



April 3, 2020

David Baines
Senior Lead, Regulatory Approvals
Teck Coal Ltd.
421 Pine Avenue, Bag 2000
Sparwood BC V0B 2G0

Dear Mr. Baines:

RE: Castle Project

Thank you for contacting the Impact Assessment Agency of Canada (the Agency) regarding the proposed Castle Project (the Project). Teck Coal Ltd. (the proponent) provided the Agency with a draft Initial Project Description on January 16, 2020, to assist the Agency in providing its view as to whether the proposed project was likely to be described in the *Physical Activities Regulations* (the Regulations) made pursuant to the *Impact Assessment Act* (the Act). You provided additional information to support the Agency's analysis on February 27, 2020.

Under the Act, a proponent is to determine if its proposed project is described in the Regulations. The Regulations identify the physical activities that constitute designated projects that may require an impact assessment. The Agency reviewed the information you have provided that the physical works associated with the Project would increase the area of mining operations by an additional 35.7 percent, and that the expansion would have a total production capacity of 27 400 tonnes per day. The Project, as proposed and described in the material provided, would be below the threshold described in the Regulations. As a result, it is the Agency's view that this proposed project would not be a designated project under the Regulations.

We note that it is anticipated that the Project will undergo more detailed design work. Should the proposal be modified such that the Project that is proposed meets the description of a physical activity listed in the Regulations, you (as the proponent) will be required to submit an Initial Project Description to the Agency.

We would further note that for physical activities not described in the Regulations, there is the possibility that the Minister of Environment and Climate Change (the Minister), on request, or on his or her own initiative, could designate a project for an impact assessment under section 9 (1) of the Act if the Minister is of the opinion that the carrying out of the Project may cause adverse effects within federal jurisdiction or adverse direct or incidental effects, or if public concern related to those effects warrants that designation.

Please note that in proceeding with the Project, the proponent may still be required to obtain or seek amendment to other federal regulatory permits, authorizations and/or licences.

Further information regarding the Act and the Regulations is available on the Agency's website at www.canada.ca/iaac. In addition, please do not hesitate to contact <personal information> via email at Stefan.Crampton@canada.ca should you have any questions regarding this matter.

Sincerely,

<Original signed by>

Stefan Crampton
Project Manager
Pacific and Yukon Region

c.c.: Todd Goodsell, British Columbia Environmental Assessment Office
Katherine Morris, Ktunaxa Nation Council