

Kanaky/New Caledonia – Goro Nickel Mine

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April, 2003

In the name of this historical heritage, the soil, the subsoil, land, marine and natural space, constitute the heritage of the Kanak people. The administrative and political authorities cannot decide to transform this heritage without prior, informed and written consent of concerned indigenous populations, which will be given in the required formats. For any project deemed unacceptable, the customary authorities will use their veto right.²

Plaine des Lacs area is one of very high endemism, but also very underexplored. We do not have an appropriate baseline inventory, and in fact we will be unable to detect any impact of the mining, considering how bad our current knowledge is.³

Introduction

New Caledonia, also known as Kanaky⁴, is a French Overseas Community in the Southwestern Pacific. The archipelago is surrounded by a 44,000 square kilometre reef system, which is the world's second largest coral massif in the world after Australia's Great Barrier Reef. Kanaky-New Caledonia (KNC) also boasts a rare double barrier reef and the world's largest lagoon, which contains all of the associated coral habitats.⁵ The reef system is home to at least 15,000 species of marine animals, including at least 800 species found nowhere else on the planet. Kanaky-New Caledonia's coral reef system is located at the southern edge of the tropical zone and is considered to be in good health compared to other reefs in the Pacific that suffer "bleaching" associated with warmer temperatures.⁶ Regular discoveries of large numbers of new marine species are an indication of the, as yet, uncharted biodiversity of these reefs.⁷

Kanaky-New Caledonia's terrestrial ecosystems have earned the country a global reputation as a region that contributes significantly to the world's biodiversity. The territory is extraordinarily rich in plant species. Due to its isolated location and its soil type, which is

high in chromium, magnesium and nickel and low in calcium, over 76% of the plant species found in KNC are unique in the world and can only be found in this archipelago.⁸ Kanaky-New Caledonian animal species, while smaller in number, are similarly unique in the world.⁹ Some 65% of reptile species and 47% of bird species may only be found in KNC. There is still a significant lack of knowledge about freshwater flora and fauna in Kanaky-New Caledonia, but again high percentages of freshwater species, especially aquatic insects, are endemic to KNC, meaning they do not exist anywhere else on earth. Bottom dwelling organisms in water bodies are considered important as they are at the bottom of the food chain but as yet almost no detailed information is available on bottom dwelling fauna in KNC rivers.¹⁰ Kanaky-New Caledonia is one of the 25 biodiversity 'hotspots' on earth that contain 44% of the Earth's plant species and 35% of its vertebrate species in habitats that face a high risk of elimination.

In addition to a high percentage of endemic species, Kanaky-New Caledonia also contains about 25% the world's known nickel resources. Small-scale nickel mining on the archipelago dates back to 1875. More recently,

however, there has been a boom of major multinational mining companies exploring for deposits in KNC. Among the mining companies staking claims on the island are Canadian multinationals Inco and Falconbridge. Inco, and at least five other multinationals, are focusing on the sparsely populated southern tip of the main island, which has not yet been subjected to large-scale mining. Inco's Goro Nickel project is the most advanced of the mining projects.

Since March 2002, when Inco's flawed Environmental Impact Assessment was released, predicted dates for financing, permitting and start of operations have been continuously moved back in the face of lack of endorsement from the Kanak leadership, persistent international and national scrutiny of Inco's deficient EIA, local demonstrations and strikes and blockades by construction workers.¹¹ Indigenous Kanak leaders express strong concern over the impact the project will have on the livelihood and health of their communities, as well as on the delicate process of establishing national indigenous governance over traditional areas of Kanak authority in the country. Conservationists also protest the impact a 20% expansion of mining will have on the reefs and unique terrestrial ecosystems of Kanaky-New Caledonia.

On December 5, 2002, facing possible cost increases in the order of 45%, Inco suddenly announced its plan to undertake a comprehensive review of the Goro project, which will delay the mine's start up date indefinitely.¹²

The Proposed Goro Nickel Mine

Location: Goro, Southern Province, New Caledonia.

