

Ministers' Reasons for Decision

CARIBOO GOLD PROJECT

PROPOSED BY OSISKO DEVELOPMENT CORP.

OCTOBER 10, 2023



EAO

Environmental
Assessment Office

1.0 NATURE AND SCOPE OF THE DECISION

On October 10, 2023, pursuant to Section 29(4)(c) of the *Environmental Assessment Act*, 2018 (the Act), we, the Minister of Environment and Climate Change Strategy and the Minister of Energy, Mines and Low Carbon Innovation, issued an Environmental Assessment Certificate for the Cariboo Gold Project (Cariboo Gold, or the Project). This document sets out the reasons for this decision.

Osisko Development Corp. (ODV) is proposing to construct, operate and decommission Cariboo Gold, a new underground gold mine with a production rate of up to 1,788,500 tonnes of ore per year, in the District of Wells, British Columbia (B.C.). The Environmental Assessment Office (EAO) conducted an environmental assessment (EA) of Cariboo Gold, which began on December 18, 2020, and concluded on September 11, 2023, with the EAO’s referral of ODV’s Application for an Environmental Assessment Certificate (Application) to us for decision.

Section 29(4) of the Act requires that we consider the materials provided by the EAO, which included EAO’s Cariboo Gold Assessment Report (Assessment Report), proposed Certified Project Description, proposed Table of Conditions, recommendations of the Chief Executive Assessment Officer (CEAO) of the EAO respecting our decision, and any notifications by participating Indigenous nations of consent or lack of consent to issuing the Environmental Assessment Certificate (Certificate). Our decision must also consider the sustainability purpose referred to in Section 2(2)(b)(i) of the Act and the reconciliation purpose referred to in Section 2(2)(b)(ii) of the Act. The Act states that we may also consider any other matters that we consider relevant to the public interest in making our decision on an Application. Then we must decide whether to issue a Certificate with any conditions we consider necessary or to refuse to issue a Certificate.

2.0 MINISTERS’ CONSIDERATIONS

2.1. The EAO’s Assessment

We considered the EAO’s detailed findings from the review of ODV’s Application and noted that the EAO’s Assessment Report describes the broad and deep engagement with participating Indigenous nations, the Technical Advisory Committee, the Community Advisory Committee, provincial agencies, and local governments to identify issues and seek ways to address issues and concerns, which has included proposing Certificate conditions for our consideration.

The EAO advised us that it was satisfied that the proposed Certificate conditions and the Project design requirements set out in the proposed Certified Project Description would prevent or reduce potential adverse environmental, economic, social, cultural and health effects from Cariboo Gold, such that no significant effects are expected. We agree with the EAO’s conclusion.

2.2. Recommendations of the CEAO

The EAO’s CEAO considered the Assessment Report, the proposed Certificate conditions, proposed Certified Project Description, and the notifications of consent or lack of consent from participating Indigenous nations in the development of her recommendations. In keeping with her obligations under the Act, the CEAO provided us with her recommendations that:

- A Certificate be issued for Cariboo Gold;
- Cariboo Gold is consistent with the promotion of sustainability in B.C.;
- The matters in Section 25 of the Act were assessed sufficiently; and
- The duration of the Certificate, if issued, should be ten years.

2.3. Indigenous Engagement and Notifications of Consent or Lack of Consent

We affirm that a purpose of the Act is to support reconciliation with Indigenous peoples in B.C. by supporting the implementation of the United Nations Declaration on the Rights of Indigenous Peoples (UN Declaration) and that B.C. has committed to implement the UN Declaration and passed the *Declaration of the Rights of Indigenous Peoples Act*. Guided by these objectives, we have considered the EAO’s consultation with Indigenous nations for Cariboo Gold and the notices of consent or lack of consent provided by participating Indigenous nations as part of the EA process.

