

Federal Authority Advice Record (FAAR)**FAAR Response must be submitted by February 27, 2026**

Baptiste Nickel Project – FPX Nickel Corp. (proponent)

Registry File: 90051

Department/Agency	Natural Resources Canada
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1. Will your department or agency exercise a **power, perform a duty or function**, or provide **financial assistance**, related to the project to enable it to be carried out in whole or in part?
As relevant,
 - a) Specify the power, duty or function, or financial assistance, and the likelihood that it will be required to construct the project, based on the Initial Project Description, as either Required, Potential, Likely, Unlikely or Not Required

Explosives Act

Yes, Natural Resources Canada (NRCAN) is responsible for administering the *Explosives Act* and Regulations. The Initial Project Description (IPD) indicates that the proponent will require the manufacturing and storage of explosives for construction. A factory and magazine license will be required from NRCAN's Explosives Regulatory Division.

Financial Assistance

No. Prior to the commencement of impact assessment, NRCAN had provided FPX Nickel Corp. \$724,829 under the Critical Minerals Research, Development and Demonstration (CMRDD) Program to demonstrate the technical and economic viability to produce battery-grade, high-purity nickel, cobalt and copper for the zero-emission vehicle (ZEV) battery supply chain from the Baptiste Nickel Project. The project was conducted from December 1, 2022 to September 20, 2024. The CMRDD program supports pre-commercialization research, development and demonstration and technology advancement activities only. This funding was not provided for the purpose of the Impact Assessment as the CMRDD program does not support permitting activities, including Impact Assessments, as well as Physical Activities are ineligible under the program. The results and data generated through the CMRDD project may be used to inform the Impact Assessment, however the funding was not intended to support the assessment itself.

Additionally, prior to the impact assessment, under the Critical Minerals Infrastructure Fund (CMIF), NRCAN approved up to \$3.5 million to support the development of feasibility studies and environmental and cultural baseline studies, in collaboration with First Nations, for the access road and electrical transmission line required for the project. All activities supported by this funding are preconstruction in nature. For further clarity, none of the work captured in the Project Phases and Activities in scope of the Impact Assessment would be carried out as part of the CMIF-funded project.

- b) Describe any associated Indigenous or public consultation, including timelines

If an explosives license is required, NRCan may consult the Indigenous communities potentially affected by the project.

- c) Describe any associated information requirements (e.g., alternative means assessment, habitat offsetting), and specify those that may be coordinated with the impact assessment process, if an impact assessment is required

N/A

- d) Identify any associated project-specific guidance or issues of which the proponent should be aware, or information the proponent should provide.

The Proponent should be made aware of the [Open Science and Data Platform](#) (OSDP), a centralized data hub led by Natural Resources Canada that provides access to diverse science, data and regulatory information to support the assessment. The OSDP can help guide the Proponent in early planning and align project proposals with regulatory expectations to contribute to more efficient reviews. For example, the dataset, [Caribou Herd Locations for BC-](#) (Government of British Columbia) may be of interest to the Proponent. NRCan is available to meet and provide more details about what the OSDP has to offer and can be contacted at osdp-psdo@nrcan-rncan.gc.ca.

- e) Indicate whether your department or agency has identified any power that it will not be exercising or may not be able to exercise to allow the project to be carried out, in whole or in part.

N/A

2. **Using Table 1**, identify project- and context- specific **key issues**, based on the expertise within your mandate¹ and the information in your possession, including the Initial Project Description, any exchanges with the proponent or others related to the project and known means to address the effects of the project. For each key issue:
 - a) Specify the key issue (e.g., specific species and location)
 - b) Specify the project component or activity linked to the key issue
 - c) Explain why it's a key issue based on:
 - i. biophysical effect pathway(s) from the specific project component or activity
 - ii. concern unique to the project or a priority within your mandate
 - iii. the issue being material² to decision making under the *Impact Assessment Act*
 - d) Identify how the issue could be resolved, including through means other than an impact assessment
 - e) Identify additional information the proponent could provide including to give confidence on how the issue can be addressed through other means.

Vikash Narine, Senior Impact Assessment Officer

Name and Title of Departmental / Agency Responder

¹ Refer to the [Memoranda of Understanding with IAAC](#).

