

So different parts of our project are at different levels of engineering.

So the mining would be at feasibility. The processing would be at feasibility.

But the infrastructure is probably pre-feasibility level. In fact, when we were using the southern route with the ferry, I'd say that was probably scoping level.

We'd not gone out and gotten detailed engineering studies on building the ferry, costing the ferry, and those kinds of things.

And part of it was why do a feasibility study on three different alternatives when only one gets selected at the end of the day. So as it turned out we had three different infrastructure corridors

and we thought that the ferry route would be most acceptable because it was the least environmentally impactful. It had the smallest what's called wetlands footprint

but it and the western route had the least amount of engineering on them, both of them scoping level, whereas the northern route had pre-feasibility level engineering

and at the 11th hour the federal agencies asked us to change from the ferry route to the northern corridor. They preferred a larger wetlands footprint and no ferry on the lake.

Which is ok, we like the northern corridor better because it allows us to have a concentrate pipeline as opposed to the materials handling of trucking to the lake, unloading onto the ferry,

unloading across the lake, putting it on trucks, and then taking it down to the port.

So when the project was originally being considered 10 years ago the idea was that there would be a northern transportation corridor

and that's where all the investment occurred in terms of engineering work. At some point we considered it might be a railroad, at some point a road,

at some point it would have a slurry pipeline to take the concentrate. Different options were considered, but almost always the northern route.

When I came in my assignment from Ron was to kind of reconsider the project and design something we thought could get through the permitting process

without as much controversy as the original project had engendered. So we did lots of things to the project. We made it smaller, we took out cyanide,

we redesigned tailings facilities, all kinds of things. One of the things we looked at was the transportation corridor and the Clean Water Act

focuses on the number of acres of what's called wetlands that you impact. And by going across the lake we didn't have a road that went across rivers and streams

and so it didn't impact as many wetlands. Forty percent fewer wetlands were impacted if we went across the lake with a ferry than if we did the road.

So Ron and I had this discussion, because from a mining perspective the road would actually have some advantages but from an environmental perspective

it looked as though a ferry made more sense. So Ron and I had a discussion as we were submitting our application, I said

"You know, Ron, the thing that could be best for us is if we submit the ferry route but the Corps of Engineers after they do their study tells us that they selected as an alternative the northern road." That's what happened here. The way the process works in America is you submit what you prefer to build, it's called your preferred alternative, and then the Corps identifies a number of other options. Ok? So other transportation corridor options for our project in addition to the two that we're now talking about. But after they did all the review they decided they preferred the northern route because we didn't have to use an icebreaker ferry on the lake and because we didn't because we didn't come as close to a bear preserve on the southern part of the road by going north. And so they kind of threw us under the bus to the alternative that actually made more sense to us from a mining perspective. And so now we're going to be building a northern corridor. We'll have a slurry pipeline as part of it so the concentrate will go down to the coast by pipeline. [47:05] And it makes a lot of things easier for us. It makes expansion much easier

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And it makes a lot of things easier for us. It makes expansion much easier. It makes the construction much easier. Just a bunch of things become easier.

So while this was not something we sought, this was forced on us by the Corps of Engineers, it actually worked out to our benefit.

Investigator: And when you say it is easier for the expansion you mean post-20 years or...?

Tom Collier: Yes post-20 years. Because we don't have to, you know we just send more stuff through the pipeline. We don't have more trucks, we don't.. you know just more pipeline.

So it's perfect for that, essentially perfect for that.

Let's put a little history on right of way for a second. It is not unusual at all to get your record of decision and not have right of way agreements. Happens all the time in these projects. All the time

Now for us, we've got a little bit of a dilemma. It's gonna cost us more to get it quicker. We'd like to have it quicker because it answers questions that folks like you ask.

On the other hand we don't need it for three years. We've gotta go through state permitting for three years. We're not gonna be able to build a road until after that.

So the longer we wait the better the deal we get, right? And so I'm here doing this on a daily basis. You know do I want to pay a little more and get this done more quickly?

