

**PRESENTATION TO LAW AMENDMENTS COMMITTEE
NOVA SCOTIA LEGISLATURE**

Bill 76 – Amendments to the *Mineral Resources Act*

By Carol Ferguson
March 26, 2018

Good morning.

My name is Carol Ferguson and I live in Bayhead, just outside of Tatamagouche.

I'm here today because last November our local monthly paper, the *Tatamagouche Light*, had a story about mineral exploration work being conducted by the Department of Natural Resources (DNR) and an announcement that DNR was holding an open house to provide information. I went to the open house on Saturday, November 25th, 2017 at the Warwick Mountain Snowmobile Club and was alarmed about what I learned.

DNR had by then already closed off more than 30,000 hectares of land to mining claims, planning to issue a Request for Proposals (RFP) in spring 2018 hoping to entice a large company or a consortium of companies to do further exploration with the goal of a gold mine. There were plans for promotion of the exploration opportunity at the Prospectors and Developers Conference in Toronto in 2018 – which I understand has already occurred.

I wandered around the open house and looked at the promotional zaps and the map. I've attached a copy of a picture of the map that I took that day – I apologize that the colour is not the best – but you can see what I saw – the 30,000 hectares of land blocked off stretching from Wentworth Station to Earltown and laying right across more than half of the Tatamagouche watershed – it's the yellow area on the map.

The staff from DNR explained that there would be a new Act and Regulations proclaimed in the spring of 2018 that would modernize the way in which mining was handled.

What I'm seeing and hearing is that the new *Mineral Resources Act* – I realize that we are only dealing with the amendments to it here – is not bringing Nova Scotia into the 21st century. The Act sets up the same old failed regime of giving mining companies whatever they want.

The Minister said so herself on March 9th at second reading and I quote:

"This signals to the global mining community that Nova Scotia is open for business..."

"The new Mineral Resources Bill ... cuts red tape ... It requires less frequent industry reporting ... It allows for more time to complete work on exploration licences ... It streamlines the process for resolving private land and access disputes."

Gold mining is not compatible with the watershed of a community. No mine is ever, ever worth more than clean water.

A gold mine and a mill with a tailings pond is not compatible with the successful economy that has been developed on the north shore. I am not "anti-development". I see my neighbours and my community developing new economic opportunities all the time. Yes, we want more jobs but we don't want to jeopardize the businesses that are already thriving and the investments already made.

Gold mines are notoriously damaging to the natural environment. They leave a long lasting environmental scar and a large financial clean-up cost. I've attached

an article from the *Globe and Mail* from July 2017 pointing out some of the environmental and financial costs of the Giant Mine in Yellowknife, a mine filled with 237,000 tonnes of arsenic trioxide, a deadly by product of gold mining, that threatened to contaminate Yellowknife's drinking water.

MiningWatch Canada estimates the liability for contaminated mining sites in British Columbia, the Northwest Territories, Ontario and Quebec alone to be at least \$9.1 billion. Mining companies aren't on the hook for those costs – we, the public are.

In conclusion, the *Mineral Resources Act* needs to provide more protection to watersheds and communities.

Thank you for your time.

THE GLOBE AND MAIL**Who cleans up when oil companies go bankrupt?**

The Globe and Mail
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Byline: **TIM GRAY**

Last week, the Alberta Energy Regulator (AER) announced it would appeal a judge's ruling that gave creditors priority access to a bankrupt oil company's assets over its financial obligations to clean up abandoned wells. The AER is right to appeal because cleaning up environmental damage should take precedent over financial obligations.

This appeal highlights a broader problem in Canada and the need for legislative action both provincially and federally.

The broader problem is that Canadians are burdened by the accumulating financial liability associated with cleaning up the environmental messes made by abandoned oil wells, closed mines and decaying tailings dams.

For example, in Alberta, the oil sands have been producing a

vast and growing legacy of tailings ponds. These ponds contain leftover toxic hydrocarbons, heavy metals, water and sand.

They now cover an area larger than the preamalgamation city of Toronto and Vancouver combined and are growing at a rate of 25 million litres a day.

Estimates show that it will cost at least \$44.5-billion to clean up the existing tailings ponds. This represents a bill greater than all the royalties paid to the Province of Alberta since the inception of oil sands business in 1970. Cleaning them up is the only option.

The ponds are currently killing wildlife who try to drink from them and require constant costly maintenance to stop the dams from crumbling and releasing their toxic holdings.

Most people will also remember the Giant Mine in Yellowknife. It was made infamous after its owners packed up shop in 2004. Their parting gift was a mine filled with 237,000 tonnes of arsenic trioxide, a deadly byproduct of gold mining. The chemical threatened to leak into Great Slave Lake and Yellowknife's drinking-water supply.

Ten years later, the federal government finally approved a plan that requires keeping the toxic chemical permanently frozen using ice-rink technology at a cost of \$1-billion to the taxpayer. Let's hope a blackout doesn't cause that big cooler to shut down.

The scale of the total public liability for all abandoned mines across Canada is not fully known.

MiningWatch Canada, using government data, estimates that the liability for contaminated mining sites in British Columbia, the Northwest Territories, Ontario and Quebec alone, totals at least \$9.1-billion. The regional distribution and level of threat of these sites can be seen on the federal-provincial National Orphaned and Abandoned Mines Initiative (NOAMI) database, providing a sobering glimpse at the scale of the mess that we as members of the public have been left to clean up.

What is known is that each one of these environmental threats and public liabilities represents a business that either is, or was, generating profits. So you would think that it seems reasonable that tailings should be cleaned up over the course of a mine's life and that money should be set aside for long-term repair of environmental damages in case the company disappears before the cleanup is complete. However, this is not required by provincial mining laws. Instead, most jurisdictions only ask that companies show they have the capacity to pay based on the current value of the

corporation - something that plummets quickly if the company goes bankrupt when the mine is no longer viable.

Addressing this problem could occur in two ways.

The provinces could amend their mining laws to ensure that financial bonds equivalent to the cleanup costs are put in place during the life of the mine. This means that when the owner walks, the money is in a bank account for the cleanup to take place.

Alternatively - and less reliably because it does not link cleanup costs to money available - the federal government could move to ensure environmental cleanup takes priority over creditors in bankruptcy cases. They could do this by amending Canada's bankruptcy laws so that the cleanup of environmental damage takes priority over creditors. This would help internalize the cost of environmental damage while treating secured creditors fairly.

Clearly change is needed. Mining and oil and gas extraction generate huge wealth - some of that needs to be invested in cleaning up the mess. Otherwise, we all pay.

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