



MiningWatch Canada

Mines Alerte

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July 28, 2015

The Honourable Bernard Valcourt
Minister of Aboriginal Affairs and Northern Development
10 Wellington, 21st Floor
Gatineau, Quebec, K1A 0H4

RE: Nunavut Impact Review Board (NIRB) Final Hearing Report for AREVA Resources Canada's Proposed Kiggavik Uranium Mine (NIRB File No. 09MN003)

Dear Mr. Valcourt,

I am writing to you today regarding AREVA Resources Canada's request that you not accept the Nunavut Impact Review Board (NIRB) Final Hearing Report for the proposed Kiggavik uranium mine. I am also in receipt of the Baker Lake Hunters and Trappers Organization's (HTO) response to AREVA's request.

MiningWatch Canada was not a party to the NIRB review of the Kiggavik proposal, and did not participate in the final hearings. However, we have monitored the proceedings since the beginning, and have undertaken an analysis of the public record for this file. The following comments are based upon this analysis of the NIRB public record, as well as on recent analysis of the uranium industry.

In general, MiningWatch Canada concurs with the Baker Lake HTO. We recommend you reject AREVA's request and uphold the NIRB recommendation contained in the Final Hearing Report.

1) No substantive engagement with community concerns regarding start date until after the final hearing was complete.

Based on our reading of the public record, Mining Watch Canada agrees with the Baker Lake HTO's conclusion that AREVA did not seriously consider community concerns regarding project commencement time until the NIRB process was complete. This was despite the fact that AREVA was aware that this was a major concern for the community, for a number of social and environmental reasons (see below), a month and a half prior to the final hearings.

The Baker Lake HTO notified NIRB and AREVA that the lack of a project start date was a major source of concern in a January 14, 2015 submission to NIRB. Similar concerns were raised in January 16, 2015 submissions by the Lutsel K'e Dene First Nation and Nunavummiut Makitagunarningit, (a community advocacy group). Both Nunavummiut Makitagunarningit and Lutsel K'e Dene First Nation were registered intervenors in the NIRB final hearing. All three groups indicated that the lack of project commencement in the foreseeable future was grounds for not supporting AREVA's proposal due to significant social and environmental risks analysis that cannot be completed. Later, close to the

commencement of the Final Hearings, HTOs from Repulse Bay and Chesterfield Inlet, as well as the Kivalliq Wildlife Board, echoed these concerns about a lack of a project start date.

AREVA failed to respond to this concern in a substantive way in correspondence in the lead up to the final hearing, and in the final hearing itself. Instead, AREVA chose to simply argue that NIRB had the ability to reconsider terms and conditions, which would allegedly be sufficient to deal with any lag between Ministerial approval and project commencement. There does not appear to be any reference on AREVA's part to other projects that have been approved despite lack of project start dates on the NIRB public record.

If AREVA had approached the NIRB process in good faith, it would have provided these arguments and information during the review process. Its failure to do so limits the ability of residents of Nunavut from engaging in discussions related to their concerns. It is entirely inappropriate for a proponent to propose a major project without any start date, let alone wait until after a review has concluded to bring forward vital arguments and information related to substantial community concerns.

2) Hope Bay and Kiggavik are not comparable projects

In AREVA's letter to you, it suggests that Kiggavik should be approved without a start date, because the review of the Hope Bay gold project continued despite the lack of a firm project start date. MiningWatch Canada has not comprehensively compared these two projects. However, a preliminary analysis of the public record of the Hope Bay review indicates that it differs substantially in at least one key manner – the degree of public concern regarding social, cultural, and environmental impacts. Comparatively little public concern was expressed with the Hope Bay gold project in general, and none with respect to the lack of a project start date.

