with the *Metal and Diamond Mining Effluent Regulations* and the pollution prevention provisions of the *Fisheries Act*.
- 3.5 The Proponent shall, during operation and decommissioning, cover all acid generating, potentially acid-generating, and potentially metal leaching tailings and waste with an oxygen-limiting barrier, in a manner determined by a Qualified Professional. The timing for covering potentially acid-generating tailings and waste rock shall be prior to the onset of acid rock drainage as determined by a Qualified Professional.
- 3.6 The proponent shall, for any low-grade ore stored on land that cannot be covered prior to the onset of acid rock drainage, place the low-grade ore on a low permeability foundation, and collect and monitor seepage. The Proponent shall move the low-grade ore stored on land to the tailings storage facility or the pit lake prior to the start of decommissioning.
- 3.7 The Proponent shall, from operation through post-closure phase, collect and treat seepage from the tailings storage facility and any other contact water, in accordance with the requirements of the *Metal and Diamond Mining Effluent Regulations* and the *Fisheries Act*, before it is deposited into the receiving environment. When treating contact water and seepage, the Proponent shall take into account the water quality thresholds in British Columbia's *Water Quality Guidelines for the Protection of Aquatic Life* and any water quality standards established under the *Yinka Dene 'Uza'hné Surface Water Management Policy* and the *Yinka Dene 'Uza'hné Guide to Surface Water Quality Standards*, for Davidson Creek, Chedakuz Creek, and Tatelkuz Lake, respectively classified

as class III, class II and class I surface waterbodies under the *Yinka Dene 'Uza'hné Surface Water Management Policy*.

- 3.8 The Proponent shall develop, prior to construction, measures to maintain instream flow needs in Davidson Creek. The Proponent shall maintain instream flow needs in Davidson Creek during all phases of the Designated Project at a minimum within flow rates recommended by the Proponent in Appendix 5.1.2.6D of the Environmental Impact Statement, unless otherwise authorized by Fisheries and Oceans Canada.
- 3.9 The Proponent shall maintain water temperature in Davidson Creek, as described by the Proponent in Section 5 of Appendix A (*Blackwater Gold Project – Assessment of Flows from the Water Treatment Plant and North and South Diversions on Davidson Creek Temperatures. Knight Piesold. Memorandum VA16-01038*) of Appendix C-1 of the Environmental Impact Statement Supplemental Report *Assessment of Effects Related to Project Changes (August 2016)*, unless otherwise authorized by Fisheries and Oceans Canada.
- 3.10 The Proponent shall mitigate effects to fish and fish habitat from water withdrawn from Tatelkuz Lake during operation, including by using mine water and water from the northern and southern diversions identified by the Proponent in Figure 3-1 of the Environmental Impact Statement Supplemental Report *Assessment of Effects Related to Project Changes (August 2016)* for the operation of the mill and redirect water used to process ore in the mill into the tailings management facility. When withdrawing water from Tatelkuz Lake, the Proponent shall comply with the *Fisheries Act* and any other applicable legal requirements and associated regulations.
- 3.11 The Proponent shall develop, to the satisfaction of Fisheries and Oceans Canada and Environment and Climate Change Canada and in consultation with Indigenous groups, and implement any offsetting plan(s) related to any residual adverse effects to fish and fish habitat associated with the carrying out of the Designated Project. The Proponent shall submit any approved offsetting plan(s) to the Agency prior to implementation.
- 3.12 The Proponent shall, for any fish habitat offsetting measure(s) proposed in any offsetting plan(s) referred to in condition 3.11 that may cause adverse environmental effects not considered in the environmental assessment, develop and implement, following consultation with Indigenous groups, Fisheries and Oceans Canada and Environment and Climate Change Canada, measures to mitigate those effects, including effects to Indigenous peoples' current use of lands and resources for traditional purposes. The Proponent shall submit these measures to the Agency before implementing them.
- 3.13 The Proponent shall, subject to any authorization required under the *Fisheries Act*, connect Lake 01682LNRS to Lake 01538UEUT prior to constructing the site C dam and in a manner that will maintain rainbow trout habitat and populations during all phases of the Designated Project and be consistent with any offsetting plan(s) referred to in condition 3.11.
- 3.14 The Proponent shall develop, prior to construction and in consultation with Indigenous groups, Fisheries and Oceans Canada, and other relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and determine the effectiveness of the mitigation measures as it pertains to adverse environmental effects of the Designated Project on fish and fish habitat. The Proponent shall implement the follow-up program during all phases of the

Designated Project and shall apply conditions 2.9 and 2.10 when implementing the follow-up program. As part of the follow-up program, the Proponent shall:

