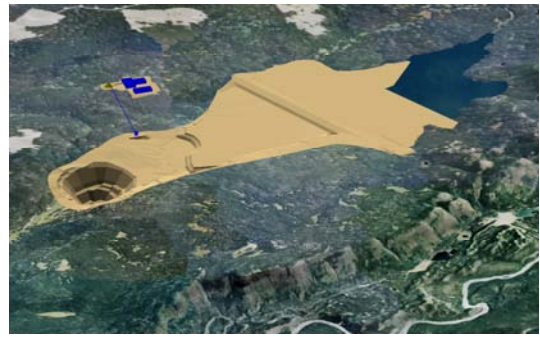


The Proposed Prosperity Gold-Copper Mine

Background and Update

MiningWatch Canada
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Taseko Mines Ltd. has identified a very large but low-grade deposit of gold and copper in the Chilcotin region of British Columbia that the company wants to mine. Efforts to advance the project in the 1990s were blocked by low mineral prices and the provincial and federal governments' unwillingness to issue permits to the environmentally destructive project. After recently being refused federal approvals for what Taseko said was the only economically viable option and the best option environmentally, the company has submitted a new design. Taseko continues to try and push its project against the opposition of potentially affected First Nations, and of local, provincial and national First Nations and environmental organizations.

Local Communities

The deposit is located in the heart of the un-ceded traditional territory of the Tsilqhot'in Nation and 15 km from the Tshilqot'in community of Xenigwet'in. The area around the deposit has many sites of cultural significance and the archaeological record shows that the area has been in continual use for over 5,500 years. The Tsilqhot'in continue to maintain a relatively traditional lifestyle and depend on hunting and fishing for a considerable part of their diets. Many community members still speak their language and there is a strong effort to maintain and revive this and other aspects of their culture.

The Secwepemc Nation, specifically the community of Esketemc (Alkali Lake Band) would also be affected by the project as the power corridor required for the mine would run through their traditional territory, including through an area managed as a community forest.

The affected First Nations engaged in discussions with Taseko during the early phases of provincial and federal review process in order to better understand the project and its implications. Throughout the process they have maintained that the outright destruction of Fish Lake was not acceptable. During the federal review process they raised a number of other concerns and have taken a strong position opposing the project.

The closest non-native town to the proposed mine is Williams Lake, 125 km to the north east. The town council and chamber of commerce have been outspoken supporters of the mine, hoping that it will help bring jobs and economic benefits to their community. There are however several other mine expansion and development projects as well as local economic development initiatives that offer alternative sources of economic stimulus.

Provincial Approval, Federal Refusal

Despite findings of significant negative environmental effects and unresolved issues relating to potential groundwater contamination, the provincial government approved Taseko's application in January 2010. A more rigorous and independent assessment conducted by a federal review panel concluded that there would be significant negative effects that the proponent would not be able to mitigate. The Minister of the Environment at the time, Jim Prentice, referred to the panel report as "scathing" when on, November 2010, he announcedⁱ that the federal government would not approve the project.

West Coast Environmental Law compared the federal and provincial processes concluding that "there is a huge contrast between the quality and approach of the environmental assessments" with the federal process being the more rigorous and comprehensive.ⁱⁱ

Since the federal government's refusal to approve the project, Taseko has maintained that the project was not dead and that they would find a way to bring it back to life. Their press releasesⁱⁱⁱ included comments about needing to better understand the concerns of First Nations and the federal regulators – despite these being clearly and precisely detailed in numerous submissions to the review panel and in the panel's final report. On February 21 Taseko announced it was submitting a new mine plan to the federal government that they believe will address the outstanding issues and save Fish Lake.^{iv}

Close Ties Between Liberal Party and Taseko

The governing BC Liberal Party and Taseko have provided each other with significant support over the years. Out-going Premier Gordon Campbell announced his support for the project before the completion of the BC environmental assessment and Premier-Elect Christy Clark stated she will attempt to have the federal government reverse its decision. On Taseko's side, they donated over \$30,000 to the party over a 12-month period during the provincial review process.^v

Details of the 2008 Proposal

Throughout the latest environmental assessment process, Taseko repeatedly asserted that the proposed mine plan was the only viable option and was the best for both the environment and the company's bottom line. Despite this, only three months after the report was turned down Taseko claims to have developed a new mine plan that will address the concerns of the federal regulators and the First Nations. No consultation with First Nations has occurred on a new mine plan. The new mine plan has not been made publicly available, but Taseko's announcement did indicate that "the project re-design retains much of the original plan". This original plan included^{vi}:

- An open pit operation extracting 70,000 tonnes per day up to a total of 1-billion tones of gold and copper bearing ore. (Ore grades average 0.4 grams of gold per tonne and 0.24% copper);
- Pit dimensions are 500 m deep and 1600 m in diameter;
- Upgrades to existing roads and construction of new roads to access the site;
- Construction of a 125 km transmission line ;
- Depositing 480-million tonnes of tailings in the Upper Fish Creek watershed eliminating the creek, Little Fish Lake and terrestrial habitat for grizzly bears;
- Draining the beautiful, culturally important and rainbow trout-filled Fish Lake;
- Constructing and stocking a reservoir adjacent to the tailings impoundment to compensate for the permanent loss of fish habitat.

