

**SPECIAL COUNCIL MEETING
AGENDA**

Date: Thursday, February 15, 2024, 4:00 p.m.
Location: Council Chambers of the Municipal Office
1 Mackenzie Boulevard, Mackenzie, BC

Pages

1. CALL TO ORDER

We would like to begin by acknowledging the land on which we gather is within the traditional territory of the Tse'khene People of the McLeod Lake Indian Band.

2. INTRODUCTION OF LATE ITEMS

3. ADOPTION OF AGENDA

THAT the Agenda be adopted as presented.

4. PUBLIC COMMENTS AND QUESTIONS

Please note that all comments and questions must pertain to items listed on the agenda.

Are there any members of the public in attendance this evening who wish to comment on the agenda?

Administration are there any members of the public attending through Zoom or Phone that wish to comment on the agenda?

5. CORRESPONDENCE

THAT the Correspondence listed on the Agenda be received.

5.1 For Action

5.1.1 Conuma Coal - Request for Support

Letter received from Conuma Coal Resources requesting support from the District of Mackenzie by letter of support towards including Steelmaking Coal in Canada's Critical Minerals List. A draft letter has been attached. More information can be found in the following link:
<https://www.letstalknaturalresources.ca/lets-talk-canadas-critical-minerals-list>.

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6. INQUIRIES

- In-person
- Online (Zoom/phone)
- Written comments received

7. ADJOURNMENT

From: Hugh Kendrick <HKendrick@conumacoal.com>
Sent: Tuesday, February 13, 2024 1:35 PM
To: Joan Atkinson <joan@districtofmackenzie.ca>
Cc: Lisa Risvold <LRisvold@conumacoal.com>; Brian Sullivan <BSullivan@conumacoal.com>
Subject: Request for letter of support to include steelmaking coal on Federal Critical Minerals List

Hi Joan

It was great speaking with you earlier this afternoon.

As we talked about, the Federal Government has opened a new consultation on the Critical Minerals List and Methodology and is looking for submissions by February 16, 2024. Despite being one of Canada's largest mining exports and BC's single largest export and being included in the list of EU critical materials, steelmaking coal is not included in Canada's Critical Minerals List.

Conuma will be putting in a submission for steelmaking coal's inclusion, as set out in our attached draft letter. We are looking to see whether our local communities, such as Mackenzie, would be willing to support this submission by submitting their own letters.

If you can submit a letter along the lines of the draft letter, I have prepared for you, that would be appreciated.

If possible, the letter should be emailed to cmce-cemc@nrcan-rncan.gc.ca by Friday, February 16.

Please let me know if you have any questions or would like to discuss this further.

Many thanks

Kind Regards

Hugh Kendrick
Chief Sustainability Officer



C: +1 604 754 5013
E: hkendrick@conumacoal.com
#2210-1177 West Hastings Street | Vancouver BC | V6E 2K3 | Canada |



February 15, 2024

By email
Deputy Ministers
Natural Resources Canada

RE: Conuma Resources Limited Submission in Support of Including Steelmaking Coal on Canada's Critical Mineral List

Dear Ministers and GHG Regulators,

This submission details why Conuma Resources Limited. ("Conuma") supports the inclusion of steelmaking coal (sometimes referred to as metallurgical coal) in Canada's Critical Mineral List.

Overview of Conuma Resources

Conuma operates three Northeast British Columbia ("NEBC") surface mines, Brule, Wolverine and Willow Creek, and is bringing the Quintette mine back into production. Our mines have a rated production capacity of more than five million tonnes of high-quality steelmaking coal products annually, and we provide more than 1,100 direct and 3,000 indirect jobs for families in the Peace River Regional District. We are a low-carbon producer of steelmaking coal essential for producing one of the world's most critical materials, steel, which is an indispensable element for energy transition, including the construction and distribution of renewable power.

As the second largest mining operator in BC and a significant generator of foreign currency for Canada, our mission is to safely operate and grow our steelmaking business while creating sustainable value for our employees, customers, business partners, communities, and environs in which we operate.

