



Canadian Environmental
Assessment Agency

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Agence canadienne
d'évaluation environnementale

410 - 701 rue Georgia ouest
Vancouver (C-B) V7Y 1 C6

March 16, 2018

File no.: 005533

Michael McPhie
Executive Chairman
IDM Mining Ltd.
Suite 1500 - 409 Granville St.
Vancouver, BC V6C 1T2

Dear Mr. McPhie:

Re: Review of IDM Mining Ltd.'s Responses to Information Request for the Red Mountain Underground Gold Project and Identification of Additional Information Request

The Canadian Environmental Assessment Agency (the Agency) has completed its review of IDM Mining Ltd.'s February 10 and March 1, 2018 responses to the Agency's December 22, 2017 and February 16, 2018 Information Request (IR) #1 for the Red Mountain Underground Gold Project. The Agency has determined that IDM Mining Ltd. has provided the requested information related to fish and fish habitat (IR1-10), species at risk, and water quality/fish (IR1-16 to IR1-27), but that information regarding the human health risk assessment (IR1-03, IR1-04, IR1-05) remains outstanding.

Subsequent to the Agency's December 22, 2017 IR, Fisheries and Oceans Canada sent a letter to IDM Mining Ltd. identifying the requirement for a section 35(2) authorization under the *Fisheries Act* for the Bitter Creek channel realignment. Based on the advice contained in Fisheries and Ocean Canada's letter of March 1, 2018 and information in the Environmental Impact Statement (EIS), the Agency has identified an additional IR.

Human health (IR1-03, IR1-04, and IR1-05)

Health Canada and the Nisga'a Lisims Government have reviewed IDM Mining Ltd.'s human health responses and identified errors in the values and calculations used for the human health risk assessment. Although IDM Mining Ltd. has addressed some specific errors as part of its response to the Agency's

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December 22, 2017 IR (IR1-03, IR1-04, IR1-05), Health Canada and the Nisga'a Lisims Government have identified similar errors in IDM Mining Ltd.'s latest (February 10, 2018) version of the human health risk assessment. Health Canada and the Nisga'a Lisims Government discussed the errors with IDM Mining Ltd. on March 2, 2018, and the Agency provided a copy of the errors to IDM Mining Ltd. via email on March 13, 2018.

In order to fully respond to the IR1-03, IR1-04, IR1-05, please provide a revised Human Health Risk Assessment (Appendix 22-A) and Health Effects Assessment (Chapter 22) Assessment that corrects any errors and updates any corresponding conclusions.

Fish and fish habitat (IR2-01)

Annex 1 outlines the request for a conceptual fish habitat offsetting plan. The Agency requires this plan in order to assess the potential environmental effects pursuant to section 5(1)(i) of the *Canadian Environmental Assessment Act, 2012*. (CEAA 2012), and to inform the Agency's Environmental Assessment Report under subsection 23(2) of CEAA 2012.

While you are preparing responses to the IRs, the Agency and federal authorities will continue to work on the environmental assessment of the Project to improve the Agency's understanding of the environmental effects of the Project.

The federal timeline for the environmental assessment remains paused at day 122 of 365. Upon receipt of a response from IDM Mining Ltd. to address these deficiencies, the Agency may take up to 15 days that is not counted against the federal timeline for the environmental assessment to form an opinion about whether the requested information has been provided. If the Agency has not come to a conclusion regarding the sufficiency of the IR responses during this period, the federal timeline will resume on the following day.

Please do not hesitate to contact me with any questions at 604-666-9162 or andrea.raska@ceaa-acee.gc.ca.

Sincerely,

<Original signed by>

Andrea Raska
Project Manager, Pacific and Yukon Region

Attachment: Annex 1 – Information Request #2

**c.c.: Max Brownhill, Falkirk Resource Consultants Ltd.
Jasmin Flores, Falkirk Resource Consultants Ltd.
Claire Backus, Catana Consulting Ltd.
Lindsay Luke, British Columbia Environmental Assessment Office
Ian Bergsma, Fisheries and Oceans Canada
Jennifer Dorr, Natural Resources Canada
Nadine Parker, Environment and Climate Change Canada
Paula Smith, Health Canada
Sabrina Lachance, Major Projects Management Office
Collier Azak, Nisga'a Lisims Government
Mansell Griffin, Nisga'a Lisims Government**

Annex 1
Information Request #2 for the Red Mountain Underground Gold Project

IR2-01: Fish Habitat Offsetting Plan

Rationale: The EIS Guidelines (section 6.3.1) state that EIS must include “the identification of any potential adverse effects to fish and fish habitat as defined in Subsection 2(1) of the *Fisheries Act*”. The EIS Guidelines (section 6.4) also states that the EIS will “specify the actions, works, minimal disturbance footprint techniques, best available technology, corrective measures or additions planned during the project’s various phases to eliminate or reduce the significance of adverse effects”.

Section 18.7.3.1 of the EIS describes the potential residual effects to fish habitat, and the alteration of 1.14 ha of fish habitat as a result of a 150 m realignment of the Bitter Creek channel towards the south/south east bank to allow for construction of the access road. Table 18.6-1 describes the mitigation measures to avoid and minimize fish habitat loss. The EIS states that these mitigation measures would have moderate effectiveness.

On March 1, 2018, Fisheries and Oceans Canada wrote to IDM Mining Ltd. to advise that road construction will result in serious harm to fish, and that a *Fisheries Act* authorization would be required for infilling and realignment of Bitter Creek between road station 2+152 and 5+073.

The currently proposed mitigation measures would not be sufficient to address the likely serious harm to fish through loss of fish habitat as a result of the Bitter Creek channel realignment. The Agency therefore requests additional information in a conceptual fish habitat offsetting plan. The conceptual fish habitat offsetting plan is required to demonstrate that measures to offset serious harm to fish are achievable, and to provide information necessary for the Agency to assess the residual effects to fish and fish habitat after offsetting, and the significance of those effects.

Conceptual fish habitat offsetting plans generally include a description of the proposed offset strategy, identification and evaluation of offsetting options including fish habitat losses and gains, measures to avoid or mitigate any adverse effects of those options, and monitoring to assess the effectiveness of the offsetting. Fisheries and Oceans Canada’s guidance for detailed fish habitat offsetting plans to support an application for a *Fisheries Act* authorization is outlined in *Fisheries Productivity Investment Policy: A Proponent’s Guide to Offsetting*. (http://www.dfo-mpo.gc.ca/pnw-ppe/offsetting-guide-compensation/index-eng.html#pt2_3)

Requested Information:

- a) Provide a conceptual fish habitat offsetting plan to address unavoidable serious harm to fish through the loss of fish habitat as a result of the Bitter Creek channel realignment.
- b) Describe any environmental effects resulting from implementation of the habitat offsetting, including effects to the environment as per subsection 5(2) of CEAA 2012.