- 3.14.1 conduct parasite and pathogen inventories in Lake 01538UEUT and Lake 01682LNRS prior to enlarging Lake 01682LNRS and connecting it to Lake 01538UEUT pursuant to condition 3.13 and compare the results of the parasite and pathogen inventories for the two lakes;
- 3.14.2 monitor, starting when the Proponent starts to pump water into Davidson Creek and continuing through until the freshwater supply system has been decommissioned, rainbow trout (*Oncorhynchus mykiss*) and Kokanee (*Oncorhynchus nerka*) populations in Davidson Creek, including:
 - 3.14.2.1 community composition of rainbow trout (*Oncorhynchus mykiss*) and Kokanee (*Oncorhynchus nerka*), their absolute abundance, genetic structure and diversity;
 - 3.14.2.2 absolute abundance of overwintering rainbow trout juveniles; and
 - 3.14.2.3 characteristics of spawner populations through surrogate monitoring metrics including size at 50% maturity, redd counts and spawner distribution.
- 3.15 The Proponent shall develop, in consultation with Indigenous groups and other relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and determine the effectiveness of the mitigation measures as it pertains to adverse environmental effects of the Designated Project on fish habitat in Davidson Creek, Creek 661 and Chedakuz Creek. The Proponent shall develop the follow-up program prior to construction and shall implement the follow-up program during all phases of the Designated Project. The Proponent shall apply conditions 2.9 and 2.10 when implementing the follow-up program. As part of the follow-up program, the Proponent shall:
 - 3.15.1 monitor water flows in Davidson Creek during the open water season from construction until decommissioning, and temperature continuously from construction until decommissioning;
 - 3.15.2 monitor water quality in Davidson Creek, Creek 661 and Chedakuz Creek for contaminants of potential concern, including those identified in Table 5 of the environmental assessment report, during all phases of the Designated Project; and
 - 3.15.3 monitor, during all phases of the Designated Project, groundwater quality and quantity downstream of the tailings storage facility site D, open pit, west waste rock dump and low-grade ore stockpile to confirm that groundwater quantity and quality parameters are at or below the values identified by the Proponent in the modelled predictions in Section 5 of *Blackwater Gold Project: Additional Water Quality Model Sensitivity Scenario (July 20, 2017)* and Section 3 of *Blackwater Gold Project: Water Treatment Responses for Comments 1266, 1270, 1271, 1272, and 1273 (February 15, 2017)* for nitrite and contaminants of potential concern, and to verify the effectiveness of water management measures.
- 3.16 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and determine the effectiveness of the mitigation measures as it pertains to fish habitat in Tatelkuz Lake and Chedakuz Creek. The Proponent shall implement the follow-up

program from construction through decommissioning and shall apply conditions 2.9 and 2.10 when implementing the follow-up program. As part of the follow-up program, the Proponent shall:

- 3.16.1 conduct, prior to the commissioning of the freshwater supply system, fish habitat quantity and quality surveys in the Tatelkuz Lake littoral zone;
- 3.16.2 monitor the Tatelkuz Lake littoral zone from the commissioning of the freshwater supply system until decommissioning; and
- 3.16.3 monitor water flows in Chedakuz Creek between Tatelkuz Lake and the confluence with Davidson Creek during the open water season from construction until decommissioning.

4 Migratory birds

- 4.1 The Proponent shall carry out the Designated Project in a manner that protects migratory birds and avoids harming, killing or disturbing migratory birds or destroying, disturbing or taking their nests or eggs. In this regard, the Proponent shall take into account Environment and Climate Change Canada's *Avoidance Guidelines* and the risk of incidental take. The Proponent's actions when carrying out the Designated Project shall be in compliance with the *Migratory Birds Convention Act, 1994*, the *Migratory Birds Regulations* and with the *Species at Risk Act*.
- 4.2 The Proponent shall deter migratory birds from using or frequenting the tailings storage facility, reclamation wetlands, pit lake and sediment control ponds until such time that water quality in these structures meets legislative requirements and water quality objectives. The Proponent shall identify the water quality objectives using an ecological risk based approach, developed in consultation with Indigenous groups and relevant authorities.
- 4.3 The Proponent shall conduct pre-construction surveys for migratory birds and their habitat in the Designated Project area to validate the results of habitat suitability modelling for migratory birds, including migratory birds that are listed species at risk, conducted by the Proponent and presented in the Environmental Impact Statement and in the *Blackwater Gold Project – Waterbird Memo (Response to LDN/UFN #684, 693, 697, and NWFN/StFN #964)*. As part of the pre-construction surveys, the Proponent shall validate the applicability of fisher (*Martes pennant*) habitat suitability modelling to migratory birds, as identified by the Proponent in the *Blackwater Gold Project – Forest Birds (Supplemental Information in Response to 681, 683, 685, 694, 695, 703, 717, 936; and ECCC Annex 1, IR 21, 24, 25)*. Based on the results of the pre-construction surveys the Proponent shall, in consultation with Indigenous groups and relevant authorities, develop and implement mitigation measures for migratory bird habitat.
- 4.4 The Proponent shall develop, prior to construction, and in consultation with relevant authorities, mitigation measures related to sensitive periods and locations for migratory birds, including greater yellowlegs (*Tringa melanoleuca*). The mitigation measures shall consider critical habitat identified in applicable recovery strategies under the *Species at Risk Act* and suitable habitat identified by the Proponent in the environmental assessment for migratory birds, including common nighthawk (*Chordeiles minor*), olive-sided flycatcher (*Contopus cooperi*), yellow rail (*Coturnicops noveboracensis*), barn swallow (*Hirundo rustica*), bank swallow (*Riparia riparia*), horned grebe (*Podiceps auritus*). The Proponent shall implement the mitigation measures during all phases of the Designated Project.

- 4.5 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and determine the effectiveness of all mitigation measures to avoid harm to migratory birds, including migratory birds that are listed species at risk, their eggs and nests. The follow-up program shall include the mitigation measures used to comply with condition 4.1 to 4.4. The Proponent shall implement the follow-up program during all phases of the Designated Project and shall apply conditions 2.9 and 2.10 when implementing the follow-up program.

