



November 23, 2017

Hon. Catherine McKenna  
Minister,  
Environment and Climate Change Canada  
200 Sacré-Coeur Boulevard  
Gatineau, QC K1A 0H3  
[ec.ministre-minister.ec@canada.ca](mailto:ec.ministre-minister.ec@canada.ca)

Hon. George Heyman  
Minister, Environment and Climate  
Change Strategy, Government of British  
Columbia, P.O. Box 9047 Stn. Prov. Gov.  
Victoria, BC V8W9E2  
[ENV.minister@gov.bc.ca](mailto:ENV.minister@gov.bc.ca)

**Re: KGHM's proposed Ajax open pit copper/gold mine near Kamloops, B.C.**

Dear Ministers,

As you are currently in the final phase of assessing the permit application for the proposed KGHM Ajax open pit copper/gold mine near Kamloops, British Columbia, MiningWatch Canada hereby urges you to consider the points below to deny any approval for this project.

We also urge your respective governments to implement the UN Declaration on the Rights of Indigenous Peoples and the *Calls to Action* from the Truth and Reconciliation Commission by working collaboratively with both the City of Kamloops and the Stk'emlupsemc te Secwépemc Nation (SSN) to develop a plan to protect Jacko Lake and the Pípsell Cultural and Heritage Area for the benefit of all Canadians and of future generations.

**1. No Consent, No Social Licence – Strong Local Opposition**

After years of careful reviews of risks, impacts and potential benefits, both the Stk'emlupsemc te Secwépemc Nation (SSN) and the City of Kamloops (pop. 90,000) have recently decided to oppose the project.

In March 2017, the SSN announced its decision not to give its free, prior, and informed consent to the project. It also demanded that Jacko Lake and the Pípsell Cultural and Heritage Area be protected for the benefit of all Canadians and future generations (see below). In August 2017, both the B.C. Environmental Assessment Office (BCEAO) and the Canadian Environmental Assessment Agency (CEAA) concluded that the project would have irreversible and significant adverse effects to SSN's heritage and current use of the lands and resources.

The City of Kamloops passed a motion to officially oppose the project in July 2017 and reaffirmed its position in August and October 2017. In the September 2017 by-elections, the population of Kamloops elected two new council members opposed to the project, including the new Mayor. In its October 2017 letter to B.C. and federal environmental assessment authorities, the City of Kamloops clearly stated that it had not reached an agreement with KGHM/Ajax and requested 'that all mention of an agreement be removed' from assessment reports.

**2. Protecting the Pípsell Cultural and Heritage Area**

If approved, the project would irreversibly destroy 1,700 hectares (over 3,000 football fields) of unique and fragile grasslands and waters on the edge of the City of Kamloops, which include Jacko Lake and the Pípsell

Cultural and Heritage Area. The Pípsell area is part of the SSN ancestral lands and is of irreplaceable historical, cultural, spiritual, and ecological value for the Nation:

- The area is the cradle of the ‘Trout Children Story,’ an epic ancestral oral story that connects Secwepemc people to the area and that sustained for generations their laws, culture, customs and practices.
- It hosts human artifacts dating back 7,000 years, including the only hunting blind complex recorded by the Government of B.C. Archaeology Branch for the Secwepemc Nation.
- It supports a high biodiversity with red- and blue-listed endangered birds and animals, as well as some of the last remaining grasslands in B.C., a rare habitat covering less than 1% of the province’s area.
- It is home to over 130 bird species, 90 different medicinal plants, 45 distinct food plant species, and 39 species of animals – 13 of which are used as food sources.
- Jacko Lake, named after a Secwepemc ancestor, is a rich and beautiful lake which welcomes thousands of Indigenous and non-Indigenous anglers every year for trout fishing. Its waters feed into the Peterson Creek and the Thompson River, home to one of B.C.’s largest salmon runs.
- In 2015, SSN filed an Aboriginal title claim to BC Supreme Court for the Pípsell area. The BCEAO recognizes that SSN has “a strong *prima facie* claim” to the area.