The Kiggavik uranium mine, however, has been the source of substantial general public concern since the mine was first proposed in the late 1980s. Long term risks associated with the disposal and management of radioactive wastes, along with potential social, cultural and environmental impacts associated with the location, extraction, and transportation of the mine's materials were major sources of concerns. In a 1990 plebiscite, over 90% of residents of Baker Lake voted against the Kiggavik proposal. Since the project has been revived by AREVA in 2005, significant opposition continues to be expressed. The NIRB screening of this project included numerous submissions from residents in Baker Lake. The majority of submissions indicated that they did not support AREVA's proposal. The transcripts of the Final Hearing indicate that most members of the public who spoke were opposed to AREVA's proposal. The majority of community roundtable representatives, appointed from each community in the Kivalliq, were opposed to Kiggavik being approved at this time in their closing statements at the end of the public hearing.

Given the general public concern/opposition to AREVA's Kiggavik proposal, combined with the specific concern of a lack of start date for the proposal, Kiggavik and Hope Bay are incomparable projects for the purpose of your consideration of the NIRB Final Hearing Report.

3) NIRB decision was based on multiple sources of risks & uncertainties

AREVA's letter to you focuses entirely on the lack of a project start date as the basis for the NIRB recommendation. However, the NIRB recommendation was based on numerous social, cultural, environmental, and economic risk factors, which are amplified by the lack of a project start date. The Baker Lake HTO, the Kivalliq Inuit Association, and the Beverly and Qamanirjuaq Caribou Management Board (BQCMB) all provided evidence that deficiencies in AREVA's proposal and impact analysis resulted in a very low degree of certainty for predictions for project effects on marine and terrestrial wildlife, and their corresponding social, cultural and economic impacts for the affected communities. These risks and uncertainties include (but are not limited to):

- Uncertainty related to significant project components (access road options and marine shipping routes have yet to be determined);
- Uncertainty related to the Proponent’s failure to consider additional impacts of induced developments (despite the Proponent’s clear indication aiming to provide a base of operations for other uranium projects in the region);
- Proponent’s reliance on outdated information and statistics regarding the Qamanirjuaq caribou herd (the Government of Nunavut has yet to release up-to-date population statistics for the Qamanirjuaq caribou herd, and harvesting rates for all caribou herds in Nunavut are unknown); and
- Uncertainty related to insufficiently developed monitoring and mitigation strategies (which rely on the participation of government and Inuit organizations, both currently lacking the capacity to undertake monitoring programs that would be necessary for AREVA’s project).

The lack of a project commencement date only serves to amplify these other sources of uncertainty. Accordingly, the NIRB’s conclusion that the degree of uncertainty regarding project effects is too high to make an informed recommendation appears to be sound and based upon a combination of community concerns and technical analyses.

In addition, AREVA’s letter suggests that no unresolvable issues were identified during the NIRB review process. However, AREVA neglects to mention the conclusions reached by the BQCMB and Baker Lake HTO, which suggest significant and unmitigable cumulative impacts on caribou and caribou harvesting. The BQCMB predicted that “residual cumulative effects will likely reduce sustainability of one or more caribou herds”, that these effects will be “significant”, and that they will have “transboundary effects of Qamanirjuaq caribou harvesters outside Nunavut”. Based on Traditional Knowledge, the Baker Lake HTO argued that the mine will have significant effects on the traditional land use of families that hunt west of Baker Lake.

It is also worth to point out that these sources of risk and uncertainty, as well as NIRB’s general conclusions are in line with another recent independent expert panel review report on uranium mining, commissioned by the Quebec government in May 2014 and completed in May 2015, which concluded:

“...that it would be counter-indicated in the present context, to allow uranium mining operations in Québec [...] Many scientific and technological limitations and uncertainties still persist and numerous questions have yet to be answered. These limitations and uncertainties are exacerbated by the fact that uranium waste is radioactive and can pose a problem for thousands of years [...] In addition to these limitations and uncertainties, there are some equally significant gaps in scientific knowledge of the impacts of uranium mining on the environment and public health.” (BAPE Panel Report, 2015¹)

4) Overturning the NIRB recommendation will serve to alienate Aboriginal peoples from regulatory processes, and erode trust between Inuit and the mining industry in Nunavut.

