

Federal Authority Advice Record Form

Spanish Mountain Gold Project – Spanish Mountain Gold Ltd.

Response due by May 6, 2022

Please submit the form to: SpanishMountain@iaac-aeic.gc.ca

Agency File: 005827 Registry Reference No.: 83495

Department/Agency	Transport Canada
Lead IA Contact	Megan Bennett
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1. Is it probable that your department or agency may be required to exercise a power or perform a duty or function related to the Project to enable it to proceed?

If yes, specify the Act of Parliament and that power, duty or function.

Yes.

Canadian Navigable Waters Act

Transport Canada (TC) may be required to exercise a power or perform a duty or function with respect to the *Canadian Navigable Waters Act* (CNWA) based on the initial Project description provided. TC requires further detailed project information, outlined in response 6, to confirm whether or not TC would be required to issue an approval to enable the project to proceed.

Under the *Canadian Navigable Waters Act* (CNWA), Transport Canada issues approvals for (a) a designated major work that may interfere with navigation on any navigable water; (b) a work – other than a designated major or minor work – that may interfere with navigation and that is located on a navigable water listed on the Schedule; (c) a work – other than a designated major or minor work – that may interfere with navigation, and that located on a navigable water that is not listed on the Schedule, whereby the proponent has decided to apply to Transport Canada.

TC does not require approvals for works that do not interfere with navigation, or works that meet the criteria of the Minor Works Order. In cases where a work (other than a minor work) does not interfere with navigation, the proponent is required to deposit information and issue a public notice.

For a work – other than a major or minor work – that may interfere with navigation and that is not located on the schedule, TC requires proponents to post specific information regarding their work on the new Online Registry inviting any interested party to comment, and seek authorization through a public resolution process.

Upon application TC requires an application form, as well as information documents relevant to the work which can include, as prescribed by the Minister of Transport, location maps, drawings, methodology of construction (including contingency plans), navigation use, Indigenous use, level of impacts and appropriate mitigation for the impacts for

interference to navigation. TC also requires and collects information in cases where the project proponent is conducting a deposit of information as required by the Act.

TC requires further detailed project information before it can confirm whether or not TC would be required to issue an approval to allow the project to proceed. For any affiliated works located in a waterway in the vicinity of the proposed mine, such as bridges, an application for approval would be required. Should the project include any activities which are prohibited under sections 21 to 26 of the CNWA (this includes depositing or dewatering of any waterway), a Governor in Council exemption would be required in order for the project to proceed. If it is determined that a Governor in Council (GiC) exemption is required for the project, the process may take upwards of 12 to 24 months. A navigation assessment of the affected waterway, potentially including site visits, would be required prior to submission for a GiC exemption.

Linked below is the CNWA Application for Approval Form. Below is the contact information for our regional specialist regarding navigation, assigned to this file, should the proponent have questions regarding appropriate templates/forms.

Eric Leung

Navigation Protection Officer
Navigation Protection Program
Transport Canada / Government of Canada
Eric.Leung@tc.gc.ca / 778-558-3422 / TTY: 1-888-675-6863

Agent de protection de la navigation
Programme de protection de la navigation
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Website: <https://www.tc.gc.ca/eng/programs-621.html>
Online application guide: <https://www.tc.gc.ca/eng/programs-673.html>
Online application: <https://npp-submissions-demandes-ppn.tc.canada.ca>
Email: NPPAC-PPNPAC@tc.gc.ca

There are additional powers, duties or functions that may be applicable to the project and require compliance, but may not require a project-specific approval enabling the project to proceed. These could include:

Canadian Aviation Regulations

TC requires further information from the proponent on aviation-related components of the project (see Question 6) before we can determine if we may be required to exercise a power or perform a duty or function related to the Project to enable it to proceed. Upon receiving a response from the proponent, TC Civil Aviation may have regulatory requirements for helicopter operations that will need to be addressed by the proponent.

Obstruction Clearance Permit – Canadian Aviation Regulations

TC may need to issue an Obstruction Clearance Permit in relation to the construction associated with the Project. As more detailed specifications for the project infrastructure are developed, they should be assessed for any marking/lighting requirements per Canadian Aviation Regulations (CAR) 601 - Division III - Marking and Lighting of Obstacles to Air Navigation and Standard 621 - Obstruction Marking and Lighting. The regulation can be accessed online at:

<http://www.tc.gc.ca/eng/acts-regulations/regulations-sor96-433.htm>

Emergency Response Assistance Plan (ERAP) program

Dangerous Goods (DGs) must be handled, offered for transport and transported in accordance with the TC TDG Act/Regulations. There is a regulated Emergency Response Assistance Plan (ERAP) program (Part 7 of the TDG Regulations) that requires a company transporting certain types of DGs to have an ERAP before they can be transported. The ERAP must be approved by TC and the company must have received a registration number from TC before they are allowed to ship ERAP-able products. Anyone who handles, offers for transport, imports and/or transports DGs must comply with TDG regulations. This includes holding a valid TDG certificate, completing the appropriate documentation, using the proper means of containment, reporting any reportable spills and holding a valid ERAP when required. <http://www.tc.gc.ca/eng/tdg/clear-part7-374.htm>.

