



Elliot Lake Research Field Station  
of  
Laurentian University  
75 Dieppe Avenue  
Elliot Lake, Ontario  
P5A 2R8



**Dr. D. R. McCreath**  
Director

Mayor G. Farkouh  
Deputy Mayor R. Hamilton  
City of Elliot Lake  
45 Hillside Drive S.  
Elliot Lake, ON.  
P5A 1X5

December 5, 2005.

Dear Mayor Farkouh & Deputy Mayor Hamilton,

**Re: Removal of Analytical Services Work from Elliot Lake.**

I have received a copy of the letter dated Nov.22, 2005, from Rio Algom Ltd and Denison Mines Inc., setting out their reasons for removing from the community of Elliot Lake the laboratory analytical services contract related to the monitoring of the 14 decommissioned uranium mines and residual 130 million tonnes of tailings that lie in the Serpent River basin area. The removal of this work from within the community that is actually surrounded by these uranium mine wastes is a step that will have a number of negative long-term consequences, and I feel it incumbent on me to record my comments regarding these consequences and regarding the manner in which this decision was made by the mining companies involved.

First, let me make clear that I am writing to you from two perspectives:

- As a member of the Elliot Lake Uranium Mine Tailings Areas Environmental Assessment Panel (the “Kirkwood Panel”). The Panel was constituted under the Canadian Environmental Assessment Agency (CEAA) in September, 1993, and reported to the Minister of the Environment, the Minister of Natural Resources, and the Atomic Energy Control Board in June, 1996.
- As Director of the Elliot Lake Research Field Station (ELRFS). Laurentian University, where I work as a Professor in the School of Engineering, has been responsible for the management of this multi-stakeholder facility since inception. Because of my background on the CEAA panel and my interest in the potential for long-term knowledge acquisition from the in-perpetuity monitoring activities in the Serpent River basin area, I accepted this volunteer position in 1997.

Please note that I speak only from these two perspectives, and not as a formal representative of the Administration of Laurentian University.

The Kirkwood Panel report states that “The tailings of the Elliot Lake uranium mines present a perpetual environmental hazard”, thus requiring “that an extensive monitoring, maintenance and research program is established to ensure proper operation and safety in



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perpetuity; and that an appropriate management regime is established that includes adequate financial support for the care and maintenance programs, *with significant involvement of the local community*” (emphasis added). Throughout this Environmental Assessment Panel report, reflecting the many presentations made to the Panel, there is a clear tone and emphasis that “The panel believes that community involvement is a fundamental part of the perpetual care system”.

This emphasis by the Panel on “community involvement” was not merely one of economic charity. In the view of the panel members, direct community-based involvement was an essential component of an effective monitoring system that would ensure that the people living around the uranium mine tailings would be genuinely knowledgeable, vigilant, and ultimately comfortable with the work being done.

As correctly noted in the Nov.22/05 letter referenced above, the ELRFS laboratory was set up as a multi-stakeholder initiative to enable laboratory work associated with the monitoring programs to be done from within the community; to develop research opportunities related to the long-term performance of the uranium mine tailings, and to try to capitalize on specialized knowledge gained from these activities by marketing such knowledge to outside clients. Stakeholders involved included the mining companies, the City of Elliot Lake, various agencies of the Canadian federal government and of the Ontario provincial government, and Laurentian University, all of whom made significant contributions to the set-up of ELRFS.

Other than the mining companies, these major stakeholders were not consulted and were not involved in any discussions or negotiations regarding the decision to remove the laboratory analytical work from the community. The decision to award the contract to SGS Lakefield in Peterborough, Ontario, was communicated, without additional explanation, via a three-line letter on the afternoon of Friday, Nov.11/05. This decision was based on the economics of a competitive bidding process which pitted the small community-based (but fully ISO compliant and CAEAL accredited) ELRFS lab against large commercial laboratories outside the region. The notions put forward by Rio Algom and Denison Mines that ELRFS should have been able to out-compete these large commercial labs, and that in any event ELRFS should by now have become financially independent of any involvement in the Elliot Lake area monitoring activities for which they were originally set up are disingenuous at best.