Type: Open pit mining. High Pressure Acid Leach processing.¹³ Effluent, but not tailings, will be piped into the sea.

Ownership: Inco currently owns 85% of the Goro project. Inco has an agreement-in-principle to buy back 15% of the project currently held by France's Bureau de Recherches Géologiques et Minières (BRGM). This buy-back is part of another agreement with a consortium of companies led by Sumitomo Metal Mining Company of Japan. The Sumitomo group has signed an agreement in principle to own 25% of the Goro project, subject to certain conditions, including the buy back from BRGM.¹⁴ Inco's public documentation has projected an eventual ownership for Inco of 70% with 25% owned by the Sumitomo group and 5% owned by New Caledonia.¹⁵ The week of November 18th, however, Inco apparently agreed to provide the New Caledonian Territorial Government with 5% of the project and the government of the Southern Province with an additional 5%.¹⁶



Inco's Goro project in New Caledonia (Collective for Defence and Control of the Prony Heritage).

Product and Reserves: Goro is a laterite ore body. The Goro project is expected to produce a nickel oxide product containing 78 per cent nickel and a cobalt carbonate product. The grades at the site are 1.53% nickel and .12% cobalt.¹⁷ It is an enormous resource with 54 million tonnes of reserves and 242 million tonnes of resources.¹⁸ Inco expects the mine to have a 100-year life.¹⁹

Production Rate and Cost: The bankable feasibility study discusses a fully integrated mining and processing facility with an annual ca-

capacity of 54,000 tonnes of nickel and 5,400 tonnes of cobalt. Operating costs (after cobalt by-product credits) are expected to be below US\$1.00 per pound. Inco expects returns of 15% at 3-dollar nickel and 7-dollar cobalt, before any partner buy-in premium.²⁰

Development Costs and Financing: Based on a bankable feasibility study by Hatch of 2001²¹, Goro's development costs were estimated at 1.45 billion. In the 4th quarter of 2002 this estimate was revised upwards by 15%. On December 5, 2002 the development costs estimate was revised upwards again by 30-45%, bringing the total cost of the mine to the \$2 billion mark.²² Inco expected to share development costs with the Sumitomo group with which Inco has an agreement-in-principle. The French Development Agency (Agence Française de Développement, AFD) prepared a US\$7.5 million loan and proposed a \$11.4 million loan for power plant infrastructure to run the Goro factory.²³ As of October, 2002, only a small portion of the \$7.5 million loan had been disbursed²⁴. In addition, Inco has an agreement-in-principle with the French government for \$350 million in "very favourable tax assisted financing" for the project.²⁵ Inco predicted having financing in place by the 4th quarter of 2002. *As of December 2002, Inco does not have financing in place.*

Permitting and Operating Dates: Inco predicted first production from Goro in 2004. In the 4th quarter of 2002, the start up date was pushed forward to 2005. On December 5, 2002, Inco delayed the start-up date indefinitely pending an internal review of the project. *As of December 2002, Inco does not have a permit to mine.*

Impacts and Issues

A profoundly flawed Environmental Impact Assessment:

There is no established Environmental Impact Assessment (EIA) process in Kanaky-New

Caledonia and there are only a very few environmental standards and criteria that have been adopted locally and only for a few types of facilities and activities (drinking water, disposal of domestic wastewater, etc.).²⁶ In this legislative environment, Inco produced an "*Installation Classée*" (the document necessary to apply for a mining permit) on February 4, 2002, which contains environmental impact information.²⁷ The five-volume *Installation Classée* is in French.²⁸ The public had less than one month to provide written comments.

Before the *Installation Classée* was made public, the pro-Goro strongman of the Southern Province where Goro is located, Jacques Lafleur, announced that he would provide a permit for the mine shortly after the public consultation period. However, local and international environmental groups and local scientists raised serious concerns about the *Installation Classée*.²⁹ Kanak authorities (through the *Sénat Coutumier*³⁰) and national and international environmentalists requested an independent scientific assessment of the *Installation Classée*.³¹

Between April and July of 2002 the French government agency, INERIS (*Institut National de l'Environnement et des Risques*) reviewed Goro's *Installation Classée*, ostensibly on behalf of the New Caledonian and French governments. Recently it has been revealed that Inco, in fact, funded this supposedly independent review of its *Installation Classée*.³² On August 10th INERIS presented its results in a press release.