When SSN’s request to B.C. and federal authorities for an independent panel review of the project was denied in 2015, the Nation courageously undertook an historic, Indigenous-grounded assessment based in Secwepemc laws, traditions, customs and knowledge. Throughout, this comprehensive assessment integrated Western and Indigenous knowledge. At the SSN review oral panel hearing in May 2016, more than 80 experts and Indigenous knowledge keepers shared their findings and over 300 submissions were filed. In March 2017, the Nation announced the results of this assessment and that it would not give its free, prior, and informed consent (FPIC) for the project:

*“The Ajax Mine Project in its proposed location at Pípsell is in opposition to the SSN land use objective for this profoundly sacred, culturally important, and historically significant cultural keystone site.”*

*“Our decision to preserve and sustain Pípsell and Jacko Lake is for the long-term benefit of all Canadians; ensuring the future enjoyment of this special place serves to further reconciliation, so that we may all be great and good.”*

Within weeks of SSN’s announcement, more than 30 allied organizations in BC and Canada<sup>1</sup> signed a declaration of support for the SSN’s review process and decision, including the Shuswap Nation Tribal Council, Union of BC Indian Chiefs, BC Assembly of First Nations, as well as dozens of environmental and civil society organizations, such as the David Suzuki Foundation, Ecojustice, Leadnow, MiningWatch Canada, Sierra Club BC, West Coast Environmental Law, Raven Trust, the Wilderness Committee, and more.

### **3. Too Big, Too Close: Environmental and Health Impacts**

In addition to impacts on Indigenous rights stated above, this mine would be the biggest open pit next to an urban area in Canada, with over 5,500 homes and 15,000 people, including 3 schools and 2 seniors’ residences, located downslope and downwind within a 3.5 km radius – the closest homes being a mere 1.6 km from the pit.

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<sup>1</sup> <https://stkemlups.ca/files/2013/11/2017.04.01-SSN-Media-Release-Allies-Event.pdf> and [https://stkemlups.ca/files/2013/11/June20\\_2017\\_Media-Release\\_final.pdf](https://stkemlups.ca/files/2013/11/June20_2017_Media-Release_final.pdf)

Residents would be exposed to air pollution from dust, as well as noise, blasts, and ground tremors. Health impacts, water contamination, and risks of landslides and mine waste spills are all major concerns.

Kamloops Physicians for a Healthy Environment Society oppose the Ajax mine proposal as the assessment models used, that predict negligible impacts, are not realistic, and health impact reassurances cannot be believed. Under best-case scenarios, the open pit mine would pollute the air with over 30,000 tonnes of dust particles and use 140 billion litres (57,000 Olympic-size pools) of fresh water during its 18 years of operation.

CEAA and the BCEAO confirm the water quality in Peterson Creek would be irreversibly polluted in selenium, sulphates, arsenic, uranium, copper, aluminium, chloride and nitrate, with concentrations exceeding B.C. water quality guidelines for the protection of aquatic life. The mine pit would be deep enough to fit the CN Tower and take over 800 years to fill with contaminated water and mine effluent.

The volume of mine waste generated (1.5 billion tonnes) would be enough material to build a 15 metre high wall along the entire Canada-USA border. A dam breach and spill through downtown Kamloops and into the Thompson River would be catastrophic, with significant loss of life and severe environmental and economic damages.

#### **4. Flawed Environmental Assessment Process**

Despite its high level of risks and impacts, the project was never subjected to the scrutiny of an independent panel review. Instead, in 2011, under the Harper government, CEAA decided to subject the project to the less-intensive Comprehensive Review process.

In their August 2017 assessment report, CEAA and BCEAO concluded that the project ‘would not have significant adverse effects’ on the environment. This conclusion is simply irreconcilable with the facts stated above and the evidence on which it is based.

CEAA and BCEAO admit that uncertainties are high and confidence levels are low for multiple predicted impacts from the mine project, including impacts on water quality, water users, air quality, health risks, and habitat losses. Only 18% of the environmental impacts (or ‘valued components’) assessed by CEAA and BCEAO have a ‘high’ confidence level for the predicted impacts after mitigation. In stark contrast, other recently approved mines had much higher confidence levels (60-75%), including the [Sisson](#), [Kemess](#) and [Brucejack](#) mines.

Independent experts also concluded that current impact predictions on water and air pollution are at best “underestimated,” “unreasonable,” and “unrealistic,” and at worst “biased” and “misleading.”<sup>2</sup> One example is the flawed assumption that KHGM would be able to effect a 90% control level for dust suppression. This assumption is unrealistic and unfounded; we know of no existing mines of this type and size in Canada or the world that are achieving this level of dust suppression. Yet, this assumption has major implications for other related impacts, such as air quality and health impacts, as well as land and water contamination from dust fall.

