

## TŚILHQOT'IN NATIONAL GOVERNMENT

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July 27, 2010

Conservative Party of Canada  
#1204 - 130 Albert Street  
Ottawa, Ontario K1P 5G4

Attention: Senator Yonah Martin, Senator Richard Neufeld, Senator Nancy Green Raine, and Gerry St. Germain; and Members of Parliament: Hon. Jim Abbott; Dona Cadman; Ron Cannan; John Cummins; Hon. Stockwell Day; John Duncan; Ed Fast; Nina Grewal; Richard M. Harris; Russ Hiebert; Hon. Jay Hill; Randy Kamp; Hon. Gary Lunn; James Lunney; Colin Mayes; Cathy McLeod; Hon. James Moore; Andrew Saxton; Hon. Chuck Strahl; Mark Warawa; John Weston; Alice Wong.

Via Email

Dear Senators, Ministers of the Crown and Members of Parliament,

Federal approval of the ill- advised Prosperity Mine project would be an unmitigated disaster and generate political, social, environmental and economic repercussions that would be in the interests of no one.

We are therefore writing to urge you to use your influence as the federal representatives of the people of British Columbia to ensure that your government heeds the findings of significant and irreparable harm in the July 2010 Canadian Environmental Assessment Agencies panel report and refuse permits for this proposed mine.

Proponents of the mine are now attempting to boil the decision down to a simple choice between economic benefits and environmental protection. Unfortunately, the claimed benefits are clearly being exaggerated and the negative impacts minimized to a degree that is ludicrous and would be laughable were this not so serious a matter.

Our traditional lands are imposed by this mine, our sacred lake Teztan Biny (Fish Lake) would be destroyed, and our culture, spirituality and way of life would be erased or severely damaged by this project, this is a battle for our home, our rights and our future.

However, as the overwhelming support from First Nations groups and leaders provincially and nationally demonstrates, we are dealing with issues that go far beyond our part of the world.

At stake is the faith of First Nations in the environmental assessment process. This point was made crystal clear by the resolution of support for the Tsilhqot'in National Government that was adopted July 20 at the Assembly of First Nations annual general meeting in Winnipeg, in which the chiefs-in-Assembly pledged to *"stand behind the Tsilhqot'in Nation in defence of these lands regardless of the decision made by the Federal Government."*

Clause 3 of that resolution states that the chiefs-in-Assembly: *"Advise the Federal Government that First Nations across Canada are watching its decision to see whether there remains any value or integrity in environmental*

*assessments for major projects, or whether First Nations must turn to litigation and other means to assert our rights and protect our cultures.”*

Also at stake is the very foundation of trust and future relations between the government of Canada and our peoples. Again the July 20 AFN resolution makes this clear. Clause 4 states that the chiefs-in-Assembly: *“Caution the Federal Government that approval of the proposed Prosperity Gold-Copper Mine, despite the clear warnings of its independent Panel, would demonstrate utter disregard for the survival of First Nations as distinctive cultures within Canada.”*

AFN National Chief Shawn Atleo was one of the first to issue a news release and a personal letter of support to us in our efforts to convince the federal government to respect the findings of the EA panel and refuse permits for the mine – as it has done in all previous cases where such a review has found significant and irreparable harm.

Similar letters and statements of support have come from the Leadership in BC – from the First Nations Summit, the Union of BC Indian Chiefs, the Carrier Sekani Tribal Council, the First Nations Energy and Mining Council, First Nations Women Advocating Responsible Mining and many individuals – the list keeps growing.

Our sacred Teztan Biny (Fish Lake) has become a rallying point for First Nations for good reason: If the process and our rights can be ignored here, and if our culture can be treated with such disregard here, the same can happen anywhere.

With this level of support, and two ongoing cases before the courts regarding our title and rights that affect the viability of this project, the federal government would not be acting in the best interest of Canadians if it were to ignore the CEAA panel report’s findings and approve this mine. The last thing it should wish to do at this time is to take on liabilities by giving the green light to such a questionable private project in the face of so many unresolved legal issues.

The notion that this mine will spark what some have referred to as a “renaissance” of mining in BC could not be more wrong. Its approval can only further alienate First Nations, add to their mistrust of governments and industry, and fuel continued confrontation and legal battles as First Nations in BC defend their unceded traditional territories and First Nations elsewhere in Canada come to their support.

Instead of helping those mining companies that are now trying to genuinely work with First Nations to build a new mining regime that will benefit all parties, approval of this mine can only set back any such progress.

This is not – as proponents claim – a choice between a “shallow mucky lake” and great riches for the province.

The federal government is being asked to approve the destruction of a pristine lake of such beauty that its image was used in government tourism brochures. It is being asked to permit the devastation of the surrounding forests, lands, fisheries and wildlife – and of the people who rely on these environments and ecosystems for sustenance and livelihoods.

You are being asked to ignore the fact that this is a sacred lake to First Nations, and to also ignore the impact this project would have on First Nations rights, and the confrontation that would result.

You are being asked to do all of the above based on exaggerated claims of economic benefits that can be clearly disproved. We are confident of this and challenge you to subject the company’s claims and the studies that refute them to independent analysis.