The economic benefits of the project have been raised as the primary justification for the project. Based on the proponents assessment these include:

- 377 direct jobs during operation of the mine, though most of these would not be filled by residents of the Cariboo-Chilcotin region;
- \$200 million in expenditures into the local and provincial economies;
- Estimated annual government revenues of \$30-million.

An economic cost-benefit analysis for the province was not conducted so a net benefit figure is not available. Dr. Marvin Shaffer from Simon Fraser University did, however, identify significant costs to the province including \$35-million a year in power subsidies.^{vii}

Findings of the Federal Review Process

The federal review panel found that if approved the project would cause significant adverse effects on First Nations traditional land and resource uses as well as on their rights and title.^{viii} It also found that there would be significant negative environmental effects including the loss of fish and grizzly habitat. It did not accept proposed mitigation measures as likely to be effective and saw no way to mitigate for these negative effects. Other notable findings of the panel included:

- 40 years after the mine closes the pit-water would likely need treatment, creating a potential future burden on the provincial government.

- Compensation measures for fish habitat are unlikely to be successful and there are no precedents for replacement of an entire ecosystem exist.
- Much of the employment generated would not provide jobs for local people and many of the jobs would go to those who are already employed.
- Local adverse effects would occur to the Tsilhqot'in and other users of meadows due to loss of grazing lands, to holders of a trapline at the mine site, and to a tourism business operating near the mine site.



Could a modified mine plan really save Fish Lake?

Though the loss of Fish Lake is not the only significant negative impact of Taseko's proposed mine, it has been at the centre of the controversy over the project. Taseko says it now has a way to save the lake and have the mine go ahead. While the modified mine plan could save the physical structure of the lake it is highly unlikely that the ecological and cultural values of the lake could be preserved with the lake sitting in the middle of an industrial mining site. From the limited information available it is most likely that the lake would be squeezed between the tailings impoundment and the pit. For at least the full operational life of the mine it would be off limits to First Nations and the general public.

During the environmental assessment Taseko provided two alternatives that did not involve the draining of the lake. The panel, was not convinced that even if these options were economically viable they would have much benefit for the environment or to First Nations. The panel concluded:

Mine Development Plan 2, with the tailings storage facility located upstream of Teztan Biny, would in time likely result in contamination of Teztan Biny. While Mine Development Plan 1 would preserve Teztan Biny, it would result in mine water discharge to another watershed and could also affect Teztan Biny if Taseko decided in the future to expand the open pit.....

The Panel observes that the proximity of the open pit and associated mining facilities would be close enough to Teztan Biny (Fish Lake) to eliminate the intrinsic value of the area to First Nations even if another alternative were chosen. It appears to the Panel, therefore, that none of the alternative mine development plans examined would receive support from First Nations.

Additional Information

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www.miningwatch.ca

First Nations Women Advocating Responsible Mining (FN WARM), www.fnwarm.com

R.A.V.E.N Trust, www.raventrust.com

West Coast Environmental Law, www.wcel.org

Links to Sources

ⁱ <http://www.ec.gc.ca/default.asp?lang=En&n=714D9AAE-1&news=59F03FA9-63AD-4EED-A14F-04BBF32906CF>

ⁱⁱ <http://wcel.org/resources/environmental-law-alert/lessons-prosperity-mine-environmental-assessment>

ⁱⁱⁱ <http://www.tasekomines.com/tko/NewsReleases.asp>

^{iv} http://www.tasekomines.com/tko/NewsReleases.asp?ReportID=443722&_Type=News-Releases&_Title=Taseko-Mines-Submits-Revised-Project-Description-For-The-Prosperity-Project..

^v <http://www.newswire.ca/en/releases/archive/September2010/28/c5964.html>
and <http://contributions.electionsbc.gov.bc.ca/pcs/SA1Search.aspx>

^{vi} <http://www.ceaa.gc.ca/050/05/documents-eng.cfm?evaluation=44811&type=9>

^{vii} http://www.miningwatch.ca/sites/miningwatch.ca/files/Shaffer%20report_%20Benefits%20and%20Costs%20of%20Proposed%20Prosperity%20Gold-Copper.pdf

^{viii} <http://www.ceaa.gc.ca/050/document-eng.cfm?document=46911>