

The Department of Indian Affairs and Northern Development (DIAND) released a new report on the reclamation liability at the Cantung mine site to the Mackenzie Valley Land and Water Board. The report estimates that it would cost approximately \$48 million to undertake complete restoration of the mine site that is located upstream of Nahanni National Park Reserve. Tailings have been observed as far downstream as 15 km from the mine, just 25 km upstream of the park boundary. An earlier report prepared for DIAND noted that the company has "little or no assets or capacity to cover...the potential liability" as they have only \$2.55 million set aside to cover mine clean up costs.

"We commend the Water Resources section of DIAND for doing their homework but this new report confirms our fears that the taxpayers will have to pick up the cost of the clean-up of yet another northern mine," says Kevin O'Reilly, CARC Research Director. "We also wonder what standards are being applied to the clean up. DIAND and the Water Board have never specified reclamation standards. We want to ensure that the government and the company know that the cheapest, short-term options will not be acceptable."

Despite the shortfall in clean up funds, the mining company recently got a new one-year water licence until November 2003 without any increase in the money set aside as security for the final clean-up. CARC asked Minister Robert Nault to use his authority to either send the water licence back for review, with the intention to increase the security required, or to unilaterally impose a higher bond on the company. This advice was ignored despite the newly adopted federal NWT Mine Site Reclamation Policy that states, "For existing operations, the financial security provided to the Minister for reclamation should be increased in increments to 100 per cent coverage as soon as possible, but no later than the life of the mine." The Cantung mine has about two years left in its contract to supply concentrates.

The company has exceeded its anticipated production by a third, from its mine plan, and has apparently begun a planned, temporary shut down. Concerns have been raised about the capacity of the tailings facilities. The last publicly available inspection report for the mine site dates from August 2000, 31 months ago.

"We are very concerned about what is going on at the mine site. The Department refuses to allow public access to inspection reports," notes Jennifer Morin, Conservation Coordinator with CPAWS-NWT. "Without that access, how is the public to have any confidence that government is doing its job in monitoring and inspecting the operations it is supposed to regulate?"

The company continues to fight any efforts to undertake an environmental assessment of the mine. An appeal from the NWT Supreme Court decision upholding a referral for an environmental assessment is expected to be heard in March or April 2003.