As you know, the independent CEAA panel concluded: “The Project would result in significant adverse environmental effects on fish and fish habitat, on navigation, on the current use of lands and resources for traditional purposes by First Nations and on cultural heritage, and on certain potential or established Aboriginal rights or title” and on threatened grizzly bear populations.

It specifically stated that the mine would permanently destroy lands and waters described as an “important cultural and spiritual area” for the Tsilhqot’in people, “an important teaching environment” for Tsilhqot’in youth, an “important source of fish for their sustenance” and “a place of spiritual power and healing for the Tsilhqot’in,” and it warned that “the loss of the Teztan Biny (Fish Lake) and Nabas areas for current use activities, ceremonies, teaching, and cultural and spiritual practices would be irreversible, of high magnitude and have a long-term effect on the Tsilhqot’in,” and that these “impacts on the physical and mental health of the Tsilhqot’in communities would be long term.”

While the Panel provided recommendations to government should the Project proceed, it explicitly cautioned that “it does not believe that these recommendations would eliminate or accommodate the significant loss First Nations would experience.”

Proponents argue that the claimed economic benefits – as defined by the company and endorsed without question by the BC Environmental Assessment Office – justify permitting all the harm that will be done.

This would be a false argument even if the economic benefit claims were accurate. They are not, however, accurate.

Respected BC resource economist Dr. Marvin Shaffer clearly demonstrates in his report to the CEAA panel that the economic claims made in the company’s Environmental Impact Statement ignore methodologically correct accounting practices. They inflate the number of jobs and labour revenues that would be generated by failing to account for the jobs that would be created through other means without the mine. They also fail to note that jobs would go to skilled people already employed, or to people brought in for their skills, to the point that the project would have little impact on the local unemployed population. In addition, company’s figures fail to include the costs of providing services for these immigrant workers when talking of the economic benefits to the community.

Dr. Shaffer further demonstrates that the promises of government revenues cannot be justified by the facts and would be dramatically lower than stated. He demonstrates that the company’s claims do not include costs to the government and British Columbians of greenhouse gas emissions, or the subsidy created by having to find new energy sources to province electricity to the mine at more than twice what the owners would pay in hydro rates. Dr Shaffer states the costs would outweigh revenue benefits by more than 2-1, leaving British Columbians paying a net \$20 million a year to support the mine operation. (Source: <http://www.ceaa.gc.ca/050/documents/41844/41844E.pdf>)

Further analysis by Dr. Joan Kuyek, formerly national coordinator for MiningWatch Canada and the author of a number of peer-reviewed publications on mine economics and taxation, notes the economic evaluations in the company’s feasibility studies were done not by an independent expert, but by the company’s vice-president. Dr. Kuyek points out that these figures do not make any allowance for the payment of federal or provincial income taxes; for compensation to the affected First Nations; for any financing or interest charges; for contingency on operating costs; or for variations in the exchange rate.

Professor Kuyek states that even with all these ignored costs, the mine's rate of return to investors is expected to be 10%, below industry standard and that its future will be “totally dependent on continuing high prices for gold and copper, and on a low Canadian dollar.” She concludes that since all mining taxes are based on profit, it is unlikely that the mine will ever pay much (if anything) in royalties or income taxes. (Source: <http://www.ceaa.gc.ca/050/document-eng.cfm?document=35452>)

We are fully aware that, as members of the BC caucus, you are under immense pressure from proponents of this mine. We are aware of their campaign to ridicule the negative impacts, ignore the first Nations issues, and make unsupportable economic promises.

We are also aware that the company proposing this mine has publicly stated that the federal government will approve the mine with little or no delay or thought, creating the impression that it believes the federal government is in its corner and that the decision to approve the mine was made before the CEAA report was tabled.


We trust, however, that as elected members of the federal government, you will not be swayed by such pressure and remember that:

- No federal government has ever approved a mine that has been found by the CEAA process to present such negative impacts;

- The position of First Nations leaders across the country has been made clear – the ignoring of this report and the approval of this proposed mine is not and will not be acceptable and will be opposed by legal and other means;
- The mine itself is of, at best questionable economic merit.


This proposal will not be a catalyst for mining renaissance in British Columbia if it receives federal blessing, but rather it will be a catastrophe for relations with First Nations and the development of a sustainable mining regime in BC or in Canada.

Without Prejudice,



Joe Alphonse,  
Chief T'tet'inqox-T'in


Tribal Chair



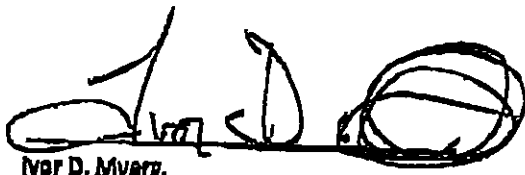
Frances Lacey,  
Chief T'ixqox (Tosay)



Marilyn Baptiste,  
Chief Xen' Swet'in First Nations Government



Bernie Elkins,  
Chief Esdilagh (Alexandria Band)



Ivor D. Myer,