² An issue is material to decision making if its analysis is anticipated to affect the conclusions on (1) whether adverse effects within federal jurisdiction or direct and incidental adverse effects (collectively adverse federal effects) are likely not significant, or of low, medium or high significance; (2) appropriate mitigation measures for significant adverse federal effects; or (3) justification in the public interest

Table 1: Key Issues to inform the impact assessment process

This table should outline key issues to inform the impact assessment process, including whether an impact assessment is required and, if so, the scope of the assessment and tailoring of the Tailored Impact Statement Guidelines/Application Information Requirements in a substituted assessment.

Key issues are the major concerns directly related to a project component or activity, the analysis of which is anticipated to be material to decision-making under the *Impact Assessment Act*.

Federal authorities' advice should be guided by the identification and resolution of key issues. If an impact assessment is required, it will be focused on key issues.

Comment ID	a) Key issue	b) Project component or activity	c)(i) Biophysical effect pathway(s)	c)(ii) Concern unique to the project or a priority within your mandate	c)(iii) Material to federal decision-making	d) Means for issue resolution	e) Additional information from the proponent
<p>Identify comments by organization and comment number.</p> <p>e.g.: IAAC-01</p>	<p>Specify the key issue (e.g., specific species and location).</p>	<p>Identify the project component or activity linked to the key issue.</p> <p>Be specific about the nature, scale, novelty and complexity or the component or activity.</p>	<p>Identify the specific biophysical effect pathway between the project component or activity and the affected environmental or human receptor (including Indigenous Peoples).</p>	<p>Describe why it's a key issue within the mandate of your department or agency, including in terms of priorities of the federal government and in terms of anticipated likelihood, severity or uncertainty of effects.</p> <p>Identify if the key issue is common for projects of this nature or in this sector, or whether it's unique to this project due to its complexity, size or novelty; a sensitive or rare receiving environment; and/or proximity of sensitive environmental or human receptors (including Indigenous Peoples).</p>	<p>Describe why the key issue is material to decision-making as either:</p> <ul style="list-style-type: none"> • an adverse effect within federal jurisdiction, or a direct or incidental adverse effect, that may be significant based on available evidence including: <ul style="list-style-type: none"> ○ federal experts' knowledge and experience with past project assessments; ○ presence of sensitive species, habitats or human receptors (including Indigenous Peoples); ○ novel or complex project activities, components or technologies; ○ high uncertainties in effects or in the effectiveness of mitigation measures; ○ unknown or unproven mitigation; or • a factor for the justification in the public interest anticipated to be material to decision-making such as a likely positive effect contributing to sustainability, to Canada's environmental obligations or climate change commitments or in supporting governmental priorities, such as reconciliation with Indigenous Peoples. 	<p>Describe how the key issue could be resolved or addressed by:</p> <ul style="list-style-type: none"> • Any means, including powers, duties, functions, frameworks, policies or guidance that your department or agency has; • Any means, including powers, duties, functions, frameworks, policies or guidance from another jurisdiction, including the province; • Common, proven, well-understood or standard mitigation measures to mitigate the effect or effect pathway(s); or • Commitments made by the proponent (e.g., in the Initial Project Description). 	<p>Describe information the proponent can provide, or commitments the proponent can make, in their Response to the Summary of Issues that would provide confidence that the issue can be resolved by existing means.</p> <p>Consider whether information, studies, analyses or collaborative work with other authorities would be required to address the issue beyond existing means.</p>
NRCan-01	<p>Backfilling all tailings and Class B mine rock into the mined-out pit at the end of operations is only being considered. There is no commitment at this stage.</p>	<p>Open pit and tailings management facility design and closure approach, including the decision to store tailings on surface or backfill into the mined-out pit.</p>	<p>In situ placement of engineered covers on mixed tailings and mine rock facilities requires long-term institutional inspection and maintenance of dam structures and engineered covers. Inevitable cover erosion and potential</p>	<p>CanmetMINING of NRCan manages the Mine Environment Neutral Drainage (MEND) program. It has published two reviews regarding the use of open mine pit for long-term disposal of Metal Leaching/Acid Rock Drainage (ML/ARD) generating materials (MEND 2.36.1; 2.36.1b). Pit backfill eliminates the</p>	<p>A commitment from the proponent to backfill all tailings and waste rock into the mined-out pit is a key issue for decision-making, as leaving the material on surface in the proposed tailings management facility requires long-term institutional inspection and maintenance of dam structures and engineered covers. Without proper ongoing maintenance, there will be a long-term threat to fish and fish habitat downstream of the site. Potential long-term releases of deleterious substances to waters frequented by fish would fall within federal jurisdiction under the <i>Fisheries Act</i></p>	<p>The proponent should present a proper assessment of alternatives for tailings and Class B rock management that includes managing the material in place or backfilling it into the mined-out open pit. Follow Environment and Climate Change Canada guidelines for the assessment of alternatives for mine waste disposal and then make a proper commitment to pit backfilling in the Impact Statement.</p>	<p>The proponent should provide a clear commitment regarding the long-term management approach for tailings and Class B waste rock, supported by an assessment of alternatives consistent with federal guidance.</p>