Why Steelmaking coal should be defined as a Canadian "Critical Mineral".

The rationale for including steelmaking coal as a Critical Mineral is set out below, in alignment with the five criteria posed in the Consultation on Canada's Critical Minerals document:

1. Essential to Canada's economic or national security;

- Steelmaking coal is currently the largest export generator in BC, contributing \$11.9 billion or 18% of BC's total exports in 2022.
- Over 5,000 direct and 15,000 indirect jobs are supported by the steelmaking coal industry in BC, with the potential for this to increase if the economic conditions are suitable for increasing production.
- Businesses and communities in the NEBC and SEBC regions depend heavily on continuing steelmaking coal operations in these locations. Steelmaking coal contracted

Conuma Resources Ltd.
220-235 Front Street
Box 2140, Tumbler Ridge, BC V0C 2W0
250-242-3764
conumaresources.com

and purchasing spend in these areas exceeds \$600 million per annum (contributions from steelmaking coal are included in the MABC Supply Chain Report on community benefits - <https://mining.bc.ca/2024/01/one-province-one-economy-2022/>). Without this industry, local and regional businesses would be adversely affected, and local communities would also be negatively impacted.

- Indigenous Nations benefit from the operations of steelmaking coal producers through commercial activities, employment, community investment and royalty streams. In 2023 alone, Conuma paid local NEBC Indigenous-owned businesses more than \$70 million for services and products supplied.

2. Required for the national transition to a sustainable, low-carbon and digital economy

- Steel is a fundamental material for many industries, including construction, automotive, residential infrastructure, and energy sectors. In particular, steel is essential for the construction of renewable power and the transmission of electricity, as can be seen from the metrics below:
 - 120 to 180 tonnes of steel are required per MW of wind generation
 - 35 to 45 tonnes of steel are required per MW of solar generation
 - 18 to 27 tonnes of steel are required for high-voltage tower
- More than two-thirds of the world's steel production is made with blast furnaces, requiring the use of steelmaking coal. Lower emission production technologies, such as electric arc furnaces, exist, and others are emerging, like green hydrogen. However, scaling "green steel" production to the place where it exceeds blast furnace production will take several decades due to the enormous scale of clean new electricity and green hydrogen production that must be built. To put this into perspective, producing enough hydrogen to move to 100% hydrogen-based steel production would require more than 2,500 Terawatt hours of electricity, or about the combined electricity consumption of India, Japan and Korea (refer Wood Mackenzie 2020 article).
- When considering the carbon intensity of all the world's suppliers of steelmaking coal, BC producers are in the lowest third. This is for several reasons:
 - Efficient mining methods, logistic operations and proximity to Pacific Basin customers result in low Scope 3 emissions relative to many other producers
 - Electricity supply from BC Hydro is >98% renewable, with the result that Scope 2 emissions are negligible
 - BC steelmaking coal mines, particularly in NEBC, emit far less methane than most other steelmaking coal mining jurisdictions.

3. Sustainable and strategic source of critical minerals for our international allies and partners

- Canada produces approximately 30 million tonnes of steelmaking coal annually. Of this, approximately __ million tonnes are shipped to Japan, South Korea, Europe, India, and Brazil, for which Canadian steelmaking coal is important for their steel production.

4. Supply is threatened

- As noted above, steelmakers in the above countries rely on steelmaking coal from Canada for their steel production. Steel products are essential for infrastructure, transport, renewable power development, transmission, and defense, among other things. If Canadian steelmaking coal were unavailable to these countries, this coal would have to be sourced from other countries. It is questionable whether these could be sourced from allied countries such as Australia, which may then result in these countries having to procure from countries such as Russia.

5. Reasonable chance of being produced in Canada

- As noted above, Canadian production is around 30 million tonnes annually, principally from Teck Resources and Conuma Resources.
- There are also a number of other potential steelmaking projects that are in various stages of exploration and permitting.

