



5 Reasons Why B.C. and Canada Should Reject KHGM's proposed Ajax open pit mine near Kamloops

Memo to B.C. & Federal Elected Representatives

December, 2017

- 1. No social licence, strong local opposition.** After a careful review of risks, impacts and benefits, both the Stk'emlupsemc te Secwepemc Nation (SSN) and the City of Kamloops (pop. 90,000) oppose the project.
 - The Stk'emlupsemc te Secwepemc Nation announced its decision in March 2017 not to give its free, prior, and informed consent (FPIC). It also demands protection of Jacko Lake and the Pípsell Cultural and Heritage Area for the benefit of all Canadians and of future generations (see below).
 - 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, the City of Kamloops clearly states that there is no agreement with the company KHGM.
- 2. Protecting the Pípsell Cultural and Heritage Area.** 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 area is part of SSN's ancestral lands and is of irreplaceable, historical, cultural, spiritual, and ecological value to SSN:
 - 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 artefacts 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.
 - The Canadian Environmental Assessment Agency (CEAA) and BC Environmental Assessment Office (BCEAO) concluded that the project would have irreversible and significant adverse effects to heritage and current use of lands and resources by SSN.
 - In 2015, SSN filed an Aboriginal title claim to BC Supreme Court for the Pípsell area. The BCEAO states that SSN has "a strong *prima facie* claim" to the area.
- 3. Too big, too close – major environmental and health risks.** This mine would be the biggest open pit next to an urban area in Canada, with over 5,000 homes and 15,000 people, including 3 schools and 2 seniors' residences, located downslope and downwind within a 3.5km radius – the closest homes being a mere 1.6km from the pit.

- 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 to 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 (50 feet) high wall along the entire Canada-USA border.

4. Flawed environmental assessment process. Despite its high level of risks and impacts, the project was never subjected to the scrutiny of a public Independent Panel Review. Instead, in 2011, under the Harper government, CEAA decided to subject the project to the less-intensive 'Comprehensive Study' process.

- 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."
- Both B.C. and Canada have recognized in recent years the inadequacies of their respective environmental assessment laws and processes, and the need to fix them to gain public trust and to advance reconciliation with Indigenous Peoples, in line with international law and human rights obligations.

5. Project not economically viable – high financial risks. Independent analysts conclude the project 'does not make economic sense' and 'represents a significant risk to investors, governments and the public.'

- Financially 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.
- 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.
- The company's 2016 feasibility study clearly shows that the project is not viable under current and predicted copper prices. A long-term average copper price of \$US 3.21/lb is unrealistic given that this level has never been sustained for more than 3½ consecutive years in the last 50 years of mining.
- The feasibility study also omits to account for significant direct costs in the operation of the project (up to \$300 million), as well as externalized costs that could surpass \$900 million in energy subsidies, health impacts from pollution, and loss of revenues in other sectors of the economy.
- The project would provide less than 1% of all the employment in the City of Kamloops. The predicted net fiscal revenues for local, provincial and federal governments are unrealistic and unfounded.

The governments of British Columbia and Canada should reject the Ajax project.