			dam failure represent a long-term risk to fish and fish habitat in the vicinity of the mining project. Failure of engineered covers or dam structures could result in the release of deleterious substances to surface water and groundwater, leading to downstream transport, exposure of aquatic receptors, and potential adverse effects to fish and fish habitat.	risk of dam failures and reduce cover erosion. It is therefore considered best practice to use open pits for long-term disposal.	and are therefore material to decision-making under the <i>Impact Assessment Act</i> .		
NRCan-02	Nickel (Ni) and other deleterious substances may affect fish and fish habitat downstream of treated mining effluent during construction and operations, and potential exposure to seepage from the tailings management facility post-closure may result in long-term effects on fish and fish habitat if the closure design of the facility is deficient.	Tailings generation and placement in the tailings management facility, including processing recovery efficiency that influences tailings composition.	Tailings generated from magnetic separation may contain residual Ni and other deleterious substances. If recovery efficiency is lower than predicted or tailings concentrations are underestimated, elevated concentrations of deleterious substances may be present in tailings pore water. During operations and post-closure, seepage from the tailings management facility may mobilize these substances to surface water and groundwater. Transport of contaminated water downstream may result in exposure of aquatic organisms and potential	CanmetMINING of NRCan is a unique federal research centre that develops mining extraction technologies, mine effluent treatment technologies, and conducts research to improve mine rock and tailings characterisation. CanmetMINING of NRCan manages the MEND program and is currently updating the MEND 1.20.1 prediction manual for sulphidic materials. The novel magnetic extraction of Ni from awaruite introduces uncertainty regarding recovery efficiency. While the proponent indicates that more than 80% of awaruite can be recovered through magnetic separation, recovery efficiency varies depending on mineral liberation and magnetic properties. Variability in recovery efficiency may directly influence Ni and other deleterious substance concentrations in tailings.	Ni is a carcinogenic and toxic substance to the aquatic environment if present at sufficient concentrations. The novel magnetic extraction of Ni from awaruite introduces uncertainty, and any underestimation of Ni or other deleterious substance concentrations in tailings could result in an under-designed tailings management facility, leading to greater-than-anticipated contamination during operations and post-closure and therefore greater impacts on fish and fish habitat, including sockeye salmon and white sturgeon, which are endangered species. Potential releases of deleterious substances to waters frequented by fish fall within federal jurisdiction under the <i>Fisheries Act</i> and are therefore material to decision-making under the <i>Impact Assessment Act</i> .	Table 11.2 of the IPD indicates that the proponent commits to implementing a ML/ARD management plan. The contents of this plan are not presented in the IPD. To ensure adequate mitigation measures are in place for the tailings management facility (i.e., seepage barriers, cover design requirements, etc.) prior to operations, the ML/ARD plan should include ongoing tailings characterisation during planning and construction, as there is ongoing optimization of the commodity element recovery, which should lead to a more refined prediction of elements of concern concentrations in the tailings and their associated release rates. During operations, monitoring of tailings solids mineralogy and deleterious substance concentrations in pore water and seepage is required to gather seepage rate data to be used for closure design of the tailings management facility. The tailings characterisation program should also include a trigger, defined as the maximum concentrations of Ni and other deleterious substances in pore	The proponent has committed to following MEND 1.20.1 to conduct its geochemical testing program, which is sufficient at this time. Currently, only five tailings samples have been tested. The proponent should provide the number of tailings samples to be tested as processing develops during planning and construction prior to operations to ensure representativeness of the tailings to be managed in the tailings management facility during operations. The proponent should provide a response in the Impact Statement to all suggested means of resolution presented in this comment.