If the transport of dangerous goods, requiring an ERAP, is offered by a third party (i.e. other than the proponent), then TC would not have to exercise power, duty, or function (i.e. approving the ERAP) to enable the Project to proceed. This would be the third party's responsibility to have their ERAP approved by TC.

2. Is your department or agency in possession of specialist or expert information or knowledge that may be relevant to the conduct of an impact assessment of the Project?

Specify as appropriate.

Yes. TC is in possession of specialist or expert information or knowledge on the following:

Impacts to navigation resulting from the project

Transport Canada's Navigation Protection Program (NPP) may be able to provide specialist or expert information or knowledge with respect to the CNWA and impacts to navigation. The Canadian Navigable Waters Act authorizes and regulates interferences with the public right to navigation. The primary purpose of the Act is to regulate works and obstructions that may interfere with navigation in Canada's navigable waters.

Civil Aviation/Aviation Safety

The Standards Branch or the Policy & Regulatory Services Branch from Civil Aviation at Transport Canada may be able to provide specialist or expert information or knowledge in the context of IA projects that involve aviation. Notwithstanding, other branches of Civil Aviation may provide beneficial advice depending on the circumstances surrounding a project.

The Standards Branch is responsible for the regulatory framework in areas such as aerodromes & air navigation, aviation occupational health & safety, aircraft emission standards (including noise), aircraft maintenance and manufacturing requirements among others.

Areas of aviation safety where specialist or expert information or knowledge may prove useful to IA projects:

- Dangerous Goods
- Occupational Health and Safety
- Noise Management
- Aircraft Emissions (including noise)
- Toxic Substances Management
- Land Use in the Vicinity of Aerodromes
- Aerodrome Certification
- Private Landing Strip
- Wildlife Control (Aerodromes and Air Navigation)
- Lighting and Painting of wind generation facilities/bridge structures/marine trestles for Air Safety
- Aerodrome Obstructions

Transportation of dangerous goods

Dangerous goods must be handled, offered for transport and transported in accordance with the Transportation of Dangerous Goods Act and associated Regulations.

TC's Transportation of Dangerous Goods Directorate conducts work related to the safe transportation of dangerous goods and the prevention and response to incidents involving dangerous goods. The group's activities consist of:

- Developing and enforcing safety standards for the safe transportation of dangerous goods;
- Conducting compliance monitoring of modal (air, rail, marine, road) shippers and importers, assessing emergency response assistance plans, means of containment standards and facilities; and,
- Operating the Canadian Transport Emergency Centre to provide advice on emergency response operations for incidents involving dangerous goods.

The transportation of dangerous goods is often required for the construction an ongoing operation of most proposed projects undergoing an environmental review. Examples of dangerous goods include acetylene, fuels, some types of paints, wastes and by products that also meet the criteria of Part 2 (classification) of the TDG Regulations, etc.

Incidents

TC will attend some types of incidents by rail and at times incidents on highways in conjunction with the appropriate provincial counterparts.

Emergency Response Assistance Plan (ERAP) program administered by TC

Under Part 7 of the TDG Regulations, Emergency Response Assistance Plans (ERAP) are required from companies offering for transport or importing certain types of dangerous goods before they can be transported. The ERAP must be approved by TC and the company must have received a registration number from the department before being allowed to ship ERAP-able products. Anyone who handles, offers for transport, imports and/or transports dangerous goods must comply with TDG regulations – this includes holding a valid TDG training certificate, completing the appropriate documentation, using the proper means of containment, reporting any reportable spills and holding a valid ERAP when required.

Indigenous Relations

If requested by the Agency to participate in and support Indigenous consultation activities, TC's lead IA officer will involve their Indigenous Relations unit in Pacific Region.

Transport Canada may have specialist or expert information or knowledge to provide in the future should the project change.

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3. Has your department or agency considered the Project; exercised a power or performed a duty or function under any Act of Parliament in relation to the Project; or taken any course of action that would allow the Project to proceed in whole or in part?

Specify as appropriate.

No.

