



File: 30200-20/SPMG-05-02

Reference: 386506

March 23, 2022

SENT VIA EMAIL

Terry Hubbard
President
Impact Assessment Agency of Canada
22nd Floor, Place Bell
160 Elgin Street
Ottawa ON K1A 0H3
Terence.Hubbard@iaac-aeic.gc.ca

Dear Terry Hubbard:

I am writing to request substitution pursuant to the *Impact Assessment Act* (IAA) and in accordance with the Impact Assessment Cooperation Agreement Between Canada and British Columbia (the Cooperation Agreement) for the proposed Spanish Mountain Gold Project (Spanish Mountain).

Spanish Mountain Gold Ltd. (SMG) proposes to develop an open pit gold mine with a production capacity of 7.3 million tonnes per year, located 6 km southeast of Likely, British Columbia (B.C.). Spanish Mountain is expected to meet the definition of a designated project under the IAA as its proposed ore production capacity exceed the thresholds for the construction of a new gold mine and new metal mill as described in items 18(c) and (d) of the *Physical Activities Regulations*.

On March 15, 2022, I, as the Environmental Assessment Office's (EAO) Chief Environmental Assessment Officer (CEAO), received the Initial Project Description for Spanish Mountain. This project meets the thresholds for a reviewable project requiring an environmental assessment (EA) under the *Environmental Assessment Act* (2018) (EAA).

...2

Coordination with the Agency

I understand that the Impact Assessment Agency of Canada (the Agency) received an Initial Project Description for Spanish Mountain on March 15, 2022 and intends to conduct a comment period for the public and Indigenous peoples shortly. In accordance with the Cooperation Agreement, therefore, I am submitting this request for substitution at this time to allow the Agency to consult the public and Indigenous nations on the substitution request as part of the planned comment period. I am aware that the Agency must determine whether an impact assessment is required in order for the federal Minister of Environment and Climate Change (the Minister) to respond to this request for substitution.

As per the Cooperation Agreement, the EAO has been working closely with the Agency on the development of a joint Early Engagement and Planning phase to enable coordinated engagement, facilitate common requirements and issue joint documents where possible. The EAO is committed to this cooperative approach with the Agency throughout the review of Spanish Mountain.

If substitution is approved by the Minister, the EAO commits to meet the legislative requirements of both Canada and B.C. and fulfil the conditions for substitution under the IAA set out in Section 7 of the Cooperation Agreement and any conditions the Minister may establish. The EAO will take into account the factors set out under Subsection 22(1) of the IAA and fully assess the effects to areas of federal jurisdiction, as defined in Section 2 of that Act, when conducting the assessment and providing an Assessment Report with findings and conclusions to the Agency.

During the assessment, the EAO would seek, manage and rely on the advice of members of the Technical Advisory Committee (TAC), including representatives from federal authorities, in establishing information requirements for the assessment, assessing the potential effects of the Project and assessing the adequacy of any proposed mitigation measures.

Conclusion and next steps

In accordance with the IAA and the Cooperation Agreement, B.C. requests that the Minister approve the substitution of B.C.'s assessment process for Spanish Mountain, should an impact assessment be required under the IAA, and should Spanish Mountain proceed to an EA under the EAA.

Additionally, if the Minister approves the substitution request, consultation with Indigenous nations and federal authorities, and engagement with the public will be carried out by the EAO in accordance with the Cooperation Agreement and the EAA. The EAO will work with the Agency to coordinate engagement with Indigenous nations. The EAO will also work with the Agency on the preparation of a permitting plan, including federal requirements, for Spanish Mountain.

I look forward to hearing from you as soon as possible regarding the Minister's decision on this request for substitution.

Sincerely,

<Original signed by>

Elenore Arend
Associate Deputy Minister

cc: Michael Shepard, A/Assistant Deputy Minister
Environmental Assessment Office
Michael.Shepard@gov.bc.ca

Tracy James, Executive Project Director
Environmental Assessment Office
Tracy.James@gov.bc.ca

Katherine St James, Project Assessment Director
Environmental Assessment Office
Katherine.StJames@gov.bc.ca

Julie Lowry, Project Manager
Impact Assessment Agency of Canada
Julie.Lowry@iaac-aeic.gc.ca