			adverse effects on fish and fish habitat. Discharge of treated effluent containing residual concentrations of deleterious substances may also affect water quality in receiving environments, potentially affecting fish and fish habitat and associated fishing practices.	CanmetMINING is aware of only one other mining project, First Atlantic Nickel (Newfoundland), investigating awaruite in ultramafic ores, indicating limited precedent for this processing approach in Canada.		water, seepage, and nearby piezometers associated with the final design of the tailings management facility. If these concentrations are exceeded, adaptive mitigation measures should be considered (e.g., intercepting contaminated plume and pump-and-treat).	
NRCan-03	Mine rock classification and the representativeness of the geochemical characterisation program used to distinguish Class A and Class B materials.	Mine rock management areas and material used for construction purposes, including segregation and classification of excavated rock.	If mine rock is insufficiently characterised, materials with elevated Ni, sulphur, or other deleterious substances may be misclassified and used for construction purposes or placed in mine rock management areas without appropriate controls. Release of deleterious substances from misclassified materials may deteriorate site water quality, increasing treatment requirements. Seepage and drainage from mine rock management areas may enter surface water and groundwater, resulting in downstream transport, exposure of aquatic receptors, and potential adverse effects on fish and fish habitat.	CanmetMINING of NRCan is a unique federal research centre that develops mining extraction technologies, mine effluent treatment technologies, and conducts research to improve mine rock and tailings characterisation. CanmetMINING of NRCan manages the MEND program and is currently updating the MEND 1.20.1 prediction manual for sulphidic materials. A common issue with mine rock characterisation programs across Canada is the representativeness of materials included in geochemical testing programs. It is important that all lithologies are adequately tested so that science-based decisions can be made regarding construction material suitability and management to prevent release of deleterious substances. The proponent's current geochemical test work includes static testing of 402 mine rock and overburden samples from drill core and kinetic testing, consisting of nine	This key issue is material to decision-making, as adverse effects within federal jurisdiction may occur if insufficient characterisation of mine rock leads to underprediction of ML/ARD-generating material volumes. Misclassification may result in the use of reactive materials for construction purposes or improper placement in management areas, leading to unanticipated contamination during operations and post-closure. Underprediction of ML/ARD risk may also lead to under-design of the tailings management facility and associated water treatment systems, increasing the likelihood of deleterious substance release to waters frequented by fish, which falls within federal jurisdiction under the <i>Fisheries Act</i> .	Table 11.2 of the IPD indicates that the proponent commits to implementing a Metal Leaching and Acid Rock Drainage (ML/ARD) management plan. This plan should include mine rock characterisation beginning at the planning stage and continuing through construction and operations. During operations, monitoring of seepage, groundwater, and surface water drainage quality should be implemented to detect potential contaminated plumes. The mine rock characterisation program should propose trigger concentrations for segregation, defined as maximum concentrations of deleterious substances (e.g., Ni and sulphur) in leachate from kinetic and column studies during planning and construction that would lead to adaptive management. Once Class A and Class B criteria are optimized, seepage and nearby groundwater quality should be monitored and compared against maximum predicted concentrations used in the design of the tailings management facility. If these concentrations are exceeded, adaptive management should be implemented to limit contamination of groundwater.	The proponent has committed to following MEND 1.20.1, which is sufficient at this stage. Current geochemical testing includes analysis of 402 mine rock and overburden samples and kinetic testing consisting of nine humidity cells, saturated and unsaturated tailings columns, and four onsite field bins. The ML/ARD management plan should present: <ol style="list-style-type: none"> 1. A three-dimensional block model showing the spatial distribution of samples tested for each mine rock material classification to demonstrate representativeness. 2. Demonstration that sufficient testing has been conducted to conservatively predict ML/ARD leachate from different mine rock lithologies. 3. Integration of data from the NI 43-101 Technical Report and Prefeasibility