The INERIS report³³ reveals, among other things, the following:

1. Inco has not made public key technical studies that are referred to but not included in the *Installation Classée*.
2. Dams and Structures: There is insufficient data on the physical and chemical stability of waste storage structures and protective

dams both under predicted and under catastrophic conditions.

3. Groundwater and Surface Water: There is insufficient data to adequately assess the possible chemical impacts of waste (in particular of sulphates, manganese, magnesium and organic pollutants) on groundwater; inadequate modeling and unrealistic predictions of water flows in the Kwe River; no monitoring programs detailed to protect the Kwe and ecologically vulnerable creeks; no water management program beyond the first five years of operation; insufficient information on the dry covers Inco plans to use to cover tailings impoundments.

4. Marine Impacts from Mine Effluent: Insufficient knowledge about existing marine currents in the area of the outfall of the effluent pipe. Insufficient standards by which to evaluate data on physical impacts from mine effluent (suspended particles, turbidity, ammonium concentrations) and data is not analyzed in relation to salinity of the water. Poor methodology makes chemical analysis of the impact of the effluent

on seawater impossible and again impacts of relative salinity are not considered. There are concerns around speciation of Mercury, and toxic forms of Chromium (Chromium 6) and aluminum in the marine environment. *There is woefully inadequate and in some cases completely non-existing baseline data on flora, fauna and benthic organisms in the lagoon. Intertidal ecosystems were*

not investigated at all. Manganese from the effluent pipe is predicted to be at 100 mg/l, which is 100 times higher than the currently allowable limit of 1 mg/l (under the permit to operate the pilot plant). There is no detailed information on organic pollutants. Toxicity testing did not consider long-term exposure on a complex ecosystem. Modeling of the effluent plume from the pipe is also not appropriate.

5. Risk Assessments: Inco has not considered a range of risks including: sulphur fires; explosions related to sulphuric acid; leakage of toxic products such as SO₂ and SO₃; spills of toxic materials at the harbour. The means of prevention and protection are insufficiently detailed.

6. Impact on Terrestrial Ecosystem: Data on flora and fauna at the proposed mine site is completely inadequate. There is insufficient baseline knowledge of flora at the site. No field studies were done on the terrestrial fauna at the site. There are critical and protected areas near the proposed mine site that are not addressed (North Forest, ecosystem of the doline, swamp areas of

Plaine des Lacs). *There is no complete inventory of the species that are already being destroyed by the construction phase of the mine.* There are rare and threatened species that will be affected by the mine. There are no bio-indicator species identified for monitoring purposes.



A delegation walking to the South Province building to deliver the demands of the Kanak people. (Collective for Defence and Control of the Prony Heritage)

INERIS compiled 38 recommendations to address these and other inadequacies in Goro's EIA. All appendices related to the INERIS report have not been made publicly available. There are significant areas of concern that INERIS did not address, such as impacts from coal fired power plants.

Of particular interest are the written comments in response to Inco's *Installation Classée* by the Parks and Territorial Reserves Services of the Southern Province.³⁴ This document bluntly and repeatedly criticizes the *Installation Classée* for being "Incomplete, vague [approximatif], and lacking impartiality."³⁵ Importantly, it highlights with much greater detail than the INERIS report the inadequacies of the terrestrial ecosystem characterizations in the *Installation Classée* by detailing "extremely rare and endangered" ecosystems and species that will be directly or indirectly affected by the mine and have been left off the maps in the *Installation Classée*.³⁶ In particular the Southern Park's comments discuss a reserve called "Forêt Nord," located just a couple of hundred meters from the mine site, which will be directly affected by the mine. This forest type is unique in the extreme south and contains 101 species of flora of which 95 are endemic. The Parks document notes that while the exceptional genetic nature of this area is undeniable, and references to its unique fauna are known worldwide, they are not included in Inco's permit application.³⁷

