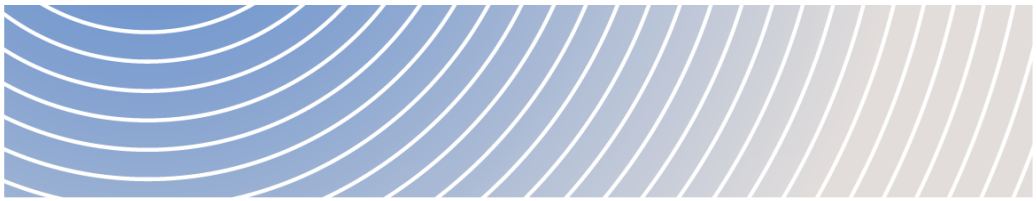
Impact Assessment Agency of Canada | Agence d'évaluation d'impact du Canada

Crawford Nickel Project

IMPACT ASSESSMENT REPORT



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Executive Summary

The Impact Assessment Agency of Canada (IAAC) conducted an impact assessment of the Crawford Nickel Project (the project) proposed by Canada Nickel Company (the proponent) according to the requirements of the *Impact Assessment Act* (the IAA). The proponent is proposing the construction, operation, decommissioning, and abandonment of an open-pit nickel-cobalt mine and on-site metal mill, located 42 kilometres north of Timmins, Ontario. As proposed, the project would have a mine ore production capacity of 240,000 tonnes per day and a mill ore input capacity of 120,000 tonnes per day. The project would operate for about 41 years.

The impact assessment process was carried out in cooperation with the Government of Ontario, in accordance with the Cooperation Plan. Ontario regulates certain aspects of the project through class environmental assessments pursuant to the *Environmental Assessment Act* and through various environmental permits and approvals. IAAC collaborated with Ontario through information sharing.

In addition to the province, IAAC worked with others to assess the likely effects of the project.

- IAAC consulted and engaged with Indigenous communities throughout the impact assessment, as described in the Indigenous Engagement and Partnership Plan and in a manner consistent with Canada's commitment to reconciliation and the principles of free, prior and informed consent. IAAC collaborated with Indigenous communities on resolution of key issues and considered Indigenous Knowledge that was provided to inform the assessment. While the goal of the impact assessment was for all parties to agree upon the conclusions based on a collaborative process, IAAC included the perspectives of all Indigenous communities to be considered in decision-making.
- IAAC worked with the proponent, considering information presented in the Impact Statement and other submissions.
- IAAC considered expert advice from federal authorities, including Employment and Social Development Canada (ESDC), Environment and Climate Change Canada (ECCC), Federal Economic Development Agency for Northern Ontario (FEDNor), Fisheries and Oceans Canada (DFO), Health Canada (HC), Indigenous Services Canada (ISC), Natural Resources Canada (NRCan), Transport Canda (TC), and Women and Gender Equality Canada (WAGE).
- IAAC engaged with the public, inviting comments at various points during the impact assessment, and considered input received including community knowledge.

This final Impact Assessment Report (IA Report) provides information about the impact assessment and sets out IAAC's rationale and conclusions. It also provides a summary of the consultation process with Indigenous Peoples that was conducted to meet the duty to consult.

IAAC's impact assessment took into account the project's likely non-negligible "adverse effects within federal jurisdiction" and "direct or incidental adverse effects" (as defined in section 2 of the IAA and collectively referred to as "adverse federal effects"). IAAC considered a range of

effects pathways that could result in adverse federal effects. For example, IAAC considered how changes to water quality could be a pathway to an adverse federal effect on the health conditions of Indigenous Peoples. The report is focused on adverse federal effects and effects pathways that are key issues. Where likely residual adverse federal effects are predicted to occur, that is, effects remaining after the implementation of mitigation measures, IAAC assessed cumulative adverse federal effects. Cumulative adverse federal effects include those that are likely to result from the residual effects of the project interacting with the effects from other past, present or likely future projects and activities. IAAC's conclusions regarding the likelihood of significance of adverse federal effects are summarized in Table 1. The project would be one of the largest base metal mines in Canada, the scale of which is reflected in IAAC's conclusions about effects.

Table 1: IAAC's conclusions on adverse federal effects

Adverse federal effect	IAAC's conclusion
Effects on fish and fish habitat	Residual effects are likely to be significant to a moderate extent, due to the large geographic extent of habitat loss, potential effects to fish health from changes to water quality, and the risk of injury or mortality during a major dewatering event. Uncertainty in the amount of habitat loss, the technical feasibility of proposed offsets, and the extent of water quality changes informed this conclusion. Cumulative effects are likely to be significant to a low extent due to changes in water quality from another mine upstream of the project.
Effects on migratory birds	Residual effects are likely to be significant to a moderate extent, due to the large geographic area from which birds would be displaced and effects from concentrating individuals in the remaining habitat. Cumulative effects are likely to be significant to a low extent due to forestry-related displacement that could further concentrate the remaining individuals.
Direct or incidental adverse effects (effects on wetlands from authorizations under the *Fisheries Act* and potential amendments to Schedule 2 of the *Metal and Diamond Mining Effluent Regulations*)	Direct or incidental residual effects on wetlands are likely to be significant to a low extent, taking into account the local and regional abundance of similar wetlands. Cumulative effects are likely to be significant to a low extent due to other local mining activities that could further contribute to wetland loss at a smaller scale.
Effects on the physical and cultural heritage (including structures, sites or things of historical, archaeological,	Residual effects are likely to be significant to a low to moderate extent, due primarily to the loss of culturally significant sites within the project area. Cumulative