5 Wetlands

- 5.1 The Proponent shall mitigate the adverse environmental effects of the Designated Project on wetland functions with a preference for avoiding the loss of wetlands and wetland functions over minimizing the adverse effects on wetlands, and for minimizing the adverse effects on wetlands over compensating for lost or adversely affected wetlands, taking into account British Columbia's *Wetland Ways: Interim Guidelines for Wetland Protection and Conservation in British Columbia*, and *Riparian Management Area Guidebook*.
- 5.2 The Proponent shall maintain, during construction and operation, a 30-metre buffer of undisturbed vegetation around wetlands located within the mine site, excluding activities required to construct project components. The Proponent shall conduct work or activity within the 30-metre buffer only to the extent necessary for safety reasons, to control invasive plants, or to install and maintain erosion or sediment run-off control measures. The Proponent shall have an independent environmental monitor observe work being done within the buffer, except when not possible for safety reasons. As part of the annual report, the Proponent shall include a summary of work or activities conducted for safety reasons within the 30-metre buffer.
- 5.3 The Proponent shall, for adverse environmental effects from the Designated Project on wetlands that cannot be avoided or minimized pursuant to condition 5.1, set out mitigation measures in a wetland compensation plan. The Proponent shall develop the wetland compensation plan, prior to construction, in consultation with Indigenous groups, Environment and Climate Change Canada and other relevant authorities, and taking into account Canada's *Federal Policy on Wetland Conservation*, Environment and Climate Change Canada's *Operational Framework for Use of Conservation Allowances* and habitat needs for migratory birds, moose (*Alces alces*) and listed species at risk. When identifying mitigation measures, the Proponent shall select wetland restoration over enhancement and wetland enhancement over wetland creation. The Proponent shall start the implementation of the wetland compensation plan prior to the wetlands being adversely affected.
- 5.4 For any wetland creation required pursuant to condition 5.3, the Proponent shall establish, prior to wetland creation and in consultation with Indigenous groups, Environment and Climate Change Canada and other relevant authorities, performance standards for wetland functions.
- 5.5 The Proponent shall develop, prior to construction and in consultation with Indigenous groups, Environment and Climate Change Canada and other relevant authorities, a follow-up program to verify the predictions of the environmental assessment as it pertains to the adverse environmental effects of the Designated Project on wetland functions and to determine the effectiveness of the mitigation measures as it pertains to wetlands. The Proponent shall implement the follow-up program during from construction through decommissioning and shall apply

conditions 2.9 and 2.10 when implementing the follow-up program. As part of the follow-up program, the Proponent shall:

- 5.5.1 conduct pre-construction surveys within the mine site to confirm the absence of red or blue-listed wetlands. The Proponent shall provide the results of the survey to the Agency and to Indigenous groups prior to the start of construction. If the results of the survey demonstrate the presence of red or blue-listed wetlands within the mine site, the Proponent shall develop, prior to construction, and implement additional mitigation measures;
- 5.5.2 monitor changes to wetland functions of wetlands located within the mine site and remaining after vegetation clearing required to construct project components during all phases of the Designated Project; and
- 5.5.3 monitor all compensatory wetland sites at a minimum annually, to ensure they meet or exceed performance standards for wetland functions established pursuant to condition 5.4 from the start of compensation until wetland functions are attained.

6 Health and socio-economic conditions and current use of lands and resources for traditional purposes

- 6.1 The Proponent shall mitigate, during all phases of the Designated Project, emissions of fugitive dust from the Designated Project, including dust associated with vehicles on project roads.
- 6.2 The Proponent shall establish a speed limit of a maximum of 50 kilometres/hour on project roads and require that all persons abide by this speed limit during all phases of the Designated Project.
- 6.3 The Proponent shall develop, prior to construction and in consultation with Indigenous groups, a protocol for receiving complaints related to the exposure to noise and dust from the Designated Project. The Proponent shall respond to any noise or dust complaint(s) within 48 hours of the complaint being received and shall implement corrective actions to reduce exposure to noise or dust in a timely manner. The Proponent shall implement the protocol during construction, operation and decommissioning.
- 6.4 The Proponent shall, during all phases of the Designated Project, limit landing and take-off of flights to daylight hours and shall limit taxiing time of aircraft on the ground to time necessary for take-off and landing manoeuvres, except if not feasible for safety reasons.
- 6.5 The Proponent shall, in consultation with Indigenous groups, install and maintain signs indicating that consumption of surface water is not advisable in the tailings storage facility, the pit lake and Davidson Creek year-round at locations established in consultation with Indigenous groups.
- 6.6 The Proponent shall provide Indigenous holders of provincially-registered traplines, whose traplines overlap with the Designated Project area, with the schedules referred to in condition 11.2 and updates or revisions to the initial schedules pursuant to condition 11.3 and 11.4 at the same time these documents are provided to the Agency.
- 6.7 The Proponent shall provide tenure holders, including trappers, guide outfitters and range tenure holders whose activities overlap with the Designated Project area with the schedules referred to

in condition 11.2 and updates or revisions to the initial schedules pursuant to condition 11.3 and 11.4 at the same time these documents are provided to the Agency.