In response to these criticisms Inco is now funding fundamental research aimed at mapping the marine and terrestrial ecosystems in the Goro area by local scientists at IRD (Institut de Recherche pour le Développement). The work is about to begin. Inco did not stop ongoing construction, however, until December 5, 2002 due to cost overruns. *If Inco restarts construction before these ecological studies are completed (taking up to three years) there is a good chance that some species may be identified even as they are made extinct by construc-*

tion, while others may never be charted, let alone protected.

Conflict with Indigenous Kanak Efforts to Exercise their Authority:

In its September 18, 2002 Prospectus, Inco notes as a risk the "possible future independence of the French Overseas Territory of New Caledonia."³⁸ Greater Kanak political influence is expected at the time of independence. Inco's current bad relations with the indigenous Kanak do not bode well for the company.

On November 21, 2001, nine Kanak leaders, representing the entire Kanak population from Djubea Kapune, the region of Inco's proposed mine, presented Christian Paul, French Secretary of State for Overseas Territories, with a detailed petition outlining their concerns about the mine and their demands with respect to Inco's proposed project. Their concerns cover social, cultural, legal, technical, economic and environmental aspects of Inco's proposed mine. The Kanak leaders demanded a two year delay in the permitting of the mine so that a public inquiry into socio-cultural impacts could be conducted, and to allow enough time for an independent environmental review of Inco's proposal.³⁹

On March 6, 2002, the Sénat Coutumier provided formal written comments on Inco's EIA. Then-President Georges Mandaoue wrote "It is impossible to examine 1,800 pages with the rigor and serenity required in such a short period of time, and when the whole file presented does not even contain all the scientific and technical studies." The formal conclusion of the Sénat Coutumier was that the "Customary Senate of New Caledonia, as an autonomous Institution, CANNOT ACCEPT AND APPROVE THE GORO-NICKEL INDUSTRIAL PROJECT as it has been presented, particularly with regards to the protection of the environment and of the health of the inhabitants of New Caledonia."⁴⁰

On August 15, 2002, following the sudden granting to Inco of prospecting rights to Prony, an area adjacent to Inco's Goro concession, the National Council for Indigenous Peoples' Rights of New Caledonia (CNDPA) used the occasion of the World Summit on Sustainable Development in Johannesburg, South Africa to launch an "Appeal for aid and international solidarity" that calls for the revocation of Inco's Prony permit, the application of international environmental laws in New Caledonia, and the listing of the "marine ecosystems" on UNESCO's World Heritage list.⁴¹

On August 23, 2002, indigenous leaders from the *Sénat Coutumier*, Customary Councils, the National Council for the Rights of the Kanak Indigenous People and other Kanak organizations prepared a "Solemn Declaration by the Kanak Indigenous People affirming their right on space and the Natural Heritage of Kanaky (New Caledonia)."⁴² (See quote from this text at the top of this piece.)

Kanak landowners of the Prony area have started to build traditional houses, install families and plant trees on the Prony concession as a form of protest. Former government member and indigenous Kanak leader Raphael Mapou, was forced to resign from the territorial government over his vocal opposition to the granting of the Prony concession to Inco.