Potential effects from Cariboo Gold would occur in the traditional territories of the Lhtako Dené Nation, Xatśúll First Nation (Xatśúll), and Williams Lake First Nation, with whom the EAO consulted deeply and sought consensus on all key decisions throughout the EA. Throughout the EA process, each of these Nations worked closely and collaboratively with the EAO on the assessment of the Application and the development of the EAO’s referral materials. At each milestone throughout the process, the participating Indigenous nations and the EAO reached consensus on all interim milestones (including the readiness decision, process order, acceptance of the revised application for review, and referral materials). The referral materials reflect each Nation’s concerns and assess impacts on the Nation and its interests.

In addition, the EAO consulted with the Tsilhqot’in National Government, including ʔEsdilagh First Nation, and Nazko First Nation. Based on very low anticipated impacts from Cariboo Gold, these Indigenous nations were notified of milestones throughout the EA and offered the opportunity to provide comments during the public comment periods.

Lhtako Dené Nation, in whose traditional territory the mine site is located, provided consent for the issuance of a Certificate for Cariboo Gold. Williams Lake First Nation, in whose traditional territory the Quesnel River Mill is located, provided consent for the issuance of a Certificate for Cariboo Gold.

Prior to referral of the materials to us for decision, Xatśúll indicated non-consent to the issuance of a Certificate for Cariboo Gold. The reasons Xatśúll provided in their letter for non-consent included technical concerns regarding drinking water in Wells; water management and water treatment; water quality; impacts to fish, vegetation, wildlife, and ecosystems; and human health, related to mercury and selenium in the water. The EAO provided a response to the non-consent letter with details of how each topic was assessed in the process, including through the conditions proposed for the Certificate.

On September 22, 2023, we met with Chief Rhonda Phillips and staff of Xatśúll to hear their perspectives on the EA and Cariboo Gold. In this meeting, Xatśúll shared their experience leading up to and after sending their letter of non-consent. They noted that they are comfortable with us moving forward with this decision and that they consider the issues that they have raised to be resolved as outlined in the EAO’s recent response letter, subject to ongoing consultation and involvement as the Certificate conditions are acted upon. Commitments by ODV have also contributed to the resolution of their concerns. Xatśúll sent an additional letter indicating that they do not oppose the Project, and that they view consent as an ongoing process that goes beyond a binary decision of non-consent vs consent. They requested a follow-up meeting with Ministers in a few months to discuss progress and continue relationship-building, which we have committed to. With this additional discussion and commitment to Xatśúll, we are of the understanding that Xatśúll is comfortable with the issuance of a Certificate to Cariboo Gold.

We thank the Lhtako Dené Nation, Williams Lake First Nation, and Xatśúll for their extensive work, learnings, and teachings during the EA.

Based on the information provided to us, we concur with the CEAO’s view that the EA process undertaken was consistent with the UN Declaration and that the Crown’s duty to appropriately consult and accommodate Indigenous nations has been discharged for Cariboo Gold. Lastly, we agree with the EAO’s conclusion that the potential for adverse effects on Indigenous nations and their interests has been appropriately avoided, minimized, or otherwise accommodated.

2.4. Adverse Effects and Mitigation Measures

We noted that Cariboo Gold will be a new underground gold mine and many of the key issues in the EA related to the Project’s proximity to the community of Wells potentially creating adverse effects to human health, reducing Indigenous access to land, and affecting the habitat of the Barkerville caribou herd.

We considered that during the EA, ODV made project design changes during the EA for Cariboo Gold to minimize negative effects to the town of Wells and environmental effects. This included changes to the Services Building which is located within the town, including reducing the original proposed height of the Services Building from 62 metres to 37 metres through engineering refinements and adding sound insulation as part of efforts to reduce the building’s visual and acoustic impacts in the town of Wells; and removing a haul road option that was visible from the town of Wells. We understand that ODV is participating in a Memorandum of Understanding with the Province of B.C. to work towards remediation of historical mining contamination in Wells, is negotiating a Community Benefits Agreement with the District of Wells, and has committed to the use of electric vehicles for underground mining operations to reduce greenhouse gas emissions.

The EAO’s Assessment Report describes that residual effects from Project activities to air quality, water quality, infrastructure and services, wildlife (particularly caribou), and human and community health were the key themes of the EA due to their complexity and the proximity of the mine site to the town of Wells. The EAO proposed, and we have agreed, that in addition to the standard conditions which are common to all certified projects, 12 additional Project-specific conditions are required to prevent or reduce adverse effects identified through the EA. The EAO has also provided information on additional provincial and federal permits and regulatory requirements that Cariboo Gold would be subject to in a Regulatory Coordination Plan.