- 6.8 The Proponent shall develop and implement measures in consultation with Indigenous groups to manage invasive species within the Designated Project area.
- 6.9 The Proponent shall determine the location of the transmission line towers in consultation with Indigenous groups, to mitigate visual effects of the transmission line where the transmission line crosses trails and sites of importance to Indigenous peoples, unless not technically and economically feasible.
- 6.10 The Proponent shall, during all phases of the Designated Project, prohibit employees and contractors associated with the Designated Project from fishing, hunting, trapping and gathering for any purposes not associated with the Designated Project, within the Designated Project area, or using the Designated Project area to access lands outside the Designated Project area for fishing, hunting, trapping and gathering, unless an employee or contractor is provided access by the Proponent for traditional purposes or for exercising Aboriginal rights, to the extent that such access is safe.
- 6.11 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment as it pertains to adverse environmental effects of the Designated Project on the health of Indigenous Peoples caused by changes in concentrations of contaminants of potential concern in water, soil, vegetation and wildlife, including fish, and determine the effectiveness of mitigation measures. As part of the development of the follow-up program, the Proponent shall identify the vegetation and wildlife species that shall be monitored, the locations where the monitoring will be conducted, the contaminants to be monitored and the frequency of the monitoring. The Proponent shall implement the follow-up program during all phases of the Designated Project and shall apply conditions 2.9 and 2.10 when implementing the follow-up program. In doing so, the Proponent shall:
 - 6.11.1 monitor, prior to construction, contaminants of potential concern in soil, vegetation, wildlife, including fish and water. The Proponent shall also co-locate soil sampling with vegetation samples and water sampling with fish samples;
 - 6.11.2 monitor, during all phases of the Designated Project, contaminants of potential concern in water, soil, vegetation, and wildlife species;
 - 6.11.3 if the sampling and monitoring results referred to in condition 6.11.1 and 6.11.2 exceed the predictions made during the environmental assessment, implement any modified or additional mitigation measures pursuant to condition 2.9 based on the results of the follow-up program and update the human health risk assessment identified by the Proponent in Appendix 9.2.2A of the Environmental Impact Statement using the results of the sampling and monitoring. The Proponent shall integrate the current and predicted consumption patterns of each Indigenous group identified during the environmental assessment in the updated human health risk assessment and any updated consumption pattern information provided by Indigenous groups as part of the follow-up program.
- 6.12 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental

assessment as it pertains to adverse environmental effects of the Designated Project on the health of Indigenous Peoples as a result of changes to air quality and determine the effectiveness of mitigation measures. As part of the implementation of the follow-up program, the Proponent shall monitor nitrogen dioxide (NO₂), sulfur dioxide (SO₂), fine particulate matter (PM_{2.5}), particulate matter (PM₁₀), dust, and carbon monoxide (CO) in air. The Proponent shall implement the follow-up program during all phases of the Designated Project and shall apply conditions 2.9 and 2.10 when implementing the follow-up program.

- 6.13 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, a follow-up program to verify the accuracy of the environmental assessment as it pertains to adverse environmental effects of the Designated Project on the socio-economic conditions of Indigenous Peoples as a result of changes to access, availability and quality of country foods. The Proponent shall implement the follow-up program from construction through decommissioning and shall apply conditions 2.9 and 2.10 when implementing the follow-up program.
- 6.14 The Proponent shall, prior to construction and in consultation with Indigenous groups and relevant authorities, develop a follow-up program to verify the accuracy of the environmental assessment as it pertains to adverse effects from the Designated Project on moose (*Alces alces*) and determine the effectiveness of mitigation measures. As part of the implementation of the follow-up program, the Proponent shall conduct winter distribution and density surveys for moose (*Alces alces*) starting prior to construction and until the end of operation. The Proponent shall implement the follow-up program from construction through decommissioning and shall apply conditions 2.9 and 2.10 when implementing the follow-up program.
- 6.15 The Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, and implement, during all phases of the Designated Project, a plan to communicate the results of the follow-up program referred to in conditions 6.11, 6.12, 6.13 and 6.14 in plain language to Indigenous groups and relevant authorities. The communication plan shall include the procedures to communicate, including the frequency of communication.

7 Physical and cultural heritage and structures, sites or things of historical, archaeological, paleontological or architectural significance

- 7.1 The Proponent shall develop, prior to construction and in consultation with Indigenous groups, and implement an archaeological impact assessment of the footprints of the final transmission line alignment and associated poles, roads and towers to help inform final placement of these features. The Proponent shall take into account British Columbia's *Archaeological Impact Assessment Guidelines* when developing and implementing the archaeological impact assessment. The Proponent shall apply the archaeological and heritage management plan pursuant to condition 7.2 to structures, sites, or things of historical, archaeological, paleontological, or architectural significance or physical or cultural heritage resources discovered within the footprint of the final transmission line alignment.
- 7.2 The Proponent shall have a Qualified Professional develop, prior to construction and in consultation with Indigenous groups and relevant authorities, and implement, during construction, operation and decommissioning, an archaeological and heritage management plan for any structures, sites, or things of historical, archaeological, paleontological, or architectural

significance or physical or cultural heritage resources within the Designated Project area. The archaeological resources and heritage management plan shall include:

- 7.2.1 protocols to respect the discovery, handling, recognition, recording, transferring and safekeeping of structures, sites or things of historical, archaeological, paleontological or architectural significance;
 - 7.2.2 procedures to record, analyze, and mitigate the effects on cultural heritage resources and historic heritage sites, cultural sites previously identified through the heritage effects assessments conducted by the Proponent during the environmental assessment and, if applicable, the archaeological impact assessment completed for the final transmission line alignment;
 - 7.2.3 a process for reporting information about physical and cultural heritage features and structures, sites or things of historical, archaeological, paleontological or architectural significance to Indigenous groups;
 - 7.2.4 a process for informing workers of sensitive cultural areas; and
 - 7.2.5 a chance find procedure to apply in the event that previously unidentified physical or cultural heritage features or structures, sites or things of historical, archaeological, paleontological or architectural significance are discovered by the Proponent. As part of the chance find procedure the Proponent shall:
 - 7.2.5.1 immediately halt work at the location of the discovery, except work required to be undertaken to protect the integrity of the discovery;
 - 7.2.5.2 delineate an area of at least 30 metres around the discovery as a no-work zone;
 - 7.2.5.3 conduct an assessment at the location of the discovery taking into account British Columbia's *Archaeological Impact Assessment Guidelines*;
 - 7.2.5.4 inform the Agency and Indigenous groups within 24 hours of the discovery, and allow Indigenous groups to monitor any work related to this discovery; and
 - 7.2.5.5 consult with Indigenous groups and relevant authorities on the manner by which to comply with all applicable legal requirements and associated regulations, customs and protocols respecting the discovery, handling, recognition, recording, transferring and safekeeping of previously unidentified structures, sites or things of historical, archaeological, paleontological or architectural significance; and
 - 7.2.5.6 consult Indigenous groups on the manner by which to protect the confidentiality of the discovery. The Proponent shall protect the confidentiality of the discovery in a manner that is consistent with provincial laws.
- 7.3 The Proponent shall provide access, during all phases of the Designated Project and within 24 hours of an access request being received, to Indigenous groups to the mine site for cultural purposes or for exercising Aboriginal rights, to the extent that such access and exercise of rights are safe. The Proponent shall notify Indigenous groups in a timely manner if access to the mine site, or any part thereof, must be prohibited for safety reasons.

8 Wildlife and species at risk

- 8.1 The Proponent shall control lighting required for all phases of the Designated Project, including direction, timing and intensity, to avoid adverse effects on listed species at risk, while meeting health and safety requirements.
- 8.2 The Proponent shall, prior to construction and in consultation with Indigenous groups and relevant authorities, identify wildlife corridors that intersect project roads and shall install and maintain, during all phases of the Designated Project, wildlife crossing signs where the wildlife corridors intersect the project roads.
- 8.3 The Proponent shall not use salt for de-icing or traction control purposes on project roads during all phases of the Designated Project, unless all other methods used for de-icing or traction control purposes do not meet safety requirements.
- 8.4 The Proponent shall, from the start of construction to the end of decommissioning, manage carrion on project roads in consultation with relevant authorities and Indigenous groups.
- 8.5 The Proponent shall, during all phases of the Designated Project, manage snow bank height along project roads and shall create and maintain escape pathways where the wildlife corridors identified pursuant to condition 8.2 intersect the project roads to allow ungulates and wolverines (*Gulo gulo*) to exit the plowed roads in winter.
- 8.6 The Proponent shall, prior to the start of construction, conduct mineral lick surveys within the Designated Project area. If the results of the surveys indicate the presence of mineral licks outside the area disturbed by Designated Project components, the Proponent shall, in consultation with Indigenous groups and relevant authorities, maintain the mineral licks in their natural state.
- 8.7 The Proponent shall maintain vegetation under the transmission line right of way to a minimum height of 1 metre from the ground except at the location of the tower bases, guy anchor points and along the transmission line access roads, or where not feasible for safety reasons.
- 8.8 The Proponent shall deposit woody debris on the surface of upland slopes, between rocks and parallel and perpendicular to the slope when undertaking vegetation maintenance under the transmission line pursuant to condition 8.7, unless not feasible for safety reasons.
- 8.9 The Proponent shall identify, prior to construction and in consultation with Indigenous groups and relevant authorities, time periods during which construction activities must be carried out to protect wildlife during sensitive life stages, including for grizzly bear (*Ursus arctos*), western toad (*Anaxyrus boreas*), wolverine (*Gulo gulo*), American marten (*Martes americana*), fisher (*Pekania pennanti*) and southern mountain caribou (*Rangifer tarandus caribou*). In doing so, the Proponent shall:
 - 8.9.1 apply British Columbia's *Compendium of Wildlife Guidelines for Industrial Development Projects in the North Area, British Columbia. Interim Guidance, North Area* when identifying these time periods;
 - 8.9.2 notify, prior to construction, the Agency and Indigenous groups of these time periods and of the areas within which each of these time periods shall apply; and