Lack of Consultation

In October of 2001, a delegation from Kanaky-New Caledonia⁴³ visited Canada to meet with Inco executives and government officials of Natural Resources Canada and the Department of Foreign Affairs and International Trade. They made it very clear that Inco had failed to consult with local NGOs and with the *Sénat Coutumier*. Then-president of the *Sénat Coutumier*, Georges Mandaoue, asked Inco executives why no one from Inco had ever asked to meet with the *Sénat Coutumier*.⁴⁴

Inadequate Public Disclosure

Inco has thus far refused to publicly release the following critical information: 1) Bankable Feasibility Study (completed in 2001), which contains information on Goro's closure plans; 2) the technical studies referred to in the *Installation Classée*; 3) a complete copy of the INERIS review including all appendices (Inco paid for this study). Inco representatives have most recently been asked to supply these documents to the *Sénat Coutumier* in a meeting at the Senate in November. MiningWatch Canada has also sent a written request for these documents on November 11, 2002.⁴⁵ There has been no reply to date. *Kanaky-New Caledonians and Kanak leaders are being asked to endorse a project while critical information is being withheld from them.*

Inadequate Closure Funds

Lack of information on closure plans, reclamation estimates and bond amounts for Goro constitutes a risk for local communities and for the economy of Kanaky-New Caledonia. Of the estimated US\$315 million Inco expects to spend on closure world-wide, US\$290 million will be spent in Ontario, Canada alone.⁴⁶ *That does not leave sufficient funds for closure of Inco's global operations leaving the people of Kanaky-New Caledonia at risk.*

Risky Technology

As Inco indicates in its September 18, 2002 Prospectus, Pressure Acid Leach (PAL) technology for extracting nickel is still experimental technology and *there is no guarantee it "will be successfully developed and applied on a commercial basis"*.⁴⁷ Inco invested US\$50 million in a pilot plant that operated for 2½ years. This plant will need to be scaled up by 5000% for actual operations. Inco's Alan Stubbs has admitted that no one can be sure how the process will work at that much larger scale.⁴⁸ Three Australian mines using PAL have not been commercially successful. Each of the projects was worth \$1 billion-plus, and each was supposed to produce a pound of nickel as cheaply

as 70 cents (U.S.) but the Australian PAL operations are having serious technological and production difficulties and have yet to produce nickel at a profit, much less at 70 cents a pound.⁴⁹

Dumping Mine Waste into World Heritage Protected Waters

Inco plans to pump mine effluent into the lagoon. According to the INERIS review of Inco's *Installation Classée* (see above) Inco has not adequately charted the environmental risks associated with this disposal. What is known, however, is that Inco will not be able to meet French limits for manganese and will require a 20-meter mixing zone in the sea for dilution.⁵⁰ In January 2002, the French government, assisted by the *Sénat Coutumier*, Action Biosphere and Corail Vivant proposed the nomination of the reefs surrounding Kanaky-New Caledonia for World Heritage status. This nomination proposal is currently being finalized by the *Sénat Coutumier* and national and international NGOs under the leadership of the *Sénat Coutumier*. There is broad international support for this nomination.

Political Unrest

In July 2002, Southern Province President Jacques Lafleur suddenly granted Inco a six-year exploration permit (PRA) for a massive concession called Prony adjacent to Inco's current Goro site. Inco says this new concession could provide an additional 180,000 tonnes of nickel per year (Goro is expected to produce 57,000 tonnes of nickel per year). Brewing un-

rest over Goro has now broken out in full-fledged protests against Inco's exploration rights for Prony. In August a powerful coalition was formed in Kanaky-New Caledonia in protest of the granting of Prony to Inco. The Collective for Defence and Control of the Prony Heritage (CDCPH) is an umbrella organization that is made up of political parties of a wide range of political persuasions, trade unions, environmental groups, traditional landowners, feminist groups, human rights groups and indigenous organizations. On August 29th the Collective organized a massive protest march in the capital city of Noumea. At least 3000 people took part. The protest had three goals: 1) To petition the Southern Province to withdraw the Prony prospecting license from Inco; 2) To ask the new French government to finalize procedures requesting UNESCO to place New Caledonia's reefs on the World Heritage list; 3) To ask the territorial government to draft a bill on environmental protection. A petition with over 10,000 signatures was handed to Vice-President Pierre Bretegnier of the Southern Province. The pro-independence FLNKS party and the Union of Kanak and Exploited Workers (USTKE) both said the prospecting license was tantamount to giving away Kanaky-New Caledonia's mineral resources: "This is totally unacceptable and unjustifiable. This deprives New Caledonia of its mining resources."⁵¹ Additionally there is ongoing political unrest over more than 2000 Filipino workers Inco plans to import for the construction of Goro, over the percentage of ownership of Kanaky-New Caledonia in Goro and over the granting of contracts to foreign as opposed to Kanak companies.

