



# MiningWatch Canada

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City Centre, 508-880 Wellington St., Ottawa, Ontario, Canada K1R 6K7  
tel. (613) 569-3439 — fax: (613) 569-5138 — [canada@miningwatch.ca](mailto:canada@miningwatch.ca) — [www.miningwatch.ca](http://www.miningwatch.ca)

January 21, 2004

Penny Anderson  
Natural Resources Canada  
Administrative Assistant  
580 Booth Street  
10<sup>th</sup> Floor  
Ottawa ON K1A 0E4

Dear Ms. Anderson:

**Re: Victor Diamond Project, De Beers Canada Exploration Inc., FEAI Reference Number 40658 - Draft Guidelines for the Conduct of a Comprehensive Study and the preparation of a Draft Comprehensive Study Report dated December 12, 2003**

Following are the comments of MiningWatch Canada on the above document. We ask to be included in any public notifications regarding this file.

### *Introductory comments*

Mining Watch Canada is a pan-Canadian coalition of seventeen environmental, Aboriginal, social justice, development and labour organizations that advocates for responsible mining practices and policies in Canada and by Canadian companies operating internationally.

The Victor Project is a very significant mining proposal in Canada and requires the careful attention of many parts of Canadian society. If it goes ahead, the impacts will reach far beyond the mine site and the immediately affected community. Not only is this the first diamond mine in Canada below 60° latitude; it is the first mine in muskeg; and the first diamond mine in a northern coastal area. The operation of this mine will affect all of Canadian society.

It is also significant, because its proponent, De Beers, is one of the most powerful companies in the world. Since the company is not publicly listed, it operates with a veil of secrecy not available to other Canadian companies. It is significant that the proponent is not the parent company, but "De Beers Canada Exploration Inc.", and that there is no

indication that liability for the commitments made by the subsidiary will be honoured by the parent in the event of default by the subsidiary.

It is significant because it is taking place on the traditional territories of one of the smallest First Nations in Canada, that has already become dependent upon start-up salaries and grants from De Beers for its income. This is an environmental justice issue.

The Draft Guidelines are extensive. However, there are some issues of concern to which we want to call the attention of the Responsible Authorities.

*The role of Indian and Northern Affairs.* Although mention is made that "INAC indicated that it would likely be an RA if land tenure supported by Band Council resolution was requested by the proponent for any facilities located on reserve lands", the fiduciary responsibilities of the federal government extend beyond this narrow scope. The project is taking place on lands of Aboriginal use and interest; it is within the eco-region of a number of different First Nations; and it will have economic and social repercussions for many of them. It is irresponsible for INAC to refuse to take part.

*The relationship between the province and the federal government is far from clear.* The Draft Guidelines make reference to working with the province in 3.0, but how this relationship will be structured in the absence of a Joint Panel Review is left to the imagination. It is our understanding that the province is considering EAs on the winter road and power generation, and that they intend to rely on the comprehensive study done for the federal government. This issue should be resolved before the Guidelines are approved.

*Cumulative Effects and mining expansion.* The Victor Project will only last for 10-12 years. The people of the region need to clearly understand that approval of this one mine can quickly and irrevocably transform their cultural, social and economic life so that they will be dependent on finding more mines, no matter what the cost. At the present time, De Beers is already exploring beyond the Victor site. In the same ecosystem, "a third lobe has already been discovered, and its extent is still being defined...Last winter De Beers conducted delineation drilling on three other kimberlites, namely Tango, Delta and India...Situated 12 Km from the Victor Camp, Tango Extension is the closest of the three kimberlites". (Northern Miner, Jan 16-22, 2004, p. 14). Although the Draft Guidelines make reference to the cumulative effects of further exploration in 8.17, we feel this issue is not given enough attention, especially in 8.10.

*The effects of closure.* For the same reasons outlined in the paragraph above, closure, long-term care and maintenance, reclamation bonding and economic diversification for the entire region need to be fully explored in the Comprehensive Study and should be a separate category in the guidelines. In our study of mining-dependent communities, No Rock Unturned, we discovered that after the mine closes, with a very few exceptions, the only thing that saves the community economy is discovering another ore body. Better to have an alternative strategy in place from the beginning.

*The questions of the impacts of crime, security and policing* which attend diamond mines all over the world are not addressed in the Guidelines, but will certainly have impacts all over the region, and in airports that connect with it. The Guidelines should require this study.

*The ability of civil society organizations to participate in a critical review* of the Victor project need to be protected. Section 3.0 does not even mention them. Labour, other Aboriginal organizations, scientists and environmental groups have all been following this project with great interest and concern and have expertise that should be drawn upon for the Comprehensive Study. To date, the lack of an electronic registry of documents has inhibited our ability to be engaged. It is not clear either that public access to the all Comprehensive Study documents - or only the CSR - will be available prior to the Minister making his/her determination.

*There is an uneven-ness in the references to the scope of the study* in a number of places, and it is often not clear if the local study area, regional study area and cumulative effects study area are being referred to. For example, what is the "the project area" in 7.2, the "study area" in 7.3.2, the "eco-region" in 8.6?

*Frequently "local study area" appears to be too limited* for the necessary studies as in 7.9 and 8.9- vegetation, 7.10- human health, and 7.14- socio-economic environment. De Beers has been promoting the jobs that will be gained by Timmins in public. This extends the area considerably to include staging towns. Questions need to be asked about the effects outside the local First Nations communities and reserve lands, especially on housing, infrastructure, transportation, and other quality of life indicators.

*Dumping in the ocean.* Since dumping the dredgeate from the Attawapiskat River in James Bay is currently against the law, what legal and regulatory changes will need to be made to enable this? The depth of research required before this can be permitted is reflected in the reference in 8.2, and should probably be highlighted by making it a separate point of study.

*The anticipated transport of diesel fuel* for the project will require intensive research and analysis and should be highlighted: the likelihood of spills, the pipeline from the coast to the mine-site, the increased tanker traffic in James Bay. These are the first fuel tankers to transit James Bay.

*The limitation on cumulative environmental effects* in 8.17 - "Where it is predicted that there is not likely to be a measurable effect on a VEC *with mitigation*, that VEC will not require further consideration in the cumulative effects assessment" - is unreasonable. Since mitigation measures are sometimes not effective in practice, if they are practiced at all, we ask that "with mitigation" be struck.

*The reference to traditional knowledge is not well-developed* and needs to be defined, integrated and expanded throughout the document.

*Any analysis of benefits from taxation and royalties to the province and the federal government should reflect the effective tax rates after CEE, CED, ACCA, exploration subsidies, production allowance, participation supports, policing, promotion, trade supports, infrastructure supports (coast guard services, water, sewer, health, roads and maintenance, etc. ).*

Thank you for this opportunity to comment on the Draft Guidelines. We hope the above comments will be helpful.

Yours truly,

Joan Kuyek, National Co-ordinator