

Western Canadian Coal Corp Brule Mine Project

Briefing on the Application for an Environmental Assessment Certificate

June 2006

182 days
- review by EAO

TSR → BRUIF

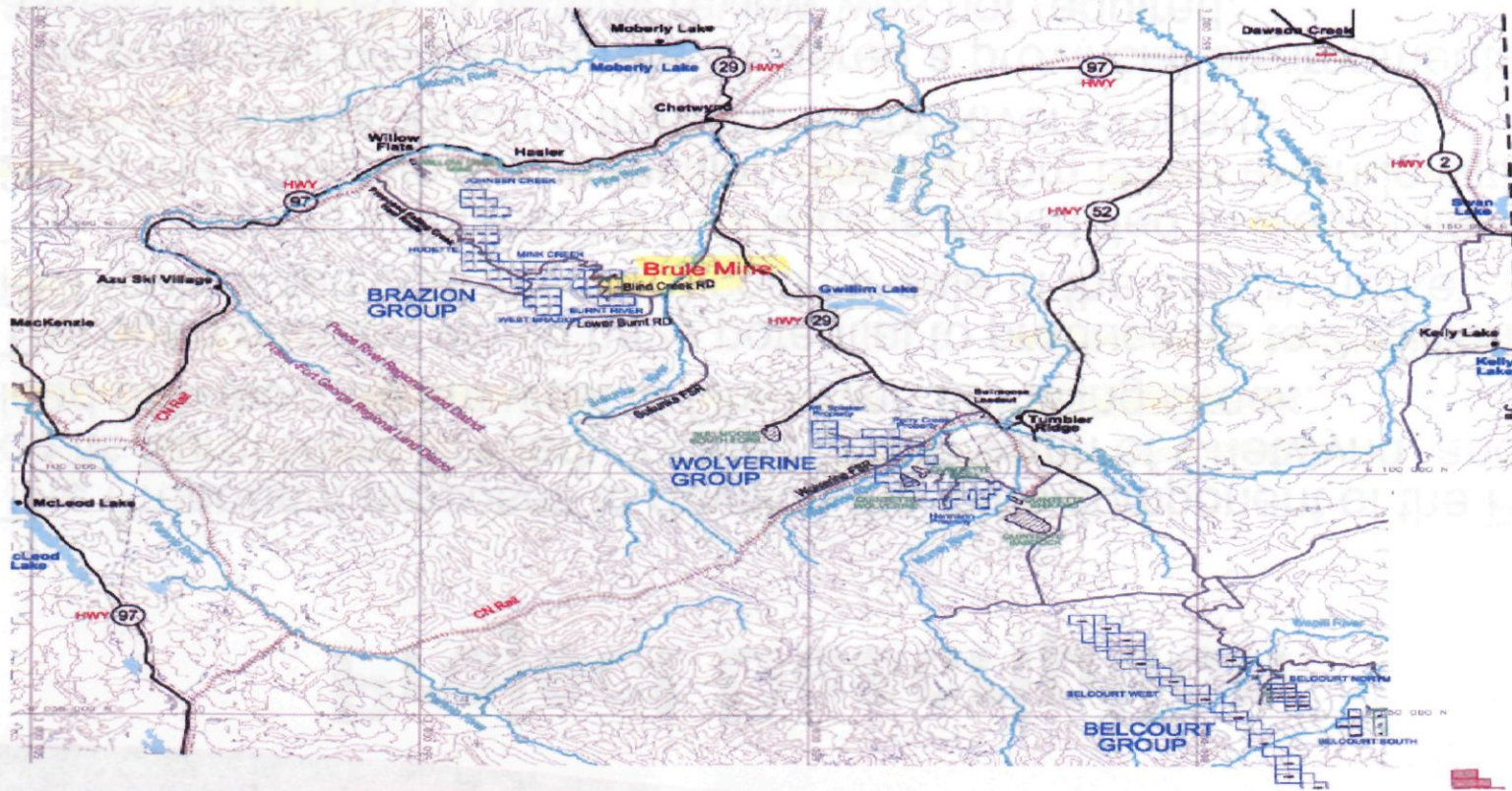
Western Canadian Coal Corp Brule Mine Project Location