In my opinion this decision does long-term harm to the community for the sake of a very small (potential) annual financial gain to the mining companies, and the manner of its implementation has not respected the spirit of community involvement and transparency in communications to which these mining companies profess to subscribe, and which are embodied in their publicly stated corporate policies. For instance, the corporate owner of Rio Algom Ltd. – BHP Billiton – make clear and strong statements in their Health,



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Safety, Environmental and Community (HSEC) policies that their intent is to ensure that “Effective, transparent and open communication is maintained with stakeholders associated with BHP Billiton activities”. Specifically, BHP Billiton state that:

*The role of community relations practitioners within our businesses continues to expand to ensure communities are informed about our operations, have the opportunity to express their views and opinions, and engage in decision-making in aspects of our business that relate to them.*

(<http://sustainability.bhpbilliton.com/2005/community/>)

None of these reasonable and ethically appropriate steps were taken.

For the record:

- Our unsuccessful bid to do the laboratory work in Elliot Lake was for a total amount of \$135,000/yr. Although I have no knowledge of the bid price from the successful southern Ontario laboratory, I would guess that a figure of perhaps 10%-15% under our price would not be difficult to achieve for a large laboratory. This translates to a potential annual saving of perhaps \$20,000/yr, distributed between Rio Algom and Denison Mines.
- Over the last decade or so, the scope, scale and value of the lab services associated with the monitoring activities in the Serpent River area has declined greatly, from about \$500,000/yr to its current value of (say) \$120,000/yr. This was not unexpected. Despite this reduction, ELRFS has remained financially viable, as noted below.
- It is important to note that because the ELRFS facility was supported by public funds, both at its inception and in its continued existence under the wing of Laurentian University, it was never intended nor would it have been proper for this laboratory to compete directly with private industry laboratories for standard testing business. For Rio Algom and Denison to suggest that, despite this limitation, a small laboratory in a rather remote northern community should have been able to develop into a “financially viable and sustainable organization that provides reclamation research and analytical services to a broader industry base”, independently of the work from the Elliot Lake area, is naïve in the extreme.
- Nevertheless, because the special nature of uranium mine tails requires testing of radioisotopes, notably radium, ELRFS has been able to develop and supply specialized services for these analyses to a number of clients outside the community, thereby remaining financially viable despite the major reduction in local testing work. Last year, approximately 50% of our work was from outside of the area, and this work – which would not otherwise have been brought into the community - has been steadily increasing. In short, while it is not true that



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ELRFS have remained dependent on a sole client, it is true that the local Elliot Lake work is an essential and entirely reasonable part of our financial viability.

- As far as we are aware, the laboratory in southern Ontario that has now been awarded the contract does not in fact have the capability to do radium analyses, which account for almost one-half of the total analytical work. Presumably they will either sub-contract this work, or will now have the opportunity to develop this capability based on the income from the Serpent River area monitoring program.
- To ensure that lab data provided by ELRFS is of unquestionable quality that meets or exceeds all regulatory requirements, we achieved and have maintained ISO certification of the laboratory through the Canadian Association of Environmental Analysis Laboratories (CAEAL). This step represented a significant investment by Laurentian University personnel and the staff of ELRFS, undertaken to provide Rio Algom, Denison Mines, and our other clients with complete confidence in the integrity of their data.
- Associated with the decline in local work, our staff has been steadily reduced to its current complement of four full-time employees. Local people are hired as part-time staff as required. On this basis, the lab remains viable.
- Without the income from the local Elliot Lake monitoring work, it is unlikely that ELRFS can survive. While it is not true, as stated in the Nov.22/05 letter, that Laurentian University announced within a day that the Field Station would close, it is certainly true that this will be the likely outcome.
- Rio Algom and Denison Mines are quite correct that it has been very difficult to obtain on-going research funding as a significant component of the ELRFS operation. While it is our opinion that research into the long-term behaviour of these large deposits of tailings containing radioactive contaminants is important, it has been difficult to obtain long-term funding commitments for such work. While we have appreciated the modest research funding provided by Rio and Denison in the past, such funding ceased several years ago.
- It has become apparent that there is no current interest by Rio or Denison in supporting further research work at the Elliot Lake Research Field Station. Indeed, biologists from Laurentian University are no longer able to gain access to the long-term ecological monitoring plots that they started 15 years ago. Recently (Oct.4/05), senior researchers from Laurentian University made a presentation to Rio and Denison in Elliot Lake to seek research investments in the order of \$20,000 in support of PhD research into aspects of remote monitoring technology. These funds would have been part of a larger research grant application, having



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the effect of tripling each dollar invested by Rio or Denison. Subsequent to that meeting, we were unable to get either company to reply to our telephone calls, and the grant application has now gone forward without involvement from them.