The governments of B.C. and Canada have both recognized in recent years the inadequacies of their respective environmental assessment laws and processes, and the need to fix them to regain public trust and to advance reconciliation with Indigenous Peoples, in line with international law and human rights obligations, including the UN Declaration on the Rights of Indigenous Peoples.

#### **5. Project Not Economically Viable**

CEAA and BCEAO did not assess the financial viability of the project, nor the capacity of KGHM/Ajax to pay for the financial securities and the mitigation measures onto which they base their assessment. Financially

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<sup>2</sup> E.g. [Kevin Morin](#) (PhD, MDAG Consulting), [Douw Steyn](#) (PhD, Air Pollution Meteorology, UBC) and [Ken Froese](#) (PhD, GatePost Risk Analysis & Public Health, U. Alberta).

marginal projects tend to be the riskiest for the health and safety of mine workers and nearby communities, as well as for taxpayers and the environment.<sup>3</sup>

The company's 2016 feasibility study clearly shows that the project is not viable under current and predicted copper prices. Its viability is based on an average copper price of \$US 3.21/lb, which is unrealistic given this level has never been sustained for more than 3½ consecutive years in the last 50 years of copper mining.<sup>4</sup>

The feasibility study also omits to account for significant direct costs in the operation of the project (up to \$300 million).<sup>5</sup> In addition, the public and taxpayers would have to bear externalized costs that could surpass \$900 million in energy subsidies, health impacts from pollution, and loss of revenues in other sectors of the economy.<sup>6</sup> The project would provide less than 1% of all the employment in the City of Kamloops.

Given these facts, the predicted net fiscal revenues for the governments assessed by CEAA and BCEAO are unrealistic and unfounded. It is therefore not surprising that independent analysts have concluded that the project “does not make economic sense” and “represents a significant risk to investors, governments and the public” if it goes ahead.<sup>7</sup>

## Conclusion

In light of the above, we reiterate our urgent plea to both of your governments to:

1. Deny any certificate to the proposed Ajax open pit mine, and instead to
2. Stand behind and work collaboratively with both the City of Kamloops and the Stk'emlupsemc te Secwepemc Nation (SSN) to protect Jacko Lake and the Pípsell Cultural and Heritage Area for the benefit of all Canadians and of future generations.

Your actions in this direction, along with actions to reform the deeply flawed B.C. and federal environmental assessment processes, would go a long way to respect and fulfil your commitments to implement the UN Declaration on the Rights of Indigenous Peoples and the *Calls to Action* of the Truth and Reconciliation Commission.

Sincerely,



Ugo Lapointe  
MiningWatch Canada

c.c.

Hon. Justin Trudeau, Prime Minister of Canada  
Hon. John Horgan, B.C. Premier and President of the Executive Council  
Hon. Michelle Mungall, B.C. Minister of Energy, Mines and Petroleum Resources  
Hon. Scott Fraser, B.C. Minister of Indigenous Relations and Reconciliation  
Hon. Adrian Dix, B.C. Minister of Health  
Hon. Jim G. Carr, Minister of Natural Resources Canada  
Hon. Carolyn Bennett, Minister of Crown-Indigenous Relations and Northern Affairs  
Hon. Dominic LeBlanc, Minister of Fisheries, Oceans and the Canadian Coast Guard

<sup>3</sup> <http://www.mdpi.com/2076-3298/4/4/75>

<sup>4</sup> <http://www.macrotrends.net/1476/copper-prices-historical-chart-data>

<sup>5</sup> [https://miningwatch.ca/sites/default/files/2016-04\\_ajax\\_application\\_review-miningwatch\\_canada.pdf](https://miningwatch.ca/sites/default/files/2016-04_ajax_application_review-miningwatch_canada.pdf)

<sup>6</sup> Ibid.

<sup>7</sup> E.g. J. Kuyek [https://miningwatch.ca/sites/default/files/2016-04\\_ajax\\_application\\_review-miningwatch\\_canada.pdf](https://miningwatch.ca/sites/default/files/2016-04_ajax_application_review-miningwatch_canada.pdf) and T. Oliver <https://projects.eao.gov.bc.ca/api/document/5887e0f5f64627133ae5b29f/fetch>