LEGEND
— ROADS
- - - RAILWAY



Brule Mine Location Map



Project Description

- The Proponent proposes to develop the mine component of the Project on its Burnt River Property located 55 km south of Chetwynd, and a load out about 60 km west of Chetwynd at Falling Creek.
- The open pit mine would have potential to produce up to 2 million tpa of PCI (pulverized coal injection) coal for sale in the export market.
- The Proponent's adjacent Dillon Mine is scheduled to close later in 2006; the objective is to transition directly from Dillon to Brule without interruption of production from the Burnt River Property.
- The proposed production rate triggered a provincial environmental assessment (EA). A federal review was not required.

Proponent and Project

- An open pit mine, a coal preparation plant and associated infrastructure at the minesite.
- The coal will be crushed at the minesite, processed through a coarse coal washing plant, loaded onto highway trucks and initially hauled (south) approximately 90 km to the existing Bullmoose loadout, near Tumbler Ridge until the new Falling Creek loadout is constructed in 2009. (to north)
- Off-highway trucks will be used to transport coal 60 km along the Falling Creek Connector Haul Route to the New Falling Creek Flats Loadout once both the haul route and new loadout are complete. The new haul route will be comprised of both existing and new road (22 km) segments.

Project Components

- From the load-out, the coal will be loaded into rail cars and hauled by BC Rail and CN Rail to Ridley Terminals at Prince Rupert, or if required, to the coal terminals in Vancouver.
- Two new power lines: a 1.5 km 25 kV line from the existing grid to the loadout facility, and a 23.2 km 25 kV line to connect the mine site to the existing B.C. Hydro line near the junction of Highway 29 and the Sukunka Forest Service Road.

Land Use Setting

- All components on Crown Land within Dawson Creek LRMP South Peace Resource Management Zone which has been designated “Enhanced Resource Development” encouraging investments in resource development and enhancement in this area.
- Stated objective for mining in this RMZ is to provide opportunities for environmentally responsible exploration and development of surface and subsurface resources.

Capital Costs and Employment

- Capital cost estimated to be \$200 million.
- Employment during one year construction phase will peak at 200.
- Direct, annual employment estimated at 250 at full production during the 11 year operation phase

Public Consultation

- Open houses held during pre-Application and Application stages at Chetwynd and Tumbler Ridge.
- Additional local community consultation with Hasler Flats residents regarding the proposed loadout at Hasler.
- Meetings with other industrial stakeholders (forestry, oil and gas, other coal interests) regarding upgrade and usage of access roads and effects on their operations.
- Meetings with private property owners, recreation interests, licensed trappers and guide outfitter regarding impacts on their interests and livelihoods.

Public Issues

- Eight public comments were received by EAO during the 46 day public comment period. The most common concerns raised by the public at open houses and in correspondence related to the potential impacts of:
 - emissions of fugitive coal dust from the proposed loadout and coal haul at Hasler;
 - cumulative air quality impacts at Willow Flats; and
 - other concerns included: safety on the coal haul route; water quality; impacts on trapping and caribou; environmental monitoring; and the need for local employment, training and contracting opportunities.

Public Issues Addressed

- The issues raised by the public were addressed by the Proponent by:
- moving the proposed load out from Hasler to Falling Creek Flats;
 - environmental management plans including air quality and dust management, a surface erosion and sediment control, traffic management, wildlife and fish protection, and selenium management;
 - an agreement with one of the four licensed trappers;
 - The Proponent is currently negotiating with the other three trappers and the guide outfitter; and
 - The Proponent's committed to employ environmental monitors and develop a community awareness program to keep residents apprised of developments and employment opportunities.