So yes, I regret to say that it is probable that we will be forced to close down the Elliot Lake Research Field Station, as it cannot survive exclusive of the local testing work. This action, forced upon us by the closed-door decision of Rio Algom and Denison, will have several consequences that are distinctly negative for the communities of the Serpent River area. These consequences should be viewed in the context of possible total cost savings to the companies of perhaps \$20,000/year - amounting to about 15 cents per thousand tonnes of tailings per year.

- The immediate and continuing economic consequence will be the loss of four well-paid laboratory positions and associated expenditures within the community.
- There is a more serious consequence from the viewpoint of genuine community involvement in the task of perpetual monitoring of these huge uranium mine tailing deposits. Closure of ELRFS will remove from the community the knowledge base and technical skills represented by the laboratory staff, and with it the sense of comfort that comes from knowing that the monitoring analyses were being conducted from inside the community by local citizens able to fully understand the complex technical data. I have been informed, *post facto*, by Rio Algom that in their opinion this is not a relevant or meaningful concern, as all the data they are required to submit to the Canadian Nuclear Safety Commission (CNSC) in support of their operating licences will still be available on the web, and therefore any citizen can go and look at the data if they wish. Once again, I think that at best this is a highly disingenuous statement, and implies a serious lack of understanding of the importance of real community involvement, as emphasized in the CEAA Environmental Assessment Panel report of 1996.
- If ELRFS is closed, it is essentially certain that it will remain closed forever. Any future possibilities of community-based involvement in research programs centered around an Elliot Lake facility will be closed off. For instance, while research work has not been a major part of the ELRFS operations to date, it is also true that only recently has Laurentian University gained PhD-level research programs in relevant areas. For example, a new PhD program in Boreal Ecology starts this year, and with the advent of greatly increased research activity and funding at Laurentian (research funding has doubled in the past year) it is not unreasonable to expect that research activity at ELRFS would also increase in time – provided, of course, that Rio Algom and Denison were willing to be partners in this enterprise.



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I believe that once Rio Algom and Denison concluded that they could no longer afford to pay the modest premium necessary to keep the monitoring analytical work within the local, affected community, then it was incumbent on them to instigate early discussions with the other stakeholders who are directly involved in and affected by the long-term monitoring of these uranium mining wastes. Had they done so, in a genuine spirit of collaboration and open communication, I think it likely that the issue could have been resolved, perhaps by finding research funding to replace the roughly \$20,000 that the mining companies hope to save by removing the laboratory work from within the community, and which will likely result in the closure of the facility. I understand that on behalf of the community you have met with representatives of the mining companies to request that they reconsider their decision, but they have refused. Frankly, I think that their decision, and the manner of its making, is unconscionable in the context of socially responsible behaviour.

I deeply regret this outcome at the end of almost 15 years of operation of the Elliot Lake Research Field Station. I will be sending copies of this letter to the various stakeholders and to other interested parties, including the senior management of both mining companies.

Sincerely,

D. R. McCreath, PhD, PEng., FEIC.  
Director  
Elliot Lake Research Field Station.

- cc. I. Ludgate, Denison Mines Inc.  
P. Farmer, Denison Mines Inc.  
D. Berthelot, Rio Algom Ltd.  
M. Weiber, Rio Algom Ltd.  
M. Salamon, BHP Billiton  
I. Day, Chief, Serpent River First Nation.  
S. Gow-Meawasige, Serpent River Cmte.  
G. Johnson, Reeve, Twp. of the North Shore.  
R. Bartolucci, MPP, Sudbury, Minister of Northern Development & Mines  
B. St. Denis, MP, Algoma-Manitoulin  
M. Brown, MPP, Algoma-Manitoulin  
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