

August 22, 2023

British Columbia Environmental Assessment Office Cariboo Gold Project P.O. Box 9426 Stn. Prov. Government Victoria, B.C. V8W 9V1

Comment on the draft assessment report for the Cariboo Gold Project

Thank you for this opportunity to provide comment on the draft assessment report for Osisko Development Corporation (ODV)'s Cariboo Gold Project.

MiningWatch Canada is a non-profit organization that provides a public interest response to the threats to public health, the environment, and community interests posed by irresponsible mineral policies and practices in Canada and around the world. It provides timely information and support to mining-affected communities and related organizations, and works to improve mining-related policies.

We have identified several concerns arising from the draft assessment report.

- 1. Alternative means of developing the project have not been properly presented or considered;
- 2. The proposed mitigation measures have not been adequately assessed;
- 3. The project's contribution to sustainability has not been adequately assessed.

Wells residents have consistently indicated their support for a new mining project that is configured to protect the existing community and its environment, including its vibrant arts and tourism economy, its peaceful and attractive natural environment, and critical habitat for the Barkerville caribou herd. Unfortunately, the project as proposed, including proposed mitigation measures, does not meet these basic requirements; the draft assessment report's endorsement of the project is unwarranted and unsupported by the evidence. Since the proponent has chosen not to configure the project components so as to respect the integrity of the community and the natural environment, the proposal must be rejected, and the proponent should be encouraged to develop a proposal to meet these reasonable and achievable standards.

1. The proponent has not presented nor adequately justified its preferred options regarding alternative means of developing the Cariboo Gold Project

The B.C. Environmental Assessment Act states that:

25. (2) The following matters must be considered in every assessment:

...(i) alternative means of carrying out the project that are technically and economically feasible, including through the use of the best available technologies, and the potential

effects, risks and uncertainties of those alternatives;¹

The draft assessment report concludes at section 11.29.2 that:

The EAO concludes that ODV has adequately assessed alternative means for Cariboo Gold and components of Cariboo Gold design.²

The conclusion that the alternatives have been adequately addressed is clearly unwarranted and not supported by the available facts.

Residents of Wells have identified several key concerns with the project's potential and predicted impacts on biodiversity, the local economy, and the liveability of the community. The proponent, ODV, has chosen to address these concerns through mitigation rather than modifying the project design, and in fact, modified the proposed project late in the assessment process in ways that will seriously aggravate, rather than alleviate, the impacts on the community.

ODV has simultaneously failed to provide adequate information to the public to justify its preferred options for the configuration of project components, despite repeated and varied attempts by the community to advocate for alternatives. ODV has provided some documentation of its analysis, but has not indicated the underlying criteria and sensitivity of its models to different assumptions. Cost is frequently referred to as an obstacle to implementing different project component configurations, but ODV has not provided any details as to how different cost factors (both inputs such as fuel, energy, and labour and outputs like the price of gold) would affect those configurations. Neither has ODV modelled those alternatives in enough detail to show how they would change the range of project impacts to allow a comprehensive cost-benefit analysis from a public as well as a business perspective.

Furthermore, ODV has failed to present an analysis of alternatives proposed by the community that could minimize some of the project's more serious impacts, such as changes in road use and location, and especially regarding the location of the concentrator or "services building" and other project components. These considerations are amply represented in the record of public and Community Advisory Committee input. ODV's refusal to evaluate such alternatives, in the face of consistent and continued pressure from community representatives, is especially hard to understand given the dramatic changes in the project configuration presented in its 299-page "Detailed Assessment Memo for Project Changes" (open for public comment from May 9 to June 8, 2023).³

Additionally, in some cases, ODV's justifications for rejecting different alternative configurations has changed, while providing no supporting evidence to the public. For its part, the EAO has failed to ensure that ODV fulfil its obligations to provide that information as part of the assessment process and has failed to represent these gaps in assessment in its report and conclusions; nor does the draft report identify and acknowledge the EAO's failure to ensure that this information was presented. The EAO has also failed to ensure that the evaluation of alternatives that did occur between ODV and the Technical Advisory Committee members was available to the public in an accessible form, rather than solely as an "Issues

https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/18051#section25

² British Columbia Environmental Assessment Office (EAO), Draft Cariboo Gold Assessment Report, July 14, 2023 <u>https://projects.eao.gov.bc.ca/api/public/document/64b1c7335c4b110022a53e11/download/Cariboo%20Gold%20Report_Finalfo</u> <u>rPCP_20230714.pdf</u> p. 206.