6. Other factors

- Steelmaking coal is included as a critical raw material in the European Raw Materials Initiative (RMI).
 - This is noteworthy because the EU produces very little steelmaking coal and yet includes steelmaking coal as a critical raw material. This raises the question of why Canada, which has significant production and resources of steelmaking coal, does not include it as one of its critical minerals.
- National Security and Infrastructure
 - Steel is vital for national security and infrastructure. It is used to construct critical infrastructure such as bridges, buildings, transportation networks, and defence systems. Ensuring a steady supply of steelmaking coal is crucial for maintaining and developing such infrastructure.
- Supply Chain Resilience
 - Including steelmaking coal in the critical minerals list can enhance supply chain resilience. This is particularly important in geopolitical contexts where dependence on foreign sources of critical minerals can threaten supply chains. The domestic supply of steelmaking coal in Canada reduces these vulnerabilities.
- Biodiversity Impacts
 - Steelmaking coal is vital for renewable energy and transitioning to a low-carbon future. This steelmaking coal will have to be extracted from somewhere in the world, and it is very likely that the environmental standards applied in these jurisdictions, including addressing biodiversity, will not match the robust standards that are practised here in Canada.



We appreciate the opportunity to provide our submission in support of Canada including Steelmaking Coal on its Critical Mineral List

Yours faithfully

Brian Sullivan

Chief Executive Officer



Conuma Resources Ltd.
220-235 Front Street
Box 2140, Tumbler Ridge, BC V0C 2W0
250-242-3764
conumaresources.com



Natural Resources
Canada

Ressources naturelles
Canada

Consultation sur la liste des minéraux critiques du Canada et sa méthodologie

Consultation on Canada's Critical Minerals list and methodology

January 9-12, 2024

Land Acknowledgement

- We acknowledge the traditional, unceded territory of Anishinaabe Algonquin People
- We honour their valuable past and present contributions to this land
- We encourage you to think about the territories you are joining from

Reconnaissance des territoires

- Nous reconnaissons le territoire traditionnel non cédé du peuple algonquin Anishinaabe
- Nous rendons hommage à leurs précieuses contributions passées et présentes à ce territoire.
- Nous vous encourageons à réfléchir aux territoires desquels vous nous rejoignez



Consultation on Canada's Critical Minerals List and Methodology

Consultation period closes
February 16, 2024

Submit comments to:

- [LetsTalkNaturalResources.ca](https://lets-talk-natural-resources.ca)
- cmce-cemc@nrcan-rncan.gc.ca