Having considered the suite of mitigation measures that address the wide range of effects, we concur that the conditions proposed by the EAO, some of which we have modified for greater clarity and specificity as a result of our review, are comprehensive and appropriate for Cariboo Gold. While we are satisfied with the EAO’s assessment that the Project would not have significant residual effects, we gave substantial consideration to the potential Project effects on human health, the Wells community, and the Barkerville caribou herd. Our considerations on these topics follow, as well as on other topics of high importance to the Technical Advisory Committee, Community Advisory Committee, participating Indigenous nations, and the public.

2.4.1. Loss of the Peaceful Enjoyment of Wells

The District of Wells, historically a mining town, currently has a year-round population of 217 that enjoys a tranquil and remote lifestyle with various cultural and recreational offerings. ODV plans to introduce a 200-person work camp at the Mine Site within the District of Wells, potentially impacting the local community. This includes increased traffic, noise, and changes to the town’s character, raising concerns about social cohesion and cultural displacement. We have also heard from various groups in Wells and the region that have concerns about the construction of Cariboo Gold within the District of Wells, in particular the location of the Services Building, and how the visual changes in Wells could affect tourism, which is currently a strong contributor to the local economy.

We understand that ODV considered alternative locations for the Services Building and provided additional assessment to the community regarding the reasons for the chosen location. ODV’s primary reasons for the location are to prevent further impacts to core caribou habitat and forests by building on a previously disturbed site; situating the mill and access to the underground mine as close as possible to the centre of the ore body to reduce the Project’s emissions and cost while maximizing safe exit routes for workers underground; and using the site where historical waste rock is located to aid in remediation efforts.

ODV responded to community concerns during the EA by proposing strategies to reduce unwanted effects, including maximizing local hiring, reducing visual and acoustic impacts of the Services Building by reducing the base elevation and including sound insulation in the building, and providing support for community events. The District of Wells and ODV have established partnerships to support various potential revitalization activities across the region. The District of Wells is also negotiating a Community Agreement with ODV, previously referred to as the Community Benefits Agreement.

We recognize that some effects are unavoidable, and we have therefore imposed additional Certificate conditions to address and reduce adverse effects, including a condition requiring ODV to develop and implement a Community Effects Management Plan. This plan sets out comprehensive legal requirements for monitoring and managing potential impacts, such as: limitations on the Project noise, daytime-only restrictions on blasting, and vegetation screening on the Services Building and Transmission Line poles. The plan also includes requirements to mitigate potential social effects, by maximising local hiring, implementing practices to address the potential for gender-based violence and increase diversity in employment, establishing corporate codes of conduct for workers, providing funding for a social worker and community liaison position in the District of Wells, and providing support for the Quesnel Women Resource Centre for diverse groups who may be impacted.

Ongoing engagement with the community will be important, and so we have imposed Certificate conditions that require ODV to:

- Conduct at least bi-annual community meetings throughout construction and operations for the purpose of discussion on effects from the Project in the local area, mitigation measures to address social and economic effects, future project development plans, and the Community Effects Management Plan and its implementation;
- Describe in the Community Effects Management Plan (developed in consultation with District of Wells and in the public meetings) how ODV will engage with the public, Participating Indigenous nations, local governments, and infrastructure and service providers regarding Project activities and actions related to the implementation of mitigation measures;
- Establish a process, including response times, for which concerns from the public regarding the Project will be responded to, communicated at the community meetings, and reported on the public website;
- Fund a community liaison position in the community during construction and operations with the objective of reviewing documentation, reflecting the community’s concerns, and participating in the community meetings;
- Establish communication and engagement processes with the participating Indigenous nations, Northern Health, and the District of Wells during all Project phases regarding Project activities and updates, as well as Project-related social and economic issues or concerns; and
- Maintain a public website for all Project reporting to support ongoing public transparency, including to provide notice of any meetings or other engagements through advertising and on a website, report on all monitoring activities, and respond to any comments and issues submitted.

