

Bulkley Valley Community Resources Board (BVCRB) Minutes

Date: June 18th, 2018 - Meeting convened at 7:00pm

Location: Smithers Town Office

Board members in attendance: Karen Price, Eric Becker, Ron Vanderstar, John Fisher, Ted Vanderwart, Bob Mitchell, Christoph Dietzfelbinger, Matt Sear

Absent: Debra Flemming, Cor van der Muelen

Guests: Dave Daust - observer, Rob Maurer - Community Liaison, TCL, Mark Gray - Managing Director, TCL, Wade Brunham – Consultant, ERM

Recording: Emily Hashemi (BVRC)

Acronyms: TCL = Telkwa Coal Limited

Item	Discussion
Intro/ Agenda Review	Agenda accepted New Business: <ul style="list-style-type: none"> • Lunan Road Rec: Proposal – Eric
Past Minutes	May 2018 minutes accepted
Discussion	<p>Introduction: Mark Gray - Managing Director and CEO</p> <ul style="list-style-type: none"> • TCL hasn't yet finalized the project description - possibly in a week or two. Therefore, a lot of what TCL talks about are in <i>general terms</i>. • TCL is a listed company on the Australian Stock Exchange with approx. 500-600 shareholders. It has access to capital markets in order to raise the funds that will enable the project to move forward. • Mark is a former lawyer, and has been involved in mining operations for the last 15 years in Australia and Africa. • There are approx. 50 people on TCL's environmental team; approx. 80% of these employees are from across the valley (scientists, data collectors, etc.) <p><u>The Project</u></p> <ul style="list-style-type: none"> • Very well known and very well understood. • In 2017, TCL completed two pre-feasibility studies. • Study #1: TCL did some drilling in Feb of this year, related to environmental studies and assessments. • Assessed the chemistry in the rock (wasn't done 25 years ago). • TCL analyzed three deposits: <ul style="list-style-type: none"> ○ Telkwa North ○ Goathorn Pit ○ Tenas Pit. • They account for a total of: 43,101 resources: a recognized

geological standard for interpreting a mineral resource and/or mineral reserve with fairly strict criteria to be approved for such work.

- Of 148 million tons of coal, TCL is able to convert 42 million tons into saleable semi-coking coal for economic benefit: coal that could end up in steel markets in Japan or South Korea.
- Study #2: confirmed that they could mine at 250 tons per annum with very low operating costs.
- TCL assessed the coal quality, presented this to Japanese steel mines (the most likely customers for this coal because of short shipping distance), and have been engaged with them over the last eight months about the possible use of this coal in their steel making processes.
- The coal is a metallurgical coal – it is not your *premium* metallurgical coal, but IS a good coal.
- Asian steel mills are looking for better sources of coal; Australia can be unreliable due to weather conditions. However, Canada (especially BC) offers affordable options, when shipping from Prince Rupert.

Bottom line: the ongoing, long-term demand for coal is not going anywhere. TCL is solely focused on the Tenas pit area – this area can be mined out of its entirety and is a very shallow deposit. 27 million tons of saleable coal for approx. 27 years of mining.

Results of pre-feasibility studies:

- This project has the potential to be one of the lowest cost producers.
- Cost per ton to generate this coal is very low:
- The study results places Tenas Met Coal in the lowest 5% on a cost basis; \$55 USD to load it onto a boat in Prince Rupert.
- Waste: 3-4 cubic meters of waste for every ton of coal. Ex: 5 tons of waste for 1 ton of coal
- This is a very low ratio based on coalmine standards.

Why is this important?

- This is important because the project has a natural hedge to the volatility of coalmine prices, specifically when the demand goes down, hence, job security guaranteed.

Community Engagement:

- Since the studies, TCL has been in contact with the OW.
- They have begun to engage more closely with the Grizzly house and the responsible guardians for their area.
- TCL has had dialogue with counsels, special interests groups, and the wider community as a whole over the last six months.

- They have been collecting feedback and comments from the public before they finalize the project description.

What's next?