¹ British Columbia Environmental Assessment Act, SBC 2018, Chapter 51

³ Osisko Development - Cariboo Gold Project - Detailed Assessment Memo for Project Changes, April 21, 2023 https://projects.eao.gov.bc.ca/api/public/document/6446c3477d70c70022efe152/download/ODV%20Cariboo%20Gold%20Projec t%20Changes%20Report.pdf

Tracking Table^{**4} – a document that is 1619 rows in length and which was apparently closed in December, 2022, well before ODV submitted its "Detailed Assessment Memo for Project Changes" in April 2023. The meeting notes available to the public do not record any detailed discussion by the Technical Advisory Committee, nor is there any other record of the impact of those changes, or mitigation measures related to those impacts, being evaluated.

The draft assessment report presents no justification for the EAO to have accepted the "Detailed Assessment Memo for Project Changes," despite the fact that it represents a major change in the project configuration apparently, based on publicly available information, without any review of its implications in terms of the applicability of the baseline information and impact analysis already available. The EAO provided a 30-day public comment opportunity, falling well short of the additional time and effort required to integrate those changes into the assessment, and according to the available documentation, did not involve the Technical Advisory Committee in attempting to do so either.

These changes were also vociferously opposed by many residents of Wells; however, their call for the changes to be subject to a new review was ignored by the EAO. The problems with the new project description and the rationale for a new assessment are analysed by Dave Jorgenson in a submission made on May 26, 2023.⁵ The key issues relate to:

- A permanent 16-year mine portal (the "Cow" Portal) at the location of an exploration adit, which was previously scheduled for closure and was only permitted as an exploration activity, creating serious noise and light impacts on the town of Wells.
- A 550,000 tonne per year mineral processing facility at a new location (Bonanza Ledge), in addition to the processing facility in Wells, which would quadruple mine traffic through the entire length of the town of Wells.
- A new fuel storage and power generation facility at the top of the Lowhee watershed, overlooking the residential area of Wells, creating additional noise and other impacts.

These changes add considerably to the project's impacts. If the assessment process is to have any credibility and utility to decision-makers, the impacts of the project as described – including the April 2023 changes – and the proposed mitigation measures need to be compared with alternative project configurations, not just the 'null alternative' of no mine development at all.

2. Proposed mitigation measures have not been adequately assessed

The proposed mitigation measures themselves are also vastly inadequate and poorly described. The baseline data is questionable at best, as are the assumptions underlying the proposed mitigation measures. Existing monitoring for sound and wildlife, for instance, are based on flawed measurements. Last week, I observed a game camera, presumably monitoring for wildlife, positioned too high to register any animal movement and far away from the known caribou trail. I also observed sound monitors positioned away from presumed noise sources (the highway, the Cow Mountain exploration adit) rather than facing them. Light and noise pollution also need to be measured against the correct baseline. In this case, any mitigation measures aimed at preserving the "peaceful enjoyment" of life in Wells need to be based on

⁴ Cariboo Gold Project - Issues Tracking Table - Revised EAC Application, December 1, 2022

https://projects.eao.gov.bc.ca/api/public/document/638e8528e369870022050a82/download/CaribooGold_Application_ITT_FIN AL_COPY.xlsx

⁵ Dave Jorgenson. Comments on the Detailed Assessment Memo for Project Changes – April 21 <u>https://projects.eao.gov.bc.ca/api/public/document/6470fa3982aa280022080153/download/EA%20submission%20from%20may</u> %209 2023.pdf submitted May 26, 2023.

assumptions of deep quiet and profound dark at night and relative quiet during the day, especially further from the road. Standards of disturbance developed for urban areas with constant background noise and light pollution are simply not relevant when the baselines – and the expectations of residents and visitors alike – are so dramatically different.

The draft assessment report endorses ODV's commitments to monitor potential effects, implement measures to mitigate those effects, report publicly the results of all monitoring programs, and to continue to consult with the public, local governments, and Indigenous nations. Yet ODV has not identified specific criteria or thresholds for action, or action plans that could be reviewed and assessed in terms of their suitability and effectiveness. In other words, many of the mitigation measures rely on plans that have not been developed and which may or may not be effective if and when they are developed.