Consultation sur la Liste des minéraux critiques du Canada et sa méthodologie

La période de consultation se
termine le 16 février 2024

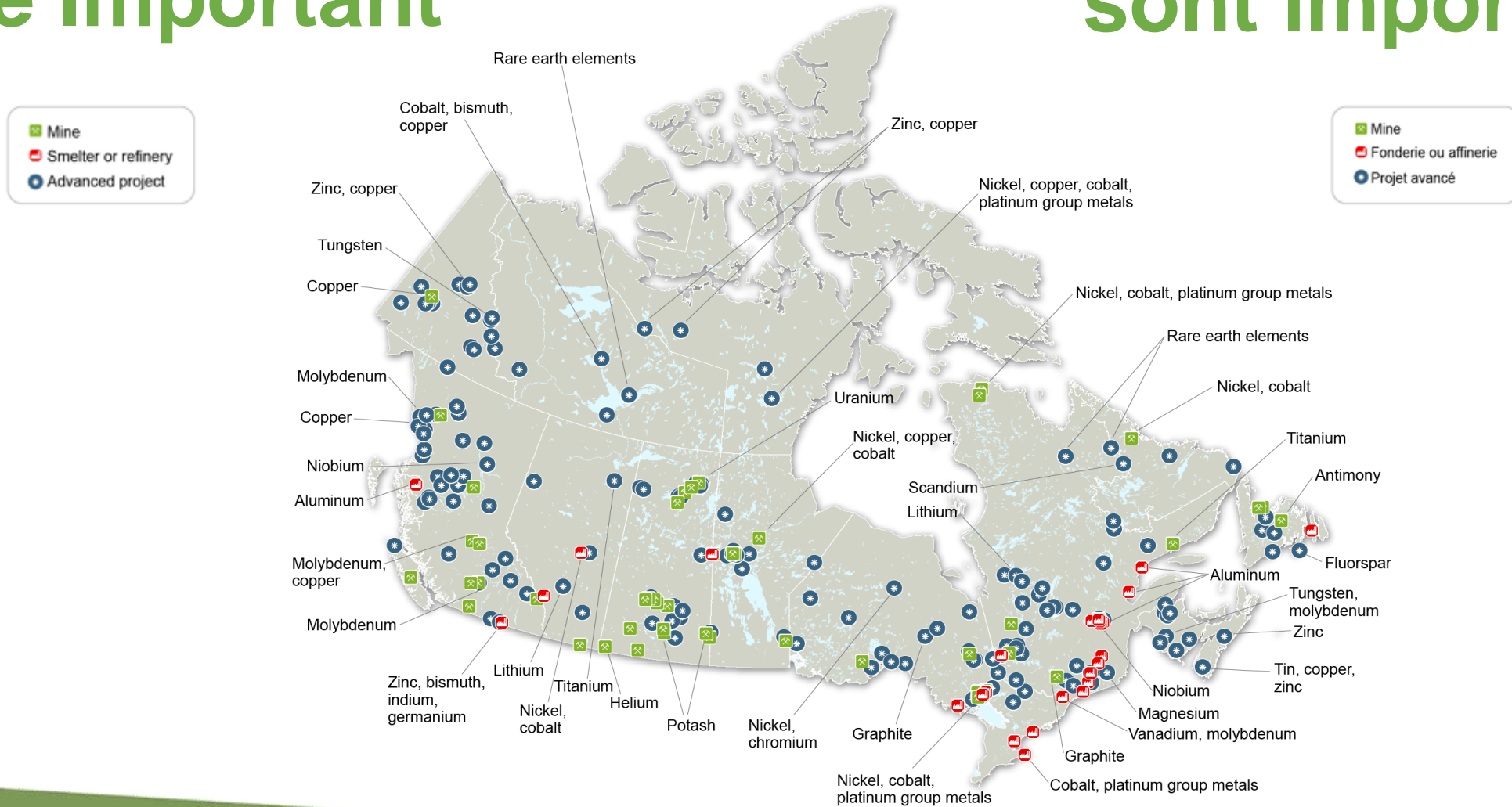
Soumettre vos commentaires à:

- [ParlonsRessourcesNaturelles.ca](https://parlons-ressources-naturelles.ca)
- cmce-cemc@nrcan-rncan.gc.ca



All Minerals Are Important

Tous les minéraux sont importants



Proposed Criteria to Define 'Critical Mineral'

A critical mineral meets one of the first 3 and both the last 2 criteria:

- ONE OR MORE
1. Essential to Canada's economic or national security;
 2. Required for the national transition to a sustainable low-carbon and digital economy;
 3. Sustainable and strategic source of critical minerals for our international allies and partners;
- BOTH
4. Supply is threatened;
 5. Reasonable chance of being produced in Canada.

Critères proposés pour définir les 'minéraux critiques'

Un minéral critique répond à l'un des 3 premiers critères et aux deux derniers critères:

- UN OU PLUS
1. Essentiel à la sécurité économique ou nationale du Canada;
 2. Nécessaire à la transition nationale vers une économie durable à faibles émissions de carbone et numérique;
 3. Source durable et stratégique de minéraux essentiels pour nos alliés et partenaires internationaux;
- LES DEUX
4. L'approvisionnement est menacé;
 5. Chance raisonnable d'être produit au Canada.