				<p>humidity cells and four field bins onsite. Based on this preliminary assessment, the proponent identified two management classes for waste rock materials: Class A, comprising ultramafites and mafic dikes, designated for use in construction of the tailings facility embankment due to low ML/ARD potential; and Class B, comprising the Sitlika assemblage, recommended to be managed within the tailings facility under conditions that limit oxygen contact.</p>			<p>Study, including drilling programs that may provide geochemical information on Ni and sulphur content, to support classification of Class A and Class B materials.</p> <ol style="list-style-type: none"> 4. Demonstration of how release rates (mean and upper percentile) from rock contribute to the design of the tailings management facility. 5. Proposed maximum concentrations of deleterious substances in kinetic and column leachate that would trigger optimization of mine rock classification during planning and construction. 6. Proposed maximum concentrations of deleterious substances in tailings facility seepage and nearby groundwater that would trigger adaptive management to ensure seepage quality remains protective of fish and fish habitat.
NRCan-04	<p>Groundwater</p> <p>Initial Project description (IPD January 2026 Table 11-2), Sec.7.0. Existing Biophysical Environment Groundwater 7.3.</p>	<p>Open pits/tailings storage facility (TSF)</p>	<p>Dewatering, seepage impacts related to mining activities.</p>	<p>Assessing the potential effects to surface and ground water are issues in mining projects.</p>	<p>Preliminary groundwater information was collected in 2011-2012, a second program was carried out in 2021–2022 and a baseline monitoring in 2024–2025. Additional information is being collected and planned for the year 2026. The proponent mentions that the 2026 data collected will also establish the conceptual groundwater model. Groundwater management</p>	<p>It is not clear whether groundwater sampling (2022 – 2023) from the monitoring wells and datalogger installed to collect hydrogeological information was performed quarterly. It is expected that the baseline groundwater information would be made available upon completion. In</p>	<p>NRCan looks forward to the information on baseline groundwater to help understand the impacts on groundwater following the project activities. NRCan would also like to see the data collected and</p>

					and monitoring plans will also be provided that will include seepage management.	general, the hydrogeological information/conditions, dewatering impacts, domestic, communal or municipal water wells, sources of potable groundwater, groundwater characterization, hydrostratigraphy (surficial and bedrock geology), faults and fractures, groundwater flow, groundwater divides, and relevant groundwater data should be included. Additional details specific to the site should also be included. Details of the monitoring wells should be provided. These data would be very important to understand the impacts of dewatering. Will a numerical model be developed to predict the impacts of mining activities?	results of the sampling in the next stage of the IA. NRCAN would like to receive information on the hydrogeological property and recharge values, hydrostratigraphy (surficial and bedrock geology), fracture orientation, impact to groundwater table, hydraulic conductivity, and groundwater-surface water interactions and expected impacts. NRCAN requests the proponent to provide a representative cross-section across the open pits, including stratigraphy, a few wells, the open pit in its final stage, nearby streams, the initial water table and the predicted drawdown. NRCAN expects that an appropriate 3D numerical model will be developed to assess the impacts of the project activities. NRCAN looks forward to the results of the model, monitoring and management plans as the project moves forward.
NRCAN-05	Seismicity Initial Project Description (IPD January 2026), 11.0. Effects of the Environment on the Project.	Seismic hazards	Seismic hazards design and mitigation measures.		Seismic hazards could have a potential adverse effect on project valued components (e.g., Tailings Storage Facility) and public safety. A scope of what will be included as part of the seismic hazard assessment should be included under section 11.0/11.1.	The proponents should provide an "earthquake hazard assessment" that includes a description of local and regional faults, potential/expected ground shaking, earthquake sources, design and mitigation methods, etc. in the EIS". NRCAN recommends including a discussion of potential effects from induced earthquakes in the region. The National Building Code Seismic Hazard Tool can be used to obtain seismic hazard design values for various editions of the National Building code. It is the responsibility of the proponent to determine the appropriate site class and which version of the seismic hazard tool is applicable to the Project's location at the time of design.	NRCAN looks forward to the earthquake hazard information being included under section 11.0.

NRCan-06	Terrain Hazards Initial Project Description (IPD January 2026), 11.0. Effects of the Environment on the Project. Sec. 10.0 Malfunctions and accidents, section 9.1	Terrain and soils	Terrain modifications during construction, operations, and mine closure could possibly trigger terrain hazards and could potentially impact the project and the valued components.		Terrain hazards could have a potential adverse effect on project valued components (e.g., species, habitats, public safety).	Specific Information on the landslides, slope failures is not included under section 11. It says natural hazards, it is expected that it will include landslides/slope stability issues. NRCan recommends including information on landslides/stability in the EIS.	NRCan looks forward for information on landslides/stability issues. Section 9.1 should also address Tailings Management Facility failure and slope failures.

Please insert additional rows as necessary.