



Highlights

Report from the Bureau of Public Hearings on the Environment (BAPE)

Public Inquiry and Hearing Mandate from August 26 to December 23, 2024

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Introduction

Approximately one-third of the opinions expressed go beyond the strict framework of the Horne 5 project and address ministries as well as other strategic partners. These opinions provide **significant reflection pathways for the entire mining industry**, emphasizing the precautionary principle and aligning with a perspective of increased sustainable development. Some of these opinions are inspired by innovative ideas and sustainability measures proposed by Falco for this project.

Moreover, **two-thirds of the opinions** aim to improve the project. It is noteworthy that **over 90% of these opinions** involve actions that have already been initiated or planned.

About **half of the opinions** suggests additional studies or updates which are primarily needed to meet the requirements of forthcoming ministerial authorizations. All these studies are already underway or planned to ensure the authorization and development of the project.

In terms of innovation and support, nearly **one-third of the opinions** acknowledge the innovations proposed by Falco, and approximately **60% of the 96 briefs submitted express support for the project**.

With a five-year planning period anticipated prior to the start of commercial operations (2030), Falco has sufficient time to integrate these opinions and optimize its development.

In brief

1/3

of the opinions extend to ministries and strategic partners

2/3

of the opinions aim to improve the project

90%

of the opinions aiming to improve the project involve actions that have already been initiated or planned

60%

of the briefs express support for the project

5 years

is the planning period anticipated before the start of operations



Highlights

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07 Innovation and Best Practices



01 Project Authorization

"The commission submits to the attention of the relevant decision-making bodies **various elements that require commitments, actions, or modifications before the potential issuance of governmental authorizations.**"

— Alain R. Roy, President, BAPE

Finding: The Falco Horne 5 mining project has been reviewed from a sustainable development perspective, and at this stage, it is common for the commission to request additional studies and analyses to clarify certain aspects of the project based on its development level. Over 90% of the opinions related to the project are already considered, planned, or initiated.

Falco's Position: Falco commits to conducting the necessary studies and updates.

Next steps include:

- Environmental analysis completion by the Ministry of the Environment.
- Obtaining the decree to allow the continuation of the analysis and planning of the project in the coming years.
- Obtaining ministerial and municipal authorizations.

02 Vibrations and Induced Seismicity

The commission believes that these phenomena raise significant safety concerns that must be rigorously documented.

The expert mandated by the commission concludes that the methodology followed and the various approaches chosen for the modeling are appropriate and adhere to best practices in the field, and in this sense, the seismic potential estimates are adequate.

Finding: On this topic, the commission issues 11 opinions, of which 9 are directly related to the project and all initiated or planned.

Falco's Position: The health and safety of the citizens of Rouyn-Noranda are at the forefront of Falco's priorities.

Next steps include:

- In collaboration with the Integrated Health and Social Services Centre of Abitibi-Témiscamingue, creation by the end of January 2025 of an expert committee aimed at determining acceptable operational parameters.
- Development of the Residential and Infrastructure Integrity Program, in consultation with the project's Consultative Committee.
- Deployment of the City-Falco Working Table.
- Holding meetings of the technical and strategic committees developed as part of the operational license signed with Glencore (OLIA).

03 Water

The commission pays particular attention to water-related issues, given the region's history with several former mining sites, some of which continue to contaminate watercourses.

Notably mentioned in the report:

- Falco Resources has committed to design mine waste management facilities that meet Environmental Discharge Objectives.
- The type of mine waste transport pipeline planned for the Horne 5 project is common in the mining industry, and mitigation measures have been integrated.

Finding: Among its 13 opinions on the subject, several require actions mandated by regulations which are planned to be carried out in the next steps of the project's authorization to ensure rigorous management of possible environmental impacts.

Falco's Position: All relevant water studies will be updated in the next authorization steps of the project.

Next steps include:

- Conducting a study on alternatives to water withdrawal from Rouyn Lake.
- Proposing the creation of an inter-ministerial table to discuss elements requiring clarification, including roles and responsibilities related to the proposed sites for infrastructure development.

