

Toward a change in corporate culture

Mining and oil companies now required to consider sustainable development

For years, mining operations, from prospecting to mine closures, have been on the public's radar around the world, their social and environmental impacts sparking indignation among peoples and communities in many countries. Used to operating under the cloak of shadow—aided by deficient laws and large banks offering them tax relief—mining companies are now finding themselves forced to change their ways and integrate new realities into their practices. Mining, whether for diamonds or for the coltan used in the manufacture of electronics, has been linked to numerous wars and conflicts on the African continent. Water contamination, atmospheric and soil pollution and environmental health problems among local and remote populations further compound the issue.



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Quebec's first Mining Act was adopted in 1880, at the time of the gold rush, and remained untouched until it was amended over a century later, in 1987. Throughout that period, all prospectors had to do was stake off the area they wanted to explore and record their claims¹ with the mining office. This marked the birth of free-entry mining, a system giving prospectors the right to freely access lands to develop and mine their resources, all too often at the expense of a territory's local communities and environment. Today, a claim can be obtained for less than \$100 with a quick visit to the Ministry of Natural Resources Website.

Quebec adopts reform

Bill 70, passed late last year, makes some important inroads in terms of protecting communities, citizens and the environment. Without conducting an exhaustive review of the amendments, which are all outlined on the Ministry of Natural Resources² and *Coalition Pour que le Québec ait meilleure mine*³ Websites, here are some of the key elements:

- metal mining projects with a capacity of over 2,000 metric tons per day (t/d) are now subject to a public environmental consultation (down from 7,000 t/d in the earlier legislation);
- a claim holder must give the municipality and landowner 30 days written notice before carrying out any work on a claim;
- any professional services required for

the negotiation of an agreement with a residential property owner are to be paid by the claim holder;

- possibility for RCMs and municipalities to designate portions of their lands as incompatible with mining activities for new claims;
- the granting of a mining lease is now conditional on the establishment of a monitoring committee on the mining activities (although it is the mining lease holder who creates this committee);
- inclusion of a clause promoting mineral processing in Quebec;
- requirement of a financial guarantee to ensure mine rehabilitation and restoration;
- authorization of the rehabilitation work at the end of the mine's life is conditional on the approval MDDEF.

Oil...produced in Quebec?

This question is a difficult one to answer because the unconventional shale oil under Anticosti Island and the conventional oil deposits at the Old Harry Prospect in the Gulf of St. Lawrence are not proven reserves,⁴ but are estimates based on the level of hydrocarbons detected through seismic survey.⁵ The Old Harry Prospect lies on a pair of salt domes—one on the Quebec side and one on the Newfoundland side—with no connection between the two. So while Newfoundland may hold the licences for exploration and drilling on the site, it can hardly cross into Quebec waters to “steal” the resource. That being said, Quebec has few companies with the expertise to handle major oil spills in the Gulf, and the federal government currently only requires \$30 million in absolute liability insurance for offshore drilling.

On Anticosti Island, the untapped resource is shale oil, which is oil trapped in source rock in the form of billions of tiny droplets that have not yet made their way to the cavity to create a reservoir. As this migration can take as long as 50 million years, it is often difficult to extract more than a fraction, or 2% to 5%, of the resource. The situation is further complicated by the fact that it can take anywhere from 10 to 25 years—up to a full generation—from the time an exploration licence is granted for any drilling to actually begin. And on top of a coast guard that is ill equipped to deal with spills, Fisheries and Oceans Canada is gradually seeing its authority supplanted by the National Energy Board. Too many variables have yet to be fully understood, such as the dynamics of the ecosystem in the Gulf that houses many flora and fauna species and the role of geophysical factors. Before even thinking about exploring and drilling for oil, it is important that we have all of the facts in hand to ensure the effective protection of this habitat.

Given that these reserves remain, for the time, purely hypothetical, the obvious conclusion is that it is both premature and foolhardy to link the exploitation of these resources with future economic benefits and our collective prosperity.

1 Claim: A licence granting exclusive right to its holder to explore for natural mineral substances on a given parcel of land.

2 <http://www.mrn.gouv.qc.ca/mines/index.jsp>

3 <http://quebecmeilleuremine.org/content/lois-politiques-redevances>

4 Proven reserves are defined as the quantity of energy sources claimed to have a *reasonable certainty* of being recoverable under existing economic and political conditions, with existing technology.

5 Seismic survey involves sending compressed air streams or focused sonic waves towards the ocean floor in order to gauge the depth, location and structure of the valuable geological resources that lie underneath.