- 8.9.3 conduct construction activities during these time periods, unless not technically feasible.
- 8.10 If construction during the time periods referred to in condition 8.9 for grizzly bear (*Ursus arctos*), western toad (*Anaxyrus boreas*), wolverine (*Gulo gulo*), American marten (*Martes americana*) and fisher (*Pekania pennanti*) is not technically feasible, the Proponent shall conduct pre-construction surveys to identify western toad (*Anaxyrus boreas*) breeding habitat and wolverine (*Gulo gulo*), American marten (*Martes americana*), fisher (*Pekania pennanti*) and grizzly bear (*Ursus arctos*) denning habitat and develop and implement additional mitigation measures, from construction until the end of operation, in consultation with Indigenous groups and relevant authorities. In doing so, the Proponent shall:
- 8.10.1 establish no work buffer zones for habitat identified during pre-construction surveys. The Proponent shall take into account British Columbia's *Guidelines for Amphibian and Reptile Conservation during Urban and Rural Land Development in British Columbia* when establishing buffer zones for western toad breeding habitat and shall take into account British Columbia's *Compendium of Wildlife Guidelines for Industrial Development Projects in the North Area, British Columbia. Interim Guidance, North Area* when establishing buffer zones for wolverine (*Gulo gulo*), American marten (*Martes americana*), fisher (*Pekania pennanti*) and grizzly bear (*Ursus arctos*) denning habitat.
- 8.11 The Proponent shall, in consultation with Environment and Climate Change Canada, have a qualified individual salvage and relocate western toad (*Anaxyrus boreas*) to suitable habitat, prior to clearing activities that cannot be scheduled outside of sensitive periods pursuant to condition 8.9.
- 8.12 The Proponent shall deter western toad (*Anaxyrus boreas*) from the tailings storage facility, reclamation wetlands, pit lake, sediment control ponds, and environmental control dam until such time that water meets British Columbia's *Water Quality Guidelines for the Protection of Wildlife* and from project roads during construction, operation and decommissioning.
- 8.13 The Proponent shall take into account the *Western Canada White Nose Syndrome Transmission Prevention* when undertaking construction activities in little brown myotis (*Myotis lucifugus*) and northern myotis (*Myotis septentrionalis*) habitat. The Proponent shall report evidence of white nose syndrome as indicated by white muzzle or dead bats to British Columbia's Ministry of Forests, Lands, and Natural Resource Operations and Rural Development, Environment and Climate Change Canada, and Indigenous groups.
- 8.14 The Proponent shall conduct pre-construction surveys to determine the distribution of little brown myotis (*Myotis lucifugus*) and northern myotis (*Myotis septentrionalis*), and establish from construction until the end of operation, in consultation with Indigenous groups and relevant authorities, buffer zones around active hibernacula and active roosts. The Proponent shall take into account British Columbia's *Compendium of Wildlife Guidelines for Industrial Development Projects in the North Area, British Columbia* when identifying active hibernacula and active roosts and when establishing buffer zones.
- 8.15 If the pre-construction surveys referred to in condition 8.14 identify the loss of little brown myotis (*Myotis lucifugus*) and northern myotis (*Myotis septentrionalis*) roosting habitat, the Proponent shall install, prior to construction, and maintain, during construction operation, and

decommissioning, roosting structures to offset any loss of little brown myotis (*Myotis lucifugus*) and northern myotis (*Myotis septentrionalis*) roosting habitat.

- 8.16 The Proponent shall, prior to construction and in consultation with Indigenous groups and relevant authorities, conduct pre-construction surveys to identify short-eared owl (*Asio flammeus*) moderate to high-value nesting and foraging habitat, and shall implement measures to mitigate the loss of short-eared owl (*Asio flammeus*) habitat caused by the Designated Project.
- 8.17 The Proponent shall, during all phases of the Designated Project and in consultation with Indigenous groups, Environment and Climate Change Canada and other relevant authorities, mitigate adverse environmental effects on southern mountain caribou (*Rangifer tarandus caribou*) and its habitat, including by carrying out construction activities during time periods referred to in condition 8.9 for southern mountain caribou (*Rangifer tarandus caribou*). In doing so, the Proponent shall give preference to avoiding the destruction or alteration of habitat over minimizing the destruction or alteration of habitat, to minimizing the destruction or alteration of habitat over restoring altered or destroyed habitat on-site, and to restoring altered or destroyed habitat on-site over offsetting.
- 8.18 For any offsetting required pursuant to condition 8.17, the Proponent shall develop, prior to construction and in consultation with Indigenous groups and relevant authorities, and to the satisfaction of Environment and Climate Change Canada, a compensation plan for southern mountain caribou (*Rangifer tarandus caribou*). When developing the compensation plan, the Proponent shall take into account habitat needs for migratory birds and listed species at risk. The Proponent shall implement the compensation plan from the beginning of construction. The compensation plan shall include:
- 8.18.1 mapping of critical habitat of southern mountain caribou (*Rangifer tarandus caribou*) altered or destroyed by the Designated Project;
 - 8.18.2 an offsetting ratio for direct habitat loss and indirect (e.g. sensory) losses based on an assessment of options, including revegetation and road closures, that consider the types of offset, location, time lags, securement, technical and economic feasibility, and probability of success;
 - 8.18.3 field verified suitability mapping of areas to be prioritized for offsetting;
 - 8.18.4 if residual environmental effects cannot be fully offset with habitat-based measures, a description of non-habitat measures to be implemented by the Proponent and a description of how these measures will be implemented by the Proponent, including a schedule for implementation;
 - 8.18.5 a description of performance indicators to be used by the Proponent to evaluate the effectiveness of habitat-based and non-habitat-based compensation measures; and
 - 8.18.6 a description of the follow-up program the Proponent shall implement to determine the effectiveness of the mitigation measures included in the compensation plan. As part of the development of the follow-up program, the Proponent shall determine, in consultation with Indigenous groups, the methods, timing and frequency for conducting winter surveys for caribou abundance and distribution within the Designated Project area. The Proponent shall apply conditions 2.9 and 2.10 when implementing the follow-up program.