At the Final Hearing, AREVA indicated that it was unsure what market price of uranium would be necessary to make Kiggavik economically viable, and that a new feasibility study would need to be conducted. However, an AREVA spokesperson stated that the price would certainly need to be higher than \$60/pound.

Based on current market trends and independent analyses of the nuclear industry (e.g. the Organization for Economic Cooperation and Development and the International Atomic Energy Agency) MiningWatch Canada believes it could be at least 10 to 20 years before Kiggavik is economically viable –if ever viable.

¹ Full report in French: <http://www.bape.gouv.qc.ca/sections/rapports/publications/bape308.pdf>, chapter summaries in English and Inuktitut (Inuit): <http://www.bape.gouv.qc.ca/sections/mandats/uranium-enjeux/index.htm>

According to the most recent World Nuclear Industry Status Report (WNISR), the uranium and nuclear markets are in decline and their outlook remain negative in the mid- to long- term².

What is even more troubling is AREVA's current highly problematic financial situation, which further amplifies the risks and uncertainties facing the project:

“Credit agency Standard & Poor's (S&P) downgraded AREVA to “junk” (BB+) in November 2014, and by another two notches to BB-, deep into the speculative domain. By 9 July 2015, AREVA's share price had plunged to a historic low and had lost 90 percent of its peak 2007 value. AREVA is technically bankrupt and will not survive the year in its current form.”
(WNISR 2015)³

According to a recent analysis from Forbes\Business Blog: *“For all intents and purposes, AREVA is dead.”*⁴

If you do not accept the NIRB recommendation, you will doubtless further alienate Inuit and other Indigenous peoples from regulatory processes. Further, you will erode the relationship of trust between the mining industry and Inuit in Nunavut. Inuit will (rightfully) feel that their voice does not matter in decisions related to development, despite the existence of a negotiated land claim agreement. To do such deep damage to this trust in regulatory processes and mining development for the benefit of a project that is unlikely to get off the ground for decades – if ever – would be extremely unfortunate.

In conclusion, while under the NLCA you are able to refer a report back to NIRB for further review and public hearings *“where the report is deficient with respect to ecosystemic and socioeconomic issues,”* it is in the opinion of Mining Watch Canada that no significant deficiencies exist in the NIRB report in this regard. Accordingly, there appears to be no rationale for your ministry to not accept the NIRB recommendation.

Sincerely yours,

Ugo Lapointe
Canada Program Coordinator
MiningWatch Canada

cc: Peter Taptuna, Premier, Government of Nunavut
Elizabeth Copeland, Chair, Nunavut Impact Review Board
Leona Aglukkaq, Member of Parliament, Nunavut
Cathy Towtongie, President, Nunavut Tunngavik Incorporated
David Ningeongan, President, Kivalliq Inuit Association
Stanley Adjuk, Chair, Kivalliq Wildlife Board
Richard Aksawnee, Chair, Baker Lake Hunters and Trappers Organization
David Tuktudjuq, Chair, Repulse Bay Hunters and Trappers Organization
Douglas Aggark, Chair, Chesterfield Inlet Hunters and Trappers Organization
Joedee Joedee, Mayor, Baker Lake
Vincent Martin, President and C.E.O., AREVA Resources Canada

² WNISR July 2015: http://www.worldnuclearreport.org/The-World-Nuclear-Industry-Status-Report-2015.html#fnt_ref618

³ WNISR July 2015: http://www.worldnuclearreport.org/The-World-Nuclear-Industry-Status-Report-2015.html#fnt_ref618

⁴ Forbes/Business Blog 4 June 2015, “France’s Nuclear Industry Dream Faces Melt-Down At Expense Of State Cooffers, Tax Payers”, <http://www.forbes.com/sites/marcelmichelson/2015/06/04/frances-nuclear-industry-dream-faces-melt-down-at-expense-of-state-cooffers-tax-payers/>