Criterion 1: Essential to Canada's economic or national security

- Is it needed for Canada's defense?
- Is it essential to Canada's economy and manufacturing?
- Look at Net Import Reliance, top exported minerals, job creation

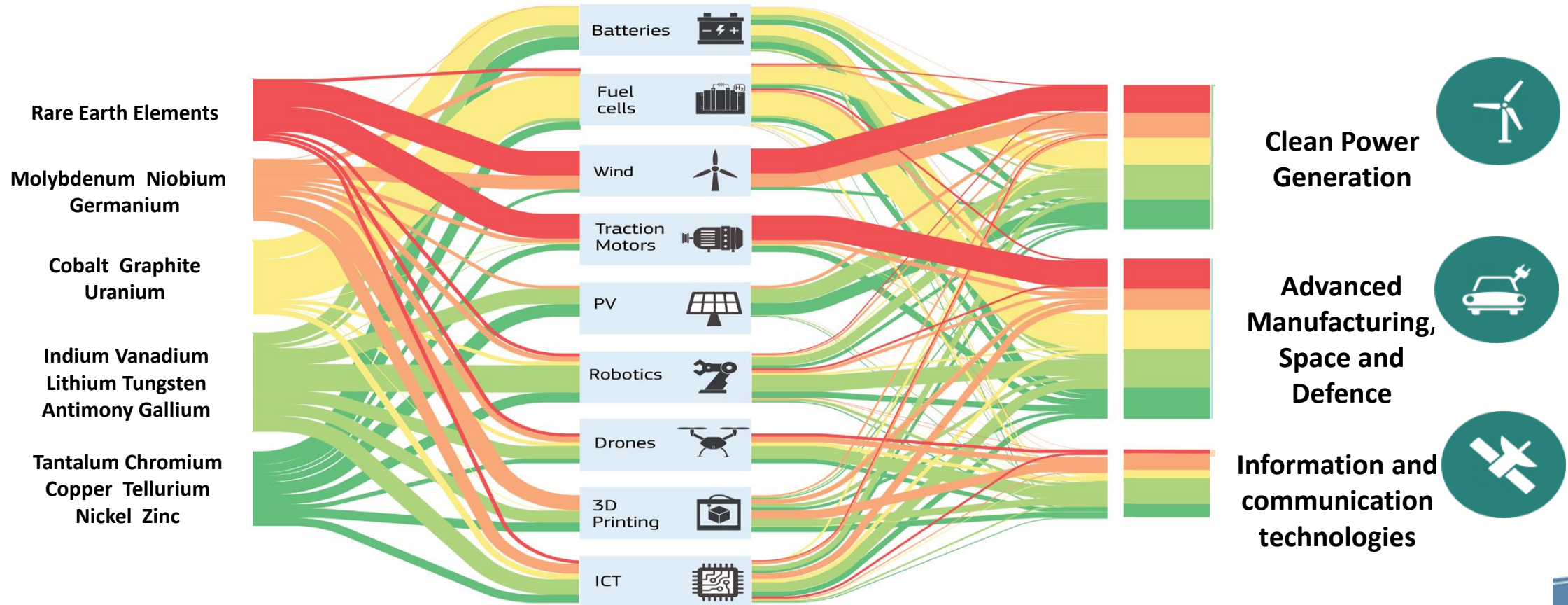
Critère 1 : Essentiel à la sécurité économique ou nationale du Canada

- Est-ce nécessaire pour la défense du Canada?
- Est-ce essentiel à l'économie et au secteur manufacturier du Canada ?
- Regardez la dépendance nette aux importations, les principaux minéraux exportés et la création d'emplois



Criterion 2: Required for national transition to a sustainable low-carbon and digital economy

Critère 2 : Requis pour la transition nationale vers une économie numérique et durable à faible intensité de carbone



Criterion 3: Strategic source for international partners and allies

- Does Canada have a surplus that can be exported?
- Critical minerals lists from international partners and allies.

Critère 3 : Source stratégique pour les partenaires et alliés internationaux

- Le Canada a-t-il un excédent qui peut être exporté ?
- Les listes de minéraux critiques des partenaires et alliés internationaux.



Criterion 4: Supply is threatened (mandatory)

Supply threats may be due to:

- Global demand will exceed supply
- Production concentrated in few countries, especially non-friendly
- Supply chain is susceptible to disruption
- Potential for substitution is low.

Critère 4 : L'approvisionnement est menacé (obligatoire)

Les menaces d'approvisionnement peuvent être dues à:

- La demande mondiale dépassera l'offre
- La production est concentrée dans quelques pays, notamment non amicaux
- La chaîne d'approvisionnement est susceptible d'être perturbée
- Le potentiel de substitution est faible.