Compliance with all Certificate conditions would be overseen by one or more Independent Environmental Monitors with relevant expertise, and separately verified by the EAO’s Compliance and Enforcement branch to ensure that the intent of the conditions is being met and that escalating enforcement actions can be taken should they be required. Additional conditions may be placed on the Holder through future permitting processes, which would be verified and enforced by the respective ministries.

2.4.2. Historical Tailings Contamination, Effects to Water Quality, and Drinking Water Supply

The Assessment Report describes that historical mining activities by the Cariboo Gold Quartz Mining Company left tailings and waste rock containing arsenic, cobalt, cadmium, lead, and other contaminants in the proposed Mine Site Complex area in the District of Wells and Jack of Clubs Lake. Although the remediation responsibility would not fall entirely on ODV,

the siting of their proposed Mine Site Complex construction near the contaminated area will require them to address any potential contamination issues and protect their workers from exposure. ODV will also be working with the Crown Contaminated Sites Program and the Ministry of Energy, Mines and Low Carbon Innovation through a Memorandum of Understanding to work on remediation of historical contamination in the area.

We acknowledge that ODV has committed to financial and physical contributions to the remediation effort and to find a new drinking water source for the District of Wells to avoid any contamination of the Wells drinking water supply. Because of the importance of this issue, we have imposed a Certificate condition requiring ODV to outline its contributions to remediation efforts and to safeguard and/or mitigate potential contamination of the drinking water supply.

We note that while existing selenium levels in waterbodies outside of the Quesnel River Mill and within Jack of Clubs Lake were found to already exceed B.C water quality guidelines, the levels were not found to present a risk to fish health or human health (through consumption of fish), and that future permitting processes under the *Environmental Management Act* will look closely at this potential issue and may require additional monitoring and mitigation measures related to water quality. To address this uncertainty leading into the permitting processes, we have imposed a Certificate condition requiring ODV to mitigate and manage effects to aquatic life through an Aquatic Effects Monitoring Plan and to human health through a Human Health Monitoring and Management Plan.

2.4.3. Effects to the Barkerville Caribou Herd

In the Assessment Report, it is described that Cariboo Gold could have potential adverse effects on the Barkerville woodland caribou herd, including habitat disturbance along the Transmission Line, increased access leading to higher hunting pressure and caribou mortality from wolves, habitat fragmentation, and sensory disturbance during construction and maintenance. We note the precarious status of southern mountain caribou and the low number of caribou in the herd, and that these effects could be significant if not adequately mitigated. Caribou conservation and recovery are particularly important to the participating Indigenous nations.

We acknowledge the project design mitigations from ODV, such as using existing disturbance areas for project infrastructure and existing roads for the Transmission Line route as well as reducing traffic along the Transportation Route. The EAO proposed, on the recommendation of EA participants, a Caribou Mitigation and Monitoring Plan that also includes measures to reduce predator movement and hunter access to the Transmission Line right-of-way, and removal of the Transmission Line following decommissioning. The plan will also require the preservation of seasonal use areas, promoting foraging success, reducing habitat fragmentation, and noise management in caribou habitat.

We believe that the measures in the Caribou Mitigation and Monitoring Plan will minimize and offset the effects on the Barkerville caribou herd.

2.4.4. Reduced Air Quality and Effects on Human Health

We understand from the Assessment Report that concerns about air quality and human health effects were raised by various stakeholders, including Northern Health, Xat’sùll, Williams Lake First Nation, the Community Advisory Committee, and the Ministry of Environment and Climate Change Strategy. We believe the EA added substantial value through revisions to the original Project design and mitigations that were developed during subsequent technical discussions and memos. ODV worked with the Ministry of Environment and Climate Change Strategy and Northern Health to reduce air quality impacts, including relocating ventilation portals away from Wells and implementing measures to reduce dust emissions in the District of Wells.