ENDNOTES

¹ This case study was written by Catherine Coumans of MiningWatch Canada and is based on the following texts: *What's Inco Doing in New Caledonia?* March 6, 2002; *Inco in New Caledonia: Protests over Prony and Goro Shut Down*, September 16, 2002 (<http://www.miningwatch.ca/issues>); and *Goro Case Study for Global Mining Campaign*, April 2002 (http://www.globalminingcampaign.org/theminingnews/assets/pdf/goro_nickel.pdf). Extensive research on the Goro project has also been undertaken by S. Gorson Fried of Environmental Defense US (see footnotes 23 and 37) and by indigenous organizations in Kanaky-New Caledonia, such as the *Sénat Coutumier* (See footnotes 2, 32, 39, 40, 42), by KNC NGOs such as Corail Vivant and Action Biosphere (See footnote 29), and the Collective for the Defence and Control of the Prony Heritage (See footnote 41).

² August 23, 2002, "Solemn Declaration by the Kanak Indigenous People affirming their right on space and the Natural Heritage of Kanaky (New Caledonia)." For complete text see www.miningwatch.ca.

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- ³ Personal communication of Catherine Coumans with New Caledonian scientific expert. November 2002.
- ⁴ The indigenous Melanesian people of Kanaky-New Caledonia are the Kanak who make up roughly 42% of New Caledonia's population of 207,858. Approximately 37% of Kanaky-New Caledonians are European and the rest are primarily Pacific and Southeast Asian peoples.
- ⁵ Gabrie C. 1998. L'état des rectifs coralliens en France Outre-Mer. Nouvelle-Caledonie, Wallis et Futuna, Polynesie Francaise, Clipperton, Guadeloupe, Martinique, Mayotte, La Reunion, Iles Eparses de l'Ocean Indien. Rapport pour le Ministere de l'Aménagement du Territoire et de l'Environnement et le Secretariat d'Etat a l'Outre-Mer. 136 pp.
- ⁶ Wilkinson, C.R., 2000. Status of Coral Reefs of the World:2000. *Australian Institute of Marine Science*.
- ⁷ Bouchet, P., P. Lozouet, P. Maestrati, V. Heros. Assessing the magnitude of species richness in tropical marine environments: exceptionally high numbers of mollusks at a New Caledonian site. In *Biological Journal of the Linnean Society*, 2002, 75, 421-436.
- ⁸ Jaffre, T., P. Bouchet, J.M. Veillon, 1998. Threatened Plants of New Caledonia: Is the system of protected areas adequate? In *Biodiversity and Conservation*, 7: 109-135.
- ⁹ Chazeau, J. 1995. Actes de la Deuxieme Conference Internationale sur l'Ecologie des Milieux Serpentiniques. Noumea, 31 juillet-5 aut 1995. pp.95-105.
- ¹⁰ Mary, N. 1999. Caracterisations physio-chimique et biologique des cours d'eau de la Nouvelle-Caledonie, proposition d'un indice biotique fonde sur l'étude des macroinvertebres benthiques. Thèse de doctorat, Noumea, Nouvelle-Caledonie: Université française du Pacifique. 181 p. + annexes.
- ¹¹ On February 5, 2002, CEO Scott Hand expected to have the partnership and financing arrangements for the Goro project concluded within months: "We have been deliberate about finding the right partner and the right arrangement and I hope to conclude this process in the next few months." On August 19, 2002 Hand predicted the permitting for the mine to be completed in the third quarter of 2002 (August 19, 2002). But in Inco's September 18, 2002 Prospectus the company says about Goro "we are not currently in a position to predict when all of the required approvals would be in place for us to develop..."
- ¹² Inco press release: 12/5/02. *Inco Limited to undertake comprehensive review of Goro project based upon latest cost data and trends*. www.Incoltd.com/MediaCentre/News/default.asp?year=2002&posting_id=1597