Do I want to drag this out and get a better deal? And that's where we are.

it's like if you owned a piece of land out there near our project I've gotta build a road across it. So I'm coming out there and I've got two options.

I could buy your land or I can purchase from you a right of way to build the road and use the road only, ok? And some of them we're buying the land.

Some of them we're just getting the right of way. Either one works well for us.

Ronald Thiessen: Maybe [inaudible] around you. That's not always the case but sometimes you can go around the landowner.

You know it becomes well do I want this over my land or not because there's no other use for this land.

Yea but here's a point that they really haven't focused on yet. Ron mentioned the term 'go around' ok? So they had a small allotment,

BBNC owned a small allotment that the original proposal would have required that we put a road across. The final proposal however we went around it.

Yea I don't think they focused on that yet and I don't want to tell them publicly that we don't have to cross their land, but we don't have to so it doesn't matter what BBNC says.

Investigator: Why don't you want to tell them?

Because then I'm fearful they'll try to stop us some other way. Right now they think they've stopped us because we can't cross they're land. I'm happy for them to continue to think that, ok?

the fact that we proposed the ferry route and they forced us to choose the northern corridor route is proof that they took a hard look at the issue.

So it actually helps us, it doesn't hurt us. In addition, the fact that they are requiring a significant amount of mitigation proves that they've taken a hard look at the mitigation issue.

So these things that have been somewhat problematic for us to deal with as we've gone through this process actually help us enormously when we get into litigation.

Investigator: Ok, so you mean that actually it's almost like, it's good! It's almost good that—

Tom Collier: It is very good for us to have proposed one thing and for the Corps to have told us to do something else. That shows that we didn't go in there and just get what we wanted! Alright?

They took a hard look at everything and made us do some other things. Yes, it's very good for us.

Investigator: And you said last time that when we – I think Ron said that you guys had foreseen that, you proposed this southern on purpose – was it?

Ronald Thiessen: No, what I said was that you know I, being a mining guy, always liked the northern corridor and I had problems with the ferry route because there was material handling.

But Tom wanted the ferry route because it had a lesser wetlands footprint and he thought that would appease, or appeal to, the EPA and the Department of Interior.

But, Tom did say wouldn't it be ironic if at the end of the day they pushed us back to the northern corridor.

I mean, you know – and then Ron you get what you want and I'm not really getting what I want. And that's actually what happened!

from the perspective of litigation, the northern corridor choice and the mitigation decision are very helpful to us. Those are not negatives. Those are real positives.

The mitigation is, we have to do a lot more work than we'd originally expected.

So that obviously means they're holding our feet to the fire.

Investigator: Ok, ok. And all that's gonna be proof of the integrity of the process later on?

And so that's all part of the strategy?

Ron Thiessen and Tom Collier: Yes.

Investigator: So you knew, Tom, where the wind was coming from!

No, sometimes you get lucky. But, you know, chuckles, and this, you know, while it's nice that Ron gets his northern corridor, we put a lot of time and effort into the ferry route.

I think we would have all preferred that that had been the way this worked out. But it didn't, but it's not a downside to us.

From the perspective of long-term future expansion of the mine, the northern corridor is best.

The fact that they made us take the northern corridor

will be very helpful to us as we go through litigation. Win-win!

Ronald Thiessen: And I think the northern corridor, most of the mining people will like it

because we get to ship the concentrate in a pipeline.

And that means far less material handling. You know, whereas the ferry required containers of concentrate and so you take them to the ferry, take them off the truck, you put them on the ferry,

you go across the lake, you take them off the ferry, you put them on a truck, you

take them to the coastal port, you take them off the truck and you put them on a barge,

you just – there's a lot more handling.

Investigator: I hear you, I hear you. And was this a surprise for you that they

choose that, or you were kind of, you knew that they would–

Ronald Thiessen: Hey Tom, It was a surprise.

Tom Collier: Yea it was clearly a surprise. It was a surprise.