

BACKGROUND

MMER & Schedule 2 – A Threat to Lakes and Rivers Throughout Canada

Urgent Action Needed to Protect Lakes and Rivers Slated for Destruction

Environment Canada has announced that 11 lakes and streams are slated to become dump sites for the disposal of environmentally toxic mine waste tailings (see list below). Two lakes have already been destroyed. Eight natural water bodies are being decided on this year. Sandy Pond in Newfoundland is in immediate danger as the period for public comment to Environment Canada ends July 15. Sandy Pond is a 38-hectare headwater lake that has trophy-sized brook trout and is habitat for the already-endangered American eel, a species of concern that has special significance for the Mi'kmaq people.

Getting Around the Protection of Lakes And Rivers:

Because lakes and rivers are fish habitat, they are protected by the Fisheries Act. This Act is Canada's oldest environmental legislation and prohibits the release of "deleterious substances" into fish-bearing waters and the alteration or destruction of fish habitat. However, in 2002, Schedule 2 was added to the Metal Mining Effluent Regulation. Schedule 2 essentially allows for re-classifying any natural water body that gets listed on it as a "tailings impoundment area." Once a lake or river gets listed, it is no longer considered a natural water body and no longer protected by the Fisheries Act. A mining company can use then it as a dumping ground for millions of tonnes of tailings and waste rock.

The precedent was set when, in 2006, two lakes near Buchans, Newfoundland were approved for destruction. These lakes used to contain Atlantic salmon (after over \$1 million of public funds used for restoration) and brook trout, and were also home to otters. Since then, the requests from the international mining industry, including Canadian companies, to use natural water bodies in Canada for their toxic waste disposal have increased at an alarming rate. The list of 11 threatened lakes that Environment Canada has provided us with only represents the water bodies that face destruction within the next couple of years. Other mining companies have expressed interest, but details are not yet being released by Environment Canada.

No Compensation for Lost Ecosystems

Under current legislation and policies, mining companies are required to compensate for the loss of fish habitat that is turned into tailings impoundments. However, DFO's own experts acknowledge that they do not have the expertise to compensate for the loss of lake ecosystems:

As far as I am aware, there has been no successful compensation undertaken for the loss of a fish-bearing lake.

...no examples of whole lake restoration and compensation to guide developments forecasts irreparable harm.

If DFO approves [whole lake destruction], at that point, then, it is clearly not based on any technical or science-based arguments. (quotes from S.C. Samis, I.K. Birtwell, and N.Y Khan. 2005.)

Lake-dumping is a massive subsidy to the mining industry Canadian regulatory authorities (EC, DFO) are **statutorily obligated** to seek alternatives to the destruction of fresh water bodies for industrial purposes. The problem for mining companies is that it costs more to build containment structures than it does to dump wastes into a convenient nearby lake.

The Sandy Pond project, for example, could proceed even if Vale Inco was required to use other methods for handling their waste. The reason they want to use Sandy Pond as a dump site, in our view, is because it is the cheapest option available to them. Using the lake will only cost around \$60 million. The most expensive alternative (digging a pit and storing wastes in it) would cost around \$490 million. Clearly, cost is an issue for Vale (Companhia Vale do Rio Doce), which reported its net profit for 2007 was a record \$11.94 billion, a 50 percent jump in net profit for the world's second-largest mining company, which earned \$8 billion in 2006 (all figures in US dollars).

Mining projects in Canada for which companies have proposed the use of healthy natural water bodies for mine waste disposal. Adapted from Environment Canada (2007) by Mining Watch Canada

| | Project Name | Proponent | Province/ | Water Body | Status |
|----|--|--|---------------------------|--------------------------------------|--|
| 1 | Doris North Project | Miramar Mining Corp. http://www.miramarmining.com/s/Home.asp | Nunavut | Tail Lake | Approved on July 8, 2008 |
| 2 | Meadowbank Project | Agnico-Eagle Mines Ltd. (formerly Cumberland Resources) http://www.agnico-eagle.com/ | Nunavut | northwest arm of Second Portage Lake | Approved on July 8, 2008 |
| 3 | Long Harbour Commercial Processing Plant | Voisey's Bay Nickel Company (CVRDINCO) (formerly INCO) http://www.vbnc.com/ | Newfoundland and Labrador | Sandy Pond | In provincial Env. Assessment and federal screening |
| 4. | Ruby Creek | Adanac Molybdenum Corp. http://www.adanacmoly.com | British Columbia | Ruby Creek watershed | In provincial Env. Assessment and federal screening |
| 5. | Prosperity | Taseko Mines Ltd. http://www.tasekomines.com | British Columbia | Fish Lake | In provincial Env. Assessment |
| 6. | Bucko Lake | Crowflight Minerals Inc. http://www.crowflight.com | Manitoba | Bucko Lake | In federal Env. Assessment screening |
| 7. | Yellowknife Gold | Tyhee NWT Corp. http://www.tyhee.com | Northwest Territories | Winter Lake | Temporarily Suspended by proponent |
| 8 | High Lake | Zinifex Ltd. (formerly Wolfden Resources Inc.) http://www.zinifex.com http://www.wolfdenresources.com | Nunavut | High Lake | EAs have been initiated under the terms of the Nunavut Land Claims Agreement and CEAA. |
| 9 | Kutcho Creek | Western Keltic Mines Inc. / Sherwood http://www.westernkeltic.com | British Columbia | Andrea Creek watershed | In provincial Env. Assessment |
| 10 | Red Chris | Imperial Metals Corp. (formerly BCMetals Corp.) http://www.imperialmetals.com | British Columbia | Quarry Creek and Trail Creek | The outcome of the CEAA screening EA has been challenged in Federal Court. |
| 11 | Mt. Milligan | Terrane Metals Corp. | British Columbia | | Under CEAA review, likely to be assessed by March 2009. |

Already Destroyed under Schedule 2

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|---|-----------|----------------------------|---------------------------|------------------------|----------|
| 1 | Duck Pond | Aur Resources/Teck Cominco | Newfoundland and Labrador | Trout Lake | Approved |
| 2 | Duck Pond | Aur Resources/Teck Cominco | Newfoundland and Labrador | Gill's Brook tributary | Approved |

For more in-depth information, see the MiningWatch Canada website:
<http://www.miningwatch.ca>