

Gold mine remediation to cost billions

Taxpayers to cover cost in Yellowknife

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Yellowknife's Giant Mine is one of the most contaminated sites in Canada. It is expected to be the most expensive federal environmental cleanup in the country's history when it's completed in 2038, costing an estimated \$4.38 billion, not including long-term care and maintenance.

With a cost estimate of \$4.38 billion, remediation of the Giant Mine, one of the most contaminated sites in Canada, is also expected to be the most expensive federal environmental cleanup in the country's history.

The figure, recently approved by the Treasury Board of Canada, spans costs from 2005 until 2038 when active remediation at the former Yellowknife gold mine is anticipated to end. That includes \$710 million the federal government said has already been spent but does not include costs for long-term care and maintenance.

"It doesn't bother me so much that it's going to cost \$4 billion to clean up Giant Mine. What really bothers me is that the taxpayer is covering that cost," said David Livingstone, chair of the Giant Mine Oversight Board.

It indicates the federal government failed to ensure private developers provided financial security to remediate sites. He said while that has improved over time, there will likely be more issues in the future.

“We as a society need to get a better handle on what it costs us to support mining industry and oil and gas industry,” he said. “If the numbers suggest that it’s going to cost more to clean up a site than that site generated in revenue to the Crown, we’ve got a problem.”

There are more than 20,000 locations listed in the federal contaminated sites inventory, from dumps and abandoned mines to military operations on federal land.

Environment and Climate Change Canada says that after Giant Mine, the four most expensive cleanups are the Faro Mine in Yukon, the Port Hope Area Initiative in Ontario, Esquimalt Harbour in British Columbia, and Yukon’s United Keno Hill Mine.

More than \$2 billion has been spent on the five sites so far, and it’s anticipated they will cost taxpayers billions more in the coming years. Their final price tags are not yet known. The most recent numbers from the Treasury Board of Canada indicate more than \$707 million has been spent on remediation, care and maintenance at Faro Mine, a former open pit lead-zinc mine. Its remediation project is expected to take 15 years to complete and is currently estimated to cost \$1 billion, plus \$166 million for the first 10 years of long-term operation and maintenance. Parsons Inc. was awarded a \$108-million contract in February for construction, care and maintenance at Faro Mine until March 2026, with the option to extend the contract for the duration of active remediation. The company said the contract could ultimately span 20 years and exceed \$2 billion.

In 2012, Ottawa committed \$1.28 billion in funding over 10 years for the cleanup of historical low-level radioactive waste in the municipalities of Port Hope and Port Grandby, Ont. To date, more than \$722 million has been spent on assessment and remediation. The Port Grandby Project was completed earlier this year and has moved into long-term monitoring for hundreds of years. The Port Hope cleanup, which started in 2018, will continue into 2030.

The cleanup in the Esquimalt Harbour seabed in Victoria currently has a budget of \$162.5 million. Roughly \$214 million has already been spent on remediation and assessment. The Department of National Defence said that may include costs before 2015 when the remediation project began.

Cleanup of United Keno Hill Mine, a historical silver, lead, and zinc mining property near Yukon’s Keno City, is estimated to cost \$125 million, including \$79 million during its active reclamation phase. That is expected to begin in 2023 and take five years, followed by a two year transition phase then long-term monitoring and maintenance. More than \$67 million has been spent on remediation, care and maintenance at the site so far.

Other costly federal sites that have been cleaned up include the Cape Dyer Dewline, 21 former radar stations across the Arctic, for \$575 million, the Sydney tar ponds and coke ovens on Cape

Breton Island, N.S., for nearly \$398 million, and the 5 Wing Goose Bay air force base in Labrador, for \$142.9 million.

The 2022 public accounts state the gross liability for the 2,524 federal contaminated sites where action is required is nearly \$10 billion based on-site assessments. Of the 3,079 unassessed sites, 1,330 are projected to proceed to remediation with an estimated liability of \$256 million. The federal contaminated sites action plan was established in 2005 with \$4.54 billion in funding over 15 years. That was renewed for an additional 15 years, from 2020 to 2034, with a commitment of \$1.16 billion for the first five years.

Jamie Kneen with Mining watch Canada said the contamination from Giant Mine highlights the importance of the planning and assessment process for development projects.

“If you don’t actually do any planning around something, you can end up with a pretty horrible mess,” he said. “In this case, it killed people before they started even capturing the arsenic. We don’t want that to happen anymore.”