04 Air and Public Health

The commission focuses on air quality due to ongoing concerns about industrial atmospheric emissions and their impacts on public health, a longstanding issue for the city of Rouyn-Noranda. Among other points, it mentions:

1. The Ministry of the Environment should initiate a reflection on a more comprehensive and adapted integration of environmental impacts.
2. The strict interpretation by the Ministry of the Environment of Article 197 of the Air Pollution Control Regulation (APC) makes it difficult to envision compliance of the Horne 5 project with this regulation.

Finding: Most opinions (4 out of 6) on this subject are general reflections for the Ministry of the Environment (modeling approaches, new standards to consider, interpretation of Article 197 of the APC Regulation).

Falco's Position: Pursue the discussions with the Ministry of the Environment to allow authorization of the Horne 5 project and any other project in Rouyn-Noranda.

Next steps include: Collaborating on upcoming studies to document the total exposure of the population of Rouyn-Noranda to atmospheric emissions, by integrating emissions from the Horne 5 project with those already present, to ensure a comprehensive and integrated assessment.

05 Project Justification

The commission issued 14 opinions on the project's justification. Among other points, it highlights that:

- The project would contribute to regional economic development, the regional and provincial mining sector, as well as to innovation.
- The project would align with the Quebec Plan for the Valorization of Critical and Strategic Minerals 2020-2025 and would contribute, albeit modestly, to the energy transition and decarbonization of Quebec.
- While the use of existing infrastructure and already disturbed sites is positive and recommended as it would limit the impact and ecological footprint, it should not be the primary justification for the project.

Finding: Of the 14 opinions issued by the commission on this topic, 9 are directly related to the project and 5 are addressed to ministries.

Falco's Position: Falco commits to stimulating innovation, consolidating the activities of several local and regional businesses, and enhancing the visibility of the mining sector at the regional and provincial levels.

Next steps include:

- Developing a local purchasing policy to demonstrate its commitments and secure the share of economic benefits remaining in the region.
- Updating the feasibility study and economic impact studies.

06 Host Environment Capacity

The commission issued 10 opinions that address the social climate and the community's capacity to accommodate the influx of workers. Among other observations, it notes:

- The social climate in Rouyn-Noranda is fragile and tense, and estimates that currently it is not conducive to welcoming the Horne 5 project.
- The socioeconomic context of the city, characterized by tensions over labor availability, housing, and access to local services, could make the integration of a project that would generate additional pressure in these areas difficult for several years.
- The commission applauds Falco Resources' intention to target groups generally underrepresented in mining jobs and its commitment to diversity and inclusion.

Finding: Despite Falco Resources' efforts to integrate diversity and inclusion practices, Rouyn-Noranda's current capacity to absorb a significant population increase due to new industrial projects is limited, necessitating increased planning and resources to avoid exacerbating existing tensions.

Falco's Position: Falco is committed to being a catalyst and developing and investing in solutions to address the social challenges faced by the city of Rouyn-Noranda.

Next steps include:

1. In consultation with key community stakeholders, continue developing a structured action plan, detailing measures to reduce the social impacts of the project, including an evaluation of the expected effects of these measures and an estimate of the costs associated with each project phase.
2. Conduct a comprehensive assessment of the potential influx of external workers into the community, directly or indirectly related to the deployment of the project, for both the construction and operation phases.

07 Innovation and Best Practices

The commission acknowledges several good practices and innovations advanced by Falco in the Horne 5 project.

The commission specifically highlights that the design proposed by Falco Resources:

- Complies with the design standards of applicable directives.
- Takes climate change into account by incorporating a contingency deemed sufficient at this stage of the assessment process, and is superior to that presented by several other mining projects.
- Mitigates long-term risks, since no open water would remain on the tailings after reclamation of the tailings management facilities.

The commission also notes that Falco's proposal to use already impacted sites is a good practice, contributing to limiting the environmental footprint of mining infrastructures by reducing the occupation of new territories. It recommends that the Ministry of Natural Resources and Forests consider developing guidelines with accompanying incentive measures aimed at systematically integrating the evaluation of possibilities for reusing and restoring old mining residue parks into the planning of new parks.

Finding: Many of the innovations and good practices proposed by Falco form the basis of opinions addressed to ministries, offering reflection pathways for the entire mining industry from a sustainable development perspective.

Falco's Position: Falco is inspired by the precautionary principle to stimulate the search for innovative solutions and enhance the Horne 5 project.

Next steps include: Continuing the advancement of engineering and optimizing the proposed measures based on studies to be completed or updated.