- ¹³ See section "Risky Technology" below.
- ¹⁴ Nickel Australasia. Issue 101: August 21, 2002.
- ¹⁵ Scott Hand, CEO Inco. February 5, 2002. Investment Community Meeting. Florida.
- ¹⁶ "New Caledonia government gets 10 per cent in Goro nickel" 20 November 2002, NOUMEA (Pacnews). The timing for this apparent sudden shift of policy by Inco is important. One week earlier the New Caledonian government was brought down by the resignation of one of the member parties, the UC (a component of pro-independence Kanak Socialist National Liberation Front). It is thought there was division in the government over Goro. The UC complained that the "principles of power sharing and "collegiality" in the government were not being respected (*New Caledonia-government - Next government to have ten members NOUMEA, November 21 - Oceania Flash*). This complaint apparently directed at the Rally for New Caledonia within the French Republic, the party of the pro-Goro strongman of the southern province, Jacques Lafleur, who has been fighting to get greater ownership in Goro for New Caledonia.
- ¹⁷ Scott Hand, CEO Inco. August 19, 2002. Report for Investment Community.
- ¹⁸ Ibid.
- ¹⁹ Scott Hand, CEO Inco. February 5, 2002. Investment Community Meeting. Florida.
- ²⁰ Ibid.
- ²¹ Webcast December 5, 2002.
- ²² Inco press release: 12/5/02. *Inco Limited to undertake comprehensive review of Goro project based upon latest cost data and trends*.
- ²³ S. Gorson Fried, *A Done Deal? Inco/Goro Nickel, the Environmental Impact Assessment Process and Public Finance in Kanaky/New Caledonia*, October/November 2002, p.9.
- ²⁴ Monique Barbut, Executive Director for Overseas Operations, AFD in a meeting at the AFD office in Paris with the Senat coutumier, Action Biosphere, Amis de la Terre, and Environmental Defense. 10/22/02
- ²⁵ This financing is available to Inco under the Pons/Paul Act Agreement. It essentially allows direct or indirect investments to be deducted from taxable profits.
- ²⁶ Roche. October 2001. Koniambo Project:Environmental Baseline Study - Summary.
- ²⁷ When questioned, Inco officials tend to say they will abide by French environmental standards.
- ²⁸ www.Inco.com
- ²⁹ For example, see Action Biosphere's, *Remarques de l'association Action Biosphere a propos de l'Enquête Publique pour l'Usine commerciale do Goro Nickel*, March 6, 2002. Available at www.actionbio.net; Corail Vivant's *Enquête publique relative au dossier de demande d'autorisation d'exploiter des installations classées project : Inco/Goro Nic-*

kel S.A., March 6, 2002. For international efforts, see « Inco draws fire for French-only data », an article in the Globe and Mail, by Allan Robinson, Saturday, March 9, 2002, page B5.

³⁰ The *Senat Coutumier* (Customary Senate) was established in 1998 and is composed of 16 members, two representatives from each Customary Area who are designated through traditional customs. The *Senat Coutumier* should be consulted by all levels of government on matters concerning Kanak identity, which includes activities that impact on the land and the sea. The *Senat Coutumier* is represented on the Consultative Committee on Mines.

³¹ While in Canada in October 2001, then- *Senat Coutumier* President Georges Mandaoue asked MiningWatch Canada for assistance in arranging an independent scientific review of the *Installation Classee* soon to be tabled. On October 16, 2002 President Pierre Zeoula reiterated this request through a letter. Global Response assisted in organizing a letter writing campaign appealing to New Caledonian government authorities to allow time before permitting for an independent review of the IC.