Se
(no threshold values yet)

First Nations' and Kelly Lake Communities' Interests

- The Project is within Treaty 8. Three Treaty 8 First Nations expressed interest in the area: McLeod Lake Indian Band, Saulneau First Nations and West Moberly First Nation (the First Nations). These First Nations hold hunting, fishing & trapping treaty rights.
- Also 3 groups at the community of Kelly Lake – Kelly Lake Cree Nation, Kelly Lake First Nation, and Kelly Lake Métis Settlement Society (the Kelly Lake Communities) expressed interest.

Treaty 8 & Kelly Lake Communities Consultation

- The Proponent and EAO met with Treaty 8 First Nations and Kelly Lake Communities, and with the Independent Consultant.
- The Independent Consultant was jointly funded by EAO and the Proponent to provide advice, and act on their behalf.
- Participated on the Working Group.
- Toured the Project Site.
- Opportunity to participate in the review of key documents:
 - Section 11 Order;
 - Application draft TOR;
 - Application;
 - Draft Assessment Report; and
 - Draft Environmental Assessment Certificate

First Nations and Kelly Lake Communities Issues

- Concerns identified by the First Nations, Kelly Lake Communities and the Independent Consultant include:
 - potential infringement of Treaty 8 rights including impacts on traditional land use sites, fish, wildlife, and regional cumulative effects;
 - impacts on air quality and coal dust on berry picking;
 - participation in environmental monitoring;
 - desire for share of economic benefits; and,
 - concern regarding increased substance abuse with increased affluence associated with mine development.

First Nations and Kelly Lake Communities Addressed

- In response to concerns regarding potential impacts to traditional use sites, the Proponent committed to avoiding the sites through establishing buffers and adjusting powerline and haul road alignments.
- Concerns regarding impacts of fish and wildlife were satisfactorily dealt with through proposed mitigation and environmental management plans. These proposed mitigation and commitments should also minimize the Project's contribution to regional cumulative effects.
- Air quality and dust issues were addressed by the Proponent's proposed air quality and dust control plan which includes watering of haul roads and covering of haul trucks.
- The Proponent has also committed to provide First Nations and the Kelly Lake Communities regular opportunities to review environmental monitoring and reclamation results.

+ periodic
tours of site

Response to First Nations and Kelly Lake Communities Concerns (Con't)

- To provide opportunities for economic participation, the Proponent entered into Cooperation Agreements with the West Moberly and Saulneau First Nation, as well as with the Kelly Lake Métis Settlement Society and is currently in negotiations with the McLeod Lake Indian Band. These Cooperation Agreements include:
 - mechanisms to facilitate employment and contracting opportunities related to the Proponent's projects in the area;
 - contracting procedures and standards; and
 - agreements concerning support for training and apprenticeship opportunities.
- To help deal with potential increase in substance abuse, the Proponent is developing an employee recovery program.

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From WK
already
for work

Technical Issues

- The key technical issues identified during the review of the Project were:
 - potential impacts on air (coal dust);
 - water quality (total suspended solids and acid rock drainage and metal leaching, particularly of selenium);
 - wildlife and fish;
 - ecological communities of conservation concern; and,
 - **cumulative effects.** *eg. Caribou/grizzly*

Issues Addressed

- Issues raised during the environmental assessment have been satisfactorily addressed through 122 commitments and mitigation measures proposed by the Proponent, including 14 environmental management plans addressing:
 - air quality;
 - water quality;
 - selenium and acid rock drainage;
 - wildlife, vegetation and fisheries protection;
 - health and safety; and,
 - reclamation.

EAO Conclusions

- EAO is satisfied that based on the information provided by the Proponent, the Project should not cause significant adverse environmental, social, economic, heritage or health effects, taking into account the implementation of mitigation measures committed to by the Proponent.
- EAO is satisfied that if the Project is approved, the First Nations should be able to reasonably practice their treaty rights to hunt, trap and fish in the Treaty 8 area traditionally used by these First Nations.
- Following the issuance of an Environmental Assessment Certificate, the Proponent must still obtain all necessary provincial and federal (if any) permits and authorizations.
- The Project is in the broad public interest and it provides significant economic benefit to the Province.

Certificate Recommendation

- Issue certificate.

EAO conclusions