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4. Has your department or agency had previous contact or involvement with the proponent or other party in relation to the Project? (for example, enquiry about methodology, guidance, or data; introduction to the project)

Provide an overview of the information or advice exchanged.

No.

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5. Does your department or agency have additional information or knowledge not specified, above?

Specify as appropriate.

No.

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6. From the perspective of the mandate and area(s) of expertise of your department or agency, what are the issues that should be addressed in the impact assessment of the Project, should the Agency determine that an impact assessment is required?

For each issue discussed, provide a concise, plain-language summary that is appropriate for inclusion in the Summary of Issues and Engagement.

Helicopter operations & Transportation of product(s)

7.3 Project Activities

[...] The Project will yield gold doré as its final product, which will be shipped from site by specialized security contractors by armoured vehicle, or by helicopter. Shipments will be infrequent, expected to be approximately one truck or helicopter per week on average, but on an irregular schedule for purposes of security.

9.1 Existing Conditions

[...] A gravel airstrip is located west of the Property and immediately west of Hepburn Lake.[...]

In the Initial Project Description (IPD), it is stated that there is an existing airstrip in proximity to the project site. The proponent plans that doré will be shipped from the site by either armoured vehicle or by helicopter, however details are not provided as to whether the existing airstrip (and whether it is privately-owned) or another existing area will be used for helicopter landing and take-off, or whether a new helipad will be constructed. Clarification and further information are required on the planned helicopter operations. Given the information provided in the IPD, TC does not have major concerns at this time, but asks to be kept up to date on details relating to aviation matters.

Details are not also provided in the IPD as to transportation of the product (doré) once it leaves the mine site (end location, general routes, etc.). Although the proponent has indicated that transportation will occur on an irregular schedule, more information may be needed in order to determine whether other aspects or impacts of transportation components which are within the mandate of TC need to be considered.

Waterway crossings & CNWA information

7.5.10 Overall Site Water Management

Sediment and erosion control measures will be necessary to limit effects on the surrounding environment and water sources due to earth-moving activities related to the construction and operations of the Project. Common construction activities that have the potential to expose soils to erosive forces include, but are not limited to:

- *Clearing vegetation and soil*
- *Excavations*
- *Blasting*
- *Road and trail construction*
- *Watercourse diversions or crossings*
- *Stockpiling material*
- *Runoff from active work areas*

7.7.5 Access and Project Roads

Basic access to the passive treatment systems will be required post-closure.

Closure will include the following:

- *Reclamation of access, in-plant, and maintenance roads*
- *Removal of bridges, culverts, and other watercourse crossing structures*
- *Restoration of affected stream banks and riparian areas*
- *Re-vegetation of affected areas with appropriate plant species*

Table 15.1 Preliminary List of Possible Project Effects and Mitigations

Riparian vegetation will be removed where stream crossings need to be established for new roads and will be replaced when the stream crossings are removed at closure.

The proponent notes in the IPD that removal of bridges, culverts, or watercourse crossings will be required as part of the closure procedures of the mine and may be subject to mitigation measures. Clarification is required on the location (which waterways) and the type of bridges or crossings that the proponent intends to install as part of the project, if any, or whether there are existing structures that the proponent intends to alter. Depending on the waterway and the type of construction, these activities may have implications under the *Canadian Navigable Waters Act*.

As outlined in TC's response to Question #1, further detailed project information is required to determine potential impacts to navigation. The information TC requires prior to determining or providing advice on the project's impacts to navigation includes:

- All final watercourse crossing locations, size and crossing type (pipeline and transmission line) in order to conduct navigational assessments;
- Construction methodology for both the proposed pipeline and transmission line;
- Details of the existing infrastructure (location, project date, project methodology, NPP file number for existing infrastructure) along Smoky River proposed for use according to the Initial Project Description;
- Proposed operational/management plan related to the water intake including the timing and volumes of water withdrawal and resulting impacts to water levels and navigation; and
- Potential cumulative impacts to navigation in conjunction with surrounding works (E.g., water intake, bridges, diversions, transmission lines, pipelines) in the regional study area as defined by the Impact Assessment Agency.

Transport Canada encourages owners of proposed works subject to the CNWA to solicit navigation related comments and concerns, from the public and Indigenous users, during the environmental assessment or public outreach phase. Providing these comments and concerns to the department can help inform the Navigation Protection Program's

evaluation of potential impacts to navigation and subsequent determination of appropriate mitigation measures later on, in the approvals phase. Information about whether the proponent is in the process of submitting an application for approval or plans to submit an application for approval under the CNWA is requested by TC so that we may coordinate directly with the proponent if required.

Megan Bennett

Name of Departmental / Agency Responder

Regional Environmental Advisor

Title of Responder

May 6, 2022

Date