paleontological or architectural significance) of Indigenous Peoples	effects are likely to be significant to a moderate extent due to ongoing resource development in the area contributing to the loss of culturally significant sites and longer-term effects to cultural continuity.
Effects on the current use of lands and resources for traditional purposes by Indigenous Peoples	Residual effects are likely to be significant to a low extent, due primarily to a large loss of lands that supports harvesting and other land uses and potential avoidance due to change in experience on the land. Cumulative effects are likely to be significant to a moderate extent due to ongoing resource development in the area, further contributing to the loss of lands and resources and avoidance of harvesting country foods.
Effects to the health, social or economic conditions of Indigenous Peoples	Residual effects to the social and economic conditions of Indigenous Peoples are likely to be significant to a low extent, due primarily to strains on local services and infrastructure. Residual effects to the health conditions of Indigenous Peoples are not likely to be significant. Cumulative effects are likely to be significant to a low to moderate extent due to additional strains on services and infrastructure from ongoing resource development in the area.

The impact assessment also took into account the adverse federal effects of malfunctions and accidents that may occur in connection with the project.

This IA Report was provided to the Minister of Environment, Climate Change and Nature (the Minister). The Minister will decide if the adverse federal effects indicated in the IA Report are likely to be significant, and if so, the extent of their significance. If applicable, the Minister will then decide if the significant adverse federal effects are justified in the public interest based on the effects described in this report and the three decision-making factors set out in section 63 of the IAA. Table 2 identifies these factors and presents IAAC's summary conclusions regarding these factors. Alternatively, the Minister may pass these decisions to the Governor in Council.

Table 2: IAAC's conclusions regarding factors to be taken into account in considering whether significant adverse federal effects are justified in the public interest

Factor	IAAC's conclusion
The impact that the likely effects of the project may have on any Indigenous community and any adverse impact that those effects	The project is likely to result in adverse effects on Indigenous Peoples, as described in Table 1. In addition, the likely effects of the project would have positive economic impacts for Indigenous Peoples, in

might have on Indigenous Peoples' exercise of rights (Sections 4.2 and 4.3)	addition to the adverse federal effects on Indigenous Peoples described above. The project is likely to cause adverse impacts to the exercise of Indigenous Peoples' rights as recognized and affirmed by section 35 of the *Constitution Act, 1982*. Specifically, IAAC considered the right to hunt and trap, fish, harvest plants, cultural continuity, and governance.
The extent to which the likely effects of the project contribute to the Government of Canada's ability to meet its environmental obligations and its commitments in respect of climate change (Sections 4 and 5)	The likely effects of the project do not contribute to meeting Canada's environmental obligations, specifically as it relates to biodiversity, as adverse effects of the project on fish, birds, wildlife, wetlands and species at risk are predicted to remain after mitigation. Any potential positive contribution of the likely effects of the project to Canada's climate change commitments is uncertain and not yet demonstrated. The project is likely able to achieve net zero greenhouse gas emissions by 2050, but it will not contribute to short-term emission targets for 2030, and it is uncertain whether project effects will enable downstream domestic emissions reductions.
The extent to which the likely effects of the project contribute to sustainability (Section 6)	The likely effects of the project would result in net positive contributions to sustainability to a low to moderate extent. The project effects are likely to strengthen Canada's role in critical mineral production and support long-term economic resilience for current and future generations. However, the project would also result in adverse effects on traditional Indigenous practices and knowledge transfer, and could place strain on the social well-being of Indigenous Peoples. The project's economic benefits for Indigenous communities and the region are expected to help reduce adverse effects on Indigenous Peoples.

This is the final IA Report for the impact assessment of the project. This report, along with mitigation and follow-up program measures identified in this report, supports decision making in relation to the project.

In addition to the impact assessment, the project is expected to require federal permits for specific activities including: authorizations under the *Fisheries Act* for any activities that are likely to result in the death of fish and/or harmful alteration, disruption or destruction of fish

habitat; amendments to Schedule 2 of the *Metal and Diamond Mining Effluent Regulations* for the use of waters frequented by fish for storage of mine waste; authorizations under the *Canadian Navigable Waters Act* for activities that may impact navigation of navigable waters; and potentially a permit under the *Species at Risk Act* for any species at risk migratory bird residences where protections extend beyond those of the *Migratory Birds Convention Act, 1994* (e.g., residences that are protected year-round or where unoccupied nests are protected during the active season), if found. If it is decided that any likely significant adverse federal effects are justified in the public interest, IAAC will help coordinate the federal permits required for construction of the project.