- 8.19 The Proponent shall conduct progressive reclamation of areas disturbed by the Designated Project. In doing so the Proponent shall identify, in consultation with Indigenous groups, Environment and Climate Change Canada and other relevant authorities, plant species native to the Designated Project area to use for revegetation as part of progressive reclamation, including whitebark pine (*Pinus albicaulis*) and other conifers suitable to create habitat for southern mountain caribou (*Rangifer tarandus caribou*) and other species of interest to Indigenous groups.
- 8.20 The Proponent shall develop, prior to construction and in consultation with Indigenous groups, Environment and Climate Change Canada and other relevant authorities, a whitebark pine management plan to mitigate effects from the Designated Project on whitebark pine (*Pinus albicaulis*) and its critical habitat. The Proponent shall implement the plan during all phases of the Designated Project consistent with any applicable recovery strategy related to whitebark pine (*Pinus albicaulis*). As part of the whitebark pine management plan, the Proponent shall:
- 8.20.1 establish criteria to be used to evaluate the health of whitebark pine trees and for the selection of whitebark pine (*Pinus albicaulis*) to be transplanted;
 - 8.20.2 collect and preserve whitebark pine (*Pinus albicaulis*) rust-resistant seeds within the Designated Project area prior to vegetation clearing and use them for progressive reclamation pursuant to condition 8.19;
 - 8.20.3 identify the locations to plant whitebark pine (*Pinus albicaulis*) in undisturbed areas within the Designated Project area prior to construction;
 - 8.20.4 implement measures to support whitebark pine (*Pinus albicaulis*) growth and use by Clark's nutcracker (*Nucifraga columbiana*);
 - 8.20.5 develop and implement a follow-up program in consultation with Indigenous groups to determine the effectiveness of the mitigation measures included in the whitebark pine management plan. The Proponent shall apply conditions 2.9 and 2.10 when implementing the follow-up program. The follow-up program shall include:
 - 8.20.5.1 visual monitoring of populations of whitebark pine (*Pinus albicaulis*), including their health, within reclaimed areas at a minimum every five years; and
 - 8.20.5.2 monitoring of use of the reclaimed areas by Clark's nutcracker (*Nucifraga columbiana*) for the purpose of whitebark pine regeneration. Should the results of monitoring demonstrate that use of the reclaimed areas by Clark's nutcracker (*Nucifraga columbiana*) is not adequate, the Proponent shall implement additional mitigation measures.
- 8.21 The Proponent shall develop, in consultation with Indigenous groups, Environment and Climate Change Canada and other relevant authorities, a follow-up program to verify the accuracy of the environmental assessment and determine the effectiveness of the mitigation measures as it pertains to the effects of changes caused by the Designated Project on western toad (*Anaxyrus boreas*). The Proponent shall implement the follow-up program from construction through decommissioning and shall apply conditions 2.9 and 2.10 when implementing the follow-up program. As part of the follow-up program, the Proponent shall:
- 8.21.1 conduct western toad surveys annually in breeding habitat identified pursuant to condition 8.10 from the start of construction until the end of decommissioning;

- 8.21.2 monitor western toad (*Anaxyrus boreas*) in relocation areas for western toad (*Anaxyrus boreas*) salvage conducted pursuant to condition 8.11; and
 - 8.21.3 monitor western toad (*Anaxyrus boreas*) mortality on project roads from the start of construction until the end of decommissioning.
- 8.22 The Proponent shall develop, in consultation with Indigenous groups, and implement a follow-up program to monitor little brown myotis (*Myotis lucifugus*) and northern myotis (*Myotis septentrionalis*) usage of buffer zones established pursuant to condition 8.14 and roosting structures installed and maintained by the proponent pursuant to condition 8.15 to determine the effectiveness of the mitigation measures. The Proponent shall implement the follow-up program during construction and operation and shall apply conditions 2.9 and 2.10 when implementing the follow-up program.

9 Independent Environmental Monitor

- 9.1 The Proponent shall retain, prior to construction, the services of an independent environmental monitor, who is a qualified individual as it pertains to environmental monitoring of mining projects in British Columbia, and is also a Qualified Professional, where such a qualification exists, to observe, record, and report on the implementation of the conditions set out in this Decision Statement during all phases of the Designated Project.
- 9.2 As part of the reporting requirement pursuant to condition 9.1, the independent environmental monitor shall advise the Proponent, the Agency and Indigenous groups if, in their view, the activities do not comply with the conditions set out in this Decision Statement. The independent environmental monitor shall also advise the Proponent, the Agency and Indigenous groups whether measures should be taken in respect to these activities.
- 9.3 The Proponent shall require the independent environmental monitor to prepare reports at a frequency determined in consultation with the Agency and relevant authorities that include:
- 9.3.1 a description, including through photo evidence, of the Designated Project activities that occurred and the mitigation measures that were applied during the period covered by the report; and
 - 9.3.2 a description, including through photo evidence, of occurrence(s) of non-compliance related to the implementation of conditions set out in this this Decision Statement observed during the period covered by the report, including:
 - 9.3.2.1 the date of the occurrence(s) of non-compliance;
 - 9.3.2.2 whether Designated Project activities were changed or stopped as a result of the occurrence(s) of non-compliance;
 - 9.3.2.3 how the occurrence(s) of non-compliance was or were corrected by the Proponent and the date that the corrective action(s) was or were completed by the Proponent; and
 - 9.3.2.4 if any, the status of pending occurrences of non-compliance that have not been corrected yet by the Proponent and a description of any adverse environmental effects associated with the occurrences of non-compliance.

- 9.4 The Proponent shall require the independent environmental monitor to provide the reports referred to in condition 9.3 to the Agency, Indigenous groups and relevant federal authorities within 10 days of their production. The Proponent shall require the independent environmental monitor to retain the reports referred to in condition 9.3 until the end of decommissioning.
- 9.5 The Proponent shall require the independent environmental monitor to report all occurrence(s) of non-compliance observed by the independent environmental monitor directly to the Agency, Indigenous groups and relevant federal authorities within 48 hours of the observation of occurrence(s) of non-compliance.

