



File: 30200-20/CCCM-05-06

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July 24, 2019

SENT VIA EMAIL

Keith Henderson
Joint Venture Manager
Cardero Coal, Ltd.
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Dear Mr. Henderson:

I am writing to request an update on Cardero Coal, Ltd.'s (Cardero Coal)'s plan with respect to the environmental assessment (EA) of the Carbon Creek Coal Mine Project (the Project) so that the Environmental Assessment Office (EAO) can determine the appropriate next steps for this EA. I also want to advise you of how the new *Environmental Assessment Act* (the new Act) will affect your EA.

Previous Correspondences

Following the issuance of a Section 11 Order on November 28, 2012, the EAO understands that work on the application information requirements (AIR) was initiated but ceased in 2013. The AIR was not finalized, and the EA did not advance. Following several letters from the EAO to Cardero Coal in early 2016 requesting updates on the Project's EA, Cardero Coal responded on May 30, 2016 that it did not wish to withdraw from the EA process and that it intended to advance the Project resuming the EA process in the future. On August 4, 2016, the EAO reinstated the EA for the Project.

On September 18, 2017, and again on November 27, 2017, the EAO wrote to Cardero Coal requesting an update on the Project within 30 days, including a prospective timeline for re-entering the EA process, and indicating that the Project would be

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withdrawn from the EA process if a response was not received by December 27, 2017.

In February 2018, Cardero Coal responded by telephone indicating that they were exploring options for financing and requested that the EAO delay its decision to withdraw the Project from the EA process until May 2018.

On April 16, 2018, the EAO spoke with a representative from Cardero Coal regarding the status of the Project and again requested a written update on the status of the Project. On July 6, 2018, the EAO followed up with Cardero Coal again by email requesting a written update. To date, Cardero Coal has not provided the requested financing update or a work plan.

The New *Environmental Assessment Act*

In November 2018, the BC Government passed the new Act. It is anticipated the new Act will be brought into force via regulation in Fall 2019.

On November 28, 2012, the EAO issued a Section 11 Order outlining the scope, methods and procedures for the Project's EA. Because you currently have a Section 11 Order, if you wish to continue your EA, you will have six months from the time the new Act comes into force to file a notice to indicate your desire to have an application accepted under the current Act and will be required to complete the EA process within three years. Upon expiry, the Chief Environmental Assessment Officer will set procedures to transition the project to the new Act.

I am contacting you in advance of this deadline to determine the status of your project and to prepare for this transition.

In determining whether to proceed under the current Act or transition to the new Act entirely there are some factors you may want to consider:

- Where your project is in the EA process; and
- How long it will take you to complete the EA process.

If it is unlikely that the project is going to be active soon and the EA will not progress in the near future, a withdrawal from the EA process may be the most realistic course of action at this time. In the event that you withdraw from the current EA process, you may pursue the project again under the new Act. In that case, the EAO will work with you to determine what work, already completed under the withdrawn EA, is still relevant and could be carried over to the new EA.

If you wish to proceed with your EA, please contact us and we can discuss whether you wish to proceed under the current Act or the new Act.

If we do not hear from you within 30 days, the EAO may decide to take action to ensure that the assessment of the Project does not proceed under out-of-date procedures. This may include rescinding the Section 11 Order that sets the scope and procedures for the EA, which would mean that your project would transition directly to the new Act.

To find out more about the new Act and new regulations please see our Revitalization site at <https://www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/environmental-assessments/environmental-assessment-revitalization>

The EAO will post this letter on its Project Information & Collaboration Site at <https://www.projects.eao.gov.bc.ca/>.

Please **contact me immediately**, by telephone at 250 371-3710 or by email at Terry.Pratt@gov.bc.ca to advise of your plans on this EA. Thank you for your attention to this important matter.

Yours truly,



Terry Pratt
Project Assessment Director

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