We note we have imposed conditions in the Certificate for ODV to address air quality concerns. These conditions include mitigation measures, monitoring, reporting, and trigger-response action plans to reduce air emissions from Cariboo Gold and the installation of continuous air quality monitoring in Wells. ODV is also subject to air quality requirements through

the *Environmental Management Act*. With effective implementation of these measures, we agree with the EAO that the effects on air quality would be minimal.

2.5. Public Consultation

We note that the EAO made substantial efforts to ensure residents of the District of Wells, communities in proximity to the Project and the general public were provided with meaningful opportunities to understand and participate in the assessment. We understand that the EAO established a Community Advisory Committee, the first committee of this kind created under the 2018 Act, which met virtually and in-person throughout the EA, and that there were also five public comment periods and eight virtual and in-person information sessions. We note that the comments and ODV’s and the EAO’s responses were appropriately considered during the EA as reflected in the Assessment Report and proposed Certificate conditions. We note that the Certificate conditions include a number of monitoring, mitigation, and follow-up requirements by ODV, to ensure that there is continued public transparency and responsiveness to issues and effects that may occur when Cariboo Gold is under construction and operational.

2.6. Benefits to the Province, Local Community and Participating Indigenous Nations

We are aware that Cariboo Gold would provide benefits to the Province, the local community, and to the participating Indigenous nations. Benefits, including economic, to these groups were considered in the contribution of Cariboo Gold to sustainability in B.C. and to the Project being in the public interest. Project spending is estimated to contribute \$588.4 million in Gross Domestic Product contributions over the four-year construction phase. During the operations phase of Cariboo Gold, the total Gross Domestic Product contributions are estimated to contribute \$466.4 million. Cariboo Gold will therefore generate broader economic benefits for B.C. The workforce for Cariboo Gold is estimated to be an average of 200 workers during construction, peaking at 273, and up to 488 during operations. With ODV’s emphasis on local and Indigenous employment and procurement, Cariboo Gold also has the potential to provide employment and economic benefits to the local and Indigenous populations. We note that a Certificate condition requires ODV to hire at least 75 percent of its workers locally, where qualified people are available.

Considering the Certificate conditions, we agree with the EAO that the benefits of Cariboo Gold have been enhanced to the extent possible.

2.7. Contribution of Cariboo Gold to Sustainability in B.C.

We considered the extent to which Cariboo Gold would contribute to sustainability in B.C. The EAO’s Assessment Report indicates that low to moderate contributions to sustainability are expected for present and future generations, taking into account measures to increase positive effects and to mitigate adverse effects. We considered how Cariboo Gold would create economic and employment opportunities in the region, support cultural and economic interests of the Indigenous nations, and support the creation of skills training programs and social services programs, while also creating potential risks to human health, community well-being, ecosystems, and current and future generations. The conditions in the Certificate are designed to ensure continuous progress towards sustainability for Cariboo Gold through the requirements for mitigation and monitoring programs, reducing adverse effects while enhancing positive effects. Overall, we agree that Cariboo Gold would represent a low to moderate contribution to sustainability in B.C.

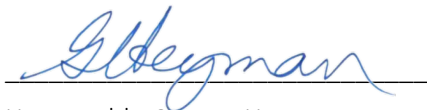
2.8. Duration of the Certificate

We agree with the CEAO’s recommendation that the duration of the Certificate be ten years from issuance.

3.0 CONCLUSION

We have considered the Assessment Report, the recommendations of the CEAO, the proposed Certified Project Description and Certificate conditions (as modified), notifications from participating Indigenous nations received prior to referral, as well as the discussion with and commitments to Xat’súll First Nation in the meeting on September 22, 2023. Now, having regard to our responsibilities under the Act and the Crown obligations to consult and accommodate participating Indigenous nations, we have decided to issue a Certificate for Cariboo Gold.

The Certificate includes conditions and specifies design parameters by which the Certificate Holder must abide. These give us the confidence to conclude that Cariboo Gold will be carried out such that no significant adverse effects are likely to occur. We are of the view that the benefits of the Project outweigh the costs, and it is in the public interest.



Honourable George Heyman

Minister of Environment and Climate Change
Strategy



Honourable Josie Osborne

Minister of Energy, Mines & Low Carbon Innovation

Signed this 10 day of October 2023