10 Accidents and malfunctions

- 10.1 The Proponent shall take all reasonable measures to prevent accidents and malfunctions that may result in adverse environmental effects. The measures taken by the Proponent shall include measures to prevent dam breaches, water treatment plant failures or shutdowns.
- 10.2 The Proponent shall, prior to construction, consult with Indigenous groups and relevant authorities on the measures to be implemented to prevent accidents and malfunctions.
- 10.3 The Proponent shall, prior to construction and in consultation with Indigenous groups and relevant authorities, develop an accident and malfunction response plan in relation to the Designated Project. The accident and malfunction plan shall include;
- 10.3.1 the types of accidents and malfunctions that may cause adverse environmental effects; and
- 10.3.2 the measures to be implemented in response to each type of accident and malfunction referred to in condition 10.3.1 to mitigate any adverse environmental effects caused by the accident or malfunction, including response plans for dam breaches, water treatment plant failures or shutdowns.
- 10.4 In the event of an accident or malfunction with the potential to cause adverse environmental effects, the Proponent shall immediately implement the measures appropriate to the accident or malfunction referred to in condition 10.3.2 and shall:
- 10.4.1 notify, as soon as possible, Indigenous groups and relevant authorities of the accident or malfunction, and notify the Agency in writing no later than 24 hours following the accident or malfunction. For the notification to Indigenous groups and the Agency, the Proponent shall specify:
- 10.4.1.1 the date when and location where the accident or malfunction occurred;
- 10.4.1.2 a summary description of the accident or malfunction; and
- 10.4.1.3 any substances potentially released into the environment as a result of the accident or malfunction and the quantities released for each substance, if available.
- 10.4.2 submit a written report to the Agency no later than 30 days after the day on which the accident or malfunction occurred. The written report shall include:

- 10.4.2.1 a detailed description of the accident or malfunction and of its adverse environmental effects;
 - 10.4.2.2 a description of the measures that were taken by the Proponent to mitigate the adverse environmental effects caused by the accident or malfunction;
 - 10.4.2.3 any view(s) from Indigenous groups and advice from relevant authorities received with respect to the accident or malfunction, its adverse environmental effects and the measures taken by the Proponent to mitigate these adverse environmental effects;
 - 10.4.2.4 a description of any potential residual adverse environmental effects and any modified or additional measures required by the Proponent to mitigate residual adverse environmental effects; and
 - 10.4.2.5 details concerning the implementation of the accident or malfunction response plan referred to in condition 10.3.
- 10.4.3 submit a written report to the Agency no later than 90 days after the day on which the accident or malfunction occurred that includes a description of the changes made to avoid a subsequent occurrence of the accident or malfunction and of the modified or additional measure(s) implemented by the Proponent to mitigate and monitor residual adverse environmental effects and to carry out any required progressive reclamation, taking into account the information submitted in the written report pursuant to condition 10.4.2. The report shall include all additional views from Indigenous groups and advice from relevant authorities received by the Proponent since the views and advice referred to in condition 10.4.2.3 were received by the Proponent.
- 10.5 The Proponent shall develop a communication plan in consultation with Indigenous groups. The Proponent shall develop the communication plan prior to construction and shall implement and keep it up to date during all phases of the Designated Project. The plan shall include:
- 10.5.1 the types of accidents and malfunctions requiring the Proponent to notify the respective Indigenous groups;
 - 10.5.2 the manner by which Indigenous groups shall be notified by the Proponent of an accident or malfunction and of any opportunities for the Indigenous groups to assist in the response to the accident or malfunction; and
 - 10.5.3 the contact information of the representatives of the Proponent that the Indigenous groups may contact and of the representatives of the respective Indigenous groups to which the Proponent provides notification.

11 Schedules

- 11.1 The Proponent shall submit to the Agency a schedule for all conditions set out in this Decision Statement no later than 60 days prior to the start of construction. This schedule shall detail all activities planned to fulfill each condition set out in this Decision Statement and the commencement and estimated completion month(s) and year(s) for each of these activities.
- 11.2 The Proponent shall submit to the Agency a schedule outlining all activities required to carry out all phases of the Designated Project no later than 60 days prior to the start of construction. The

schedule shall indicate the commencement and estimated completion month(s) and year(s) and duration of each of these activities.

- 11.3 The Proponent shall submit to the Agency in writing an update to schedules referred to in conditions 11.1 and 11.2 every year no later than September 30, until completion of all activities referred to in each schedule.
- 11.4 The Proponent shall provide to the Agency revised schedules if any change is made to the initial schedules referred to in condition 11.1 and 11.2 or to any subsequent update(s) referred to in condition 11.3, upon revision of the schedules.
- 11.5 The Proponent shall provide Indigenous groups with the schedules referred to in conditions 11.1 and 11.2 and the updates or revisions to the initial schedules pursuant to condition 11.3 and 11.4 at the same time the Proponent provides these documents to the Agency.

12 Record keeping

- 12.1 The Proponent shall maintain all records relevant to the implementation of the conditions set out in this Decision Statement. The Proponent shall retain the records and make them available to the Agency throughout construction and operation and for 25 years following the end of decommissioning of the Designated Project. The Proponent shall provide the aforementioned records to the Agency upon demand within a timeframe specified by the Agency.
- 12.2 The Proponent shall retain all records referred to in condition 12.1 at a facility in Canada and shall provide the address of the facility to the Agency. The Proponent shall notify the Agency at least 30 days prior to any change to the physical location of the facility where the records are retained, and shall provide to the Agency the address of the new location.
- 12.3 The Proponent shall notify the Agency of change(s) to the contact information of the Proponent included in the Decision Statement.

Issuance

This Decision Statement is issued in Ottawa, Ontario by:

<Original signed by>

April 15, 2019

The Honourable Catherine McKenna
Minister of the Environment

Date _____