³² Information provided in a report by Jacques Sarimin Boengkih to the Kanaky-New Caledonia Environmental Project, "Customary Senate's mission to Paris, October 17-31 2002, Extracts from the report to the Senate", November 2, 2002. Statement by J.P. Pineau, chief scientist on the INERIS report during a meeting on October 28, 2002 in the Paris office of INERIS with representatives of the *Senat Coutumier*, Action Biosphere, Amis de la Terre and Environmental Defense. Mr. Boengkih was *porte parole* for the *Senat Coutumier* on a fact finding mission to Paris.

³³ INERIS, July 2002. Analyse critique du dossier de demand d'autorisation du Projet Goro Nickel: Synthèse. Version en Projet Goro Nickel.

³⁴ Service Des Parcs et Reserves Terrestres. Joseph Manaute. May 1, 2002. Report No. FB/ParrM-002.02. Remarques et Observations relatives au dossier de demande d'autorisation d'exploiter des ICPE de Goro Nickel dans le cadre de son projet minier et hydrométallurgique dans les regions de Goro/Prony.

³⁵ Unofficial translations of this document.

³⁶ One scientific expert has noted the urgent need for hydrobiological studies in the Goro/Plaine des Lacs Area as one of "two key areas that have almost certainly not been done properly" adding this area is one of "very high endemism" and "very underexplored."

³⁷ This is based on a review of the texts by C. Coumans. A thorough analysis of the INERIS report and PARKS documents was also prepared by Stephanie Fried, "A Done Deal? Inco/Goro Nickel, the Environmental Impact Assessment Process and Public Finance in Kanaky/New Caledonia: A Brief Examination of INERIS and Park Service Analyses of the Inco/Goro Nickel Mine Environmental Impact Assessment," Oct/Nov, 2002. The Environmental Defense analysis was based on the following documents: *Service Des Parcs et Reserves Terrestres*. Joseph Manaute. May 1, 2002. Report No. FB/ParrM-002.02. *Remarques et Observations relatives au dossier de demande d'autorisation d'exploiter des ICPE de Goro Nickel dans le cadre de son projet minier et hydrométallurgique dans les regions de Goro/Prony* and primarily on the July 2002 version (with pages from the August 2002 version) of the INERIS report, titled "*Analyse critique du dossier de demande d'autorisation du Projet Goro Nickel: Synthèse Version en Projet Goro Nickel*".

³⁸ Prospectus. \$400,000,000 Inco Limited. September 18, 2002.. Page 11.

³⁹ For the text of this petition in French see: www.miningwatch.ca under "issues."

⁴⁰ Georges Mandaoue, President *Senat Coutumier*. March 6, 2002. Presentation Report to the Attention of the Honorable Members of the Customary Senate Of New Caledonia: SUBJECT: Public enquiry concerning the Goro Nickel industrial project. Unofficial translation. For text see: www.miningwatch.ca under "issues".

⁴¹ For the text of this declaration see: www.miningwatch.ca under "issues"

⁴² For the text of this declaration see: www.miningwatch.ca under "issues"

⁴³ The delegation to Canada was made up of Georges Mandaoue (then-President of the *Senat Coutumier*), Regis Vandegou (Secretary General of the *Sénat Coutumier*), and Jacky Mermoud and Rick Anex of the NGO Action Biosphere. This visit was organized by MiningWatch Canada.

⁴⁴ Notes by Catherine Coumans from a meeting with Inco executives Bill Napier and Alan Stubbs: October 22, 2001.

⁴⁵ Letter to Scott M. Hand. November 11, 2002.

⁴⁶ Inco Form 10-K, December 31, 2001. Page 83.

⁴⁷ Inco. September 18, 2002. Prospectus. Page 12.

⁴⁸ Personal communication with Catherine Coumans: October 29, 2001.

⁴⁹ Lowe, M. March 1, 2002. *Inco's Risky South Seas Venture* in Straightgoods.com.

⁵⁰ Personal Communication of Catherine Coumans with Bill Napier, Vice President Environment at Inco: November 10, 2001.

⁵¹ USTKE secretary general Gerard Jodar quoted in PacNews, September 2, 2002.

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