Criterion 5: Can be produced in Canada (mandatory)

- Canada must have the potential to produce the mineral.
- Prospectivity mapping from GSC
- International partners seek materials with strong ESG credentials

Critère 5 : Peut être produit au Canada (obligatoire)

- Le Canada doit avoir le potentiel de produire ce minéral.
- Cartographie de prospective de GSC
- Les partenaires internationaux recherchent des matériaux dotés de solides références ESG



Discussion and Summary

The purpose of the federal Critical Minerals List is to:

- guide federal policy;
- build strong supply chains;
- drive mineral exploration, R&D, and innovation;
- make Canada less vulnerable.

Consultation period closes Feb. 16, 2024

- LetsTalkNaturalResources.ca

Discussion et résumé

L'objectif de la Liste fédérale des minéraux critiques est de:

- guider la politique fédérale;
- construire des chaînes d'approvisionnement solides;
- stimuler l'exploration minière, la R&D et l'innovation;
- rendre le Canada moins vulnérable.

La période de consultation se termine le 16 février 2024

- ParlonsRessourcesNaturelles.ca



Questions

Consultation period closes
February 16, 2024

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termine le 16 février 2024

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Soumettre vos commentaires à:

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District of Mackenzie

Letterhead

February 15, 2024

By email
Deputy Ministers
Natural Resources Canada

RE: District of Mackenzie Submission in Support of Including Steelmaking Coal on Canada's Critical Mineral List

Dear Ministers and GHG Regulators,

This submission details why the District of Mackenzie supports the inclusion of steelmaking coal (sometimes referred to as metallurgical coal) in Canada's Critical Mineral List.

Overview of Mackenzie

Mackenzie, British Columbia, is a municipality strategically located in Northeast BC, established primarily to serve the forestry sector in the 1960s. It has since diversified its economy to include mining and hydroelectric power, contributing to its growth and development.

Mackenzie, BC, relies heavily on local natural resource industries like steelmaking coal, which are central to its economic and community vitality. These industries provide essential employment, stimulate local business, and contribute to the town's revenues and infrastructure development, ensuring it remains a resilient and prosperous community.

Why should steelmaking coal be defined as a Canadian "Critical Mineral"?

1. It is essential to Canada's economic security

- Steelmaking coal is currently the largest export generator in BC, contributing \$11.9 billion or 18% of BC's total exports in 2022.
- Over 1,100 direct and 3,000 indirect jobs are supported in NEBC by the steelmaking coal industry, with the potential for this to increase if the economic conditions are suitable for increasing production.
- Businesses and communities in the NEBC regions depend heavily on continuing steelmaking coal operations in these locations. Steelmaking coal contracted and purchasing spend in these areas exceeds \$150 million per annum (contributions from steelmaking coal are included in the MABC Supply Chain Report on community benefits - <https://mining.bc.ca/2024/01/one-province-one-economy-2022/>). Without this industry, local and regional businesses would be adversely affected, and local communities would also be negatively impacted.
- Indigenous Nations benefit from the operations of steelmaking coal producers through commercial activities, employment, community investment and royalty streams. In 2023 alone,

District of Mackenzie Letterhead

local NEBC Indigenous-owned businesses earned more than \$70 million for services and products supplied to a steelmaking coal business.

2. Steelmaking Coal is a sustainable and strategic source of critical minerals for our international allies and partners

- Canada produces approximately 30 million tonnes of steelmaking coal annually. Most of this production is shipped to Japan, South Korea, Europe, India, and Brazil, for which Canadian steelmaking coal is important for their steel production.

3. Steelmaking Coal is already produced in Canada

- As noted above, Canadian production is around 30 million tonnes annually, principally from Teck Resources and Conuma Resources.
- There are also a number of other potential steelmaking projects that are in various stages of exploration and permitting.

We appreciate the opportunity to provide our submission in support of Canada including Steelmaking Coal on its Critical Mineral List

Yours faithfully