A good example is the repeatedly-referenced proposed requirement for ODV to develop a "Community Effects Monitoring Plan" and a "Community Effects Management Plan." The resolution of a number of potentially intractable problems have essentially been punted to these plans, whose content cannot be subject to public review as part of the environmental assessment process because it does not yet exist. The same applies to the "11 project-specific conditions to prevent or reduce adverse effects identified through the environmental assessment."⁶ Where negative effects cannot be adequately mitigated, there is no failsafe or default to protect the affected elements. Activities causing unacceptable and unmitigable impacts will not be limited or suspended. Instead of showing concrete plans to mitigate harm, ODV is essentially asking the public and decision-makers to have faith that negative effects will be mitigable in the first place, and that mitigation measures will be appropriate, effective, and economically feasible.

The conclusions, repeated throughout the draft assessment report, that the proposed mitigation measures are appropriate and acceptable are unjustified and unwarranted. The fact that alternative means of developing the project could alleviate or minimise many of the impacts and therefore the need for mitigation makes those conclusions troubling as well as inappropriate.

3. The project's contribution to sustainability has not been adequately assessed

The draft assessment report concludes that "the overall extent to which Cariboo Gold contributes to sustainability in B.C. would be overall low to moderate."⁷ This conclusion is made using flawed assumptions and incomplete analysis. Under the *Environmental Assessment Act*, the chief executive assessment officer's referral of the proponent's revised application for an environmental assessment certificate to the ministers for a decision must include "recommendations respecting whether the project is consistent with the promotion of sustainability by protecting the environment and fostering a sound economy and the well-being of British Columbians and their communities."⁸ The conclusion presented in the draft assessment report does not adequately consider either environmental protection or the economic effects of the project.

Any serious consideration of sustainability must take into account not only the relative magnitude and duration of the project's impacts, but also their acceptability from socio-economic and ecological perspectives. There may be impacts (considering known, well-characterised, mitigation measures) and trade-offs between positive and negative effects that are acceptable, and others that are not. The limits of acceptability may be determined scientifically – for instance, whether it is acceptable to place additional pressure on the Barkerville caribou herd from disturbance and habitat fragmentation due to the power line

⁶ EAO, op cit. p. 11

⁷ Ibid. p. 44

⁸ British Columbia Environmental Assessment Act, op. cit. s.29 (2)(a)(i)

corridor development, truck traffic, and other issues. Limits of acceptability may also be socially and politically determined – for instance, whether it is acceptable to jeopardise the existing well-established arts- and tourism-based local economy for the sake of a short-to-medium-term industrial economy. In all cases, these limits and the considerations and assumptions they are based on need to be clearly identified and applied to any determination of net sustainability.

It is clear that the draft assessment report's conclusions are based on an incomplete and biased analysis. Table 4's "Sustainability Assessment of Cariboo Gold"⁹ includes statements like "Cariboo Gold would operate on previously used mining areas in the region, in some ways minimizing its environmental footprint." This statement is only partially true, and therefore misleading and an inappropriate contribution to the sustainability assessment. The sustainability determination also relies heavily on mitigation measures with respect to environmental stewardship, intergenerational equity, and social and cultural well-being, which, as previously discussed, are to a disturbingly large extent unproven and undefined. Also as previously discussed, in many respects the need for these mitigation measures – and the risks associated with relying on unproven and undefined mitigation measures – could be greatly reduced by modifying the project's configuration.

While the project claims to make the following economic contributions, these contributions have not been independently analysed or verified:

Quality economic growth by ensuring the project fits within B.C. Climate Plan and legislated greenhouse gas targets; steady increases in real wages; increasing government revenue while caring for the natural environment; and

Fair distribution of economic benefits and costs by ensuring benefits and costs are shared broadly across the province and across the population and does not comprise future generations' possibilities for opportunities.¹⁰

There is no independent labour force analysis showing where workers with the requisite skills will come from and to what extent they will be moving from existing employment elsewhere. There is no analysis as to what mechanisms would be used to train local hires into positions with the mine, creating new jobs rather than contributing to employment "churn" in a tight labour market, and the extent to which it might contribute to skills development (transferrable or specific) and local or regional employment.

There is also no analysis of the project's sensitivity to market conditions in terms of being able to continue to operate through its planned lifespan, and therefore its ability to fulfil its claimed economic contributions. Neither is there a detailed projection of the project's contribution to the provincial treasury through taxes and royalty payments and how they could vary under different economic conditions.

Gold mining is not identified in Canada's "critical minerals" strategy¹¹. British Columbia has not yet developed a "critical minerals" strategy. "Critical minerals" are defined as those that are considered essential to economic security, and that potentially face supply chain disruptions – especially in the context of the transition to renewable energy.¹² While gold is used for industrial purposes such as

⁹ EAO, op cit. p. 42-43.