- TCL will settle on a project description and move forward with the regulators within the following week.
- The agreement with OW is a 3-stage process: communication with the public, full environmental assessments, as well as an impact-benefit agreement.
- OW will run their own project processes and assessments with independent advisors. Funding is available to them, if necessary, by TCL.

Questions from the Board

TCL cannot yet answer questions specific to the project description plan. They would like to address comments and concerns tonight that may affect the project description in the upcoming week.

What happens if there is a need to modify project processes part way through?

- This can be done.
- How? A new project description gets sent off to assess environmental and community affects. If approved, TCL will have to modify original project description.

Environmental Concerns:

- Many questions have been asked around the community and have mostly been addressed in the project description so far.
- With most EA's, incorporates all the values listed in the LRMP.
- Elements of climate change and impacts are also included.

Water:

- Will not have a tailing pond, but sediment pond instead. Plan is to deal with the water before it oxidizes.
- From a water management perspective, it will not oxidize. Intention is to have an engineering team deal with this. There currently exist various engineering techniques and solutions to deal with the rock waste.
- At this stage, TCL is not contemplating water treatment.
- Do not intend to cross the Telkwa River.
- Protection for aquatic life and drinking water for BC.

	<p><u>Other Community Engagement?</u></p> <ul style="list-style-type: none"> • Will become more actively involved within community. Mark Gray moved to Smithers three months ago, specifically to do this. <p><u>Tax:</u></p> <ul style="list-style-type: none"> • Through the mines act, there will be a tax requirement: • Mineral Tax: one and a half percent of operating profit before tax, excluding corporate costs. <p>Bottom line: Questions will be kept and answered in due time. TCL will be able to give specific answers once the project description is put together. TCL’s intention is to be able to return in the fall with technical experts attached to the project to answers questions in more detail.</p> <p>When can the board expect answers to their questions?</p> <ul style="list-style-type: none"> • TCL will aim for end of August. • Will reconvene in the fall with answers to the questions.
<p>Ongoing Business</p>	<p>Summer RAMP Progress/Update - Eric & Bob</p> <ul style="list-style-type: none"> • In the process of trying to get a comprehensive list of recreational trails. • Process is coming together. • The goal is to get trails legalized under section 15/16 as designated trails (lands designation). • Trying to get Rec and Sites involved in recognizing the trails. • The Ministry is reluctant unless there’s a group looking after the trails. The Backpackers have shown some interest. • Bob: Looking for past identification map from 2011/2012. • Working with Morgan Hite and backpackers: trying to have the rest of the trails GPS and tracked. • Aim to have trail description locations and designations all listed on the trailhead icon. <p>FSP Approvals and Rationales - Bob</p> <ul style="list-style-type: none"> • Circulated approval letter with the rationale so that everyone would see how the entirety of the process fits together. • CRB can make comments.

	<ul style="list-style-type: none"> Concerns about harvesting and visual quality, so went to FSP and said we will take photos, make a terrain map, etc. Turns out: they don't have it. Didn't do a digital tree model (An FSP infraction). Eric filed a compliance and enforcement complaint. Six months since the request with a response that it was "assigned to someone". Did not say whom. Legal processes may be involved in the complaint A lady name Christine B. contacted Christoph, trying to setup a meeting. <p>Action: Perhaps interesting to document this process?</p>
New Business	<p>Proposed Lunan Road Rec Site - Eric</p> <ul style="list-style-type: none"> Ministry of forest through Rec & Trails decided there was no safe boat launch between Houston and Hazelton. They intend to develop an official rec site at the end of Lunan Rd. as well as a few tables and outhouse. Referral came through government system. Development is intended to clean up "party spot" and restrict some access to the beach by motorized vehicles. <p>*VOTE TO DECIDE: Board is all in favor.</p> <p>Action item: Eric to let Rec & Trails know Board is in favor.</p>

Meeting adjourned at 9:15pm. Next meeting 7:00pm, September 24th, 2018.

Actions:

Task	Due	Responsibility
Review items to cover during next meeting with TCL in September, including LRMP mandate.		All
Eric to let Rec & Trails know that Board is in favor of new Rec site on Lunan Rd.		Eric