¹⁰ EAO, op cit. p. 42.

¹¹ Natural Resources Canada, "The Canadian Critical Minerals Strategy," December 2022.

https://www.canada.ca/en/campaign/critical-minerals-in-canada/canadian-critical-minerals-strategy.html ¹² Northern Confluence Initiative, "Critical Minerals: A Critical Look." June, 2023. <u>https://northernconfluence.ca/wp-content/uploads/2023/06/Critical-minerals-a-critical-look.pdf</u>

electronics, this represents only 8% of demand (as opposed to investment and jewellery);¹³ this demand is easily met by existing gold stocks and gold production as a by-product of copper and other base metal mining.

The purpose of mining gold is to generate profit for the company and its shareholders; benefits to others – Indigenous nations, other governments, local communities – are secondary. Any assessment of the project's contributions needs to take this into consideration. This is not evident in the draft assessment report's conclusions. Taxes and royalties collected on mining activity by the province and the federal government are subject to significant restrictions, exemptions, and credits that need to be clearly identified and analysed in terms of their impact on potential payments to government. Benefits may also flow to local communities and First Nations through employment, contracting, and purchasing. These are often specified in Impact Benefit Agreements or Community Benefit Agreements, which may create additional issues in terms of transparency and enforceability. The timing and amounts of such benefits are highly variable and contingent on several factors, and they are typically significantly smaller than expected. Just as with payments to governments through taxes and royalties, the sustainability assessment needs to include a detailed and realistic analysis of such benefits. This is not evident in the assessment documentation or in the draft assessment report.

Meanwhile, the long-term environmental costs and liabilities the project will produce (for example, the storage, treatment, and monitoring of toxic mine waste) are often significantly larger than expected. Financial security for site remediation will be ensured by the province under its new Major Mines Reclamation Security Policy;¹⁴ however, there is still no mechanism in place to ensure that there will be adequate funds to clean up accidents such as spills. There is still potential for the provincial treasury to be left holding short-term (emergency) and long-term liabilities, which needs to be reflected in the draft assessment report.

The project will also consume significant amounts of energy, with corresponding greenhouse gas emissions and/or demand on the provincial electrical supply. As presented, the project has been designed to reduce greenhouse gas emissions, but this comes at the cost of increased demand on the provincial power grid, potentially putting pressure on available low-carbon generating capacity and displacing electrical demand from higher priority uses such as transportation and home heating/cooling. Again, this needs to be reflected in the draft assessment report.

Conclusion

The draft assessment report reflects the assessment process' inadequate evaluation of alternative means of carrying out the Cariboo Gold Project and its components. This has necessitated a dependence on mitigation measures to try to minimise project impacts that could potentially be better managed, if not virtually eliminated, by changing the project configuration. The proposed mitigation measures are themselves too prospective, vague, and generalised to be considered reliable in protecting important elements of the natural and human environments. Given the low level of confidence that the proposed mitigation measures provide with respect to their ability to mitigate the identified impacts, it is even more important to apply a precautionary approach to the project's potential impacts, including external criteria to provide absolute protection to the most sensitive environmental elements. Examples would include the

¹⁴ Ministry of Energy, Mines and Low Carbon Innovation, "Major Mines Reclamation Security Policy," April 5, 2022. https://www2.gov.bc.ca/assets/gov/farming-natural-resources-and-industry/mineral-exploration-mining/documents/reclamationand-closure/major_mines_reclamation_security_policy_interim_v1_05apr2022.pdf

¹³ Natural Resources Canada, "Gold facts" February 17, 2023. <u>https://natural-resources.canada.ca/our-natural-resources/minerals-mining/minerals-metals-facts/20514</u>

survival of the Barkerville caribou herd, potentially imperilled by a new transmission line corridor, or the viability of the arts- and tourism-based economy of the community of Wells, potentially imperilled by the placement of major project components right in the front of the town, or the use of the Cow Mountain adit just above the town as a mine portal.

Together with an inadequate evaluation of the project's positive impacts, this combination of elements has made a reliable and realistic assessment of the project's contribution to sustainability impossible. As a result, the project as proposed fails to reliably promise a positive contribution to sustainability and must be rejected to allow the proponent to bring forward a proposal that integrates community well-being and environmental protection in a robust and rigorous project plan.

Sincerely,

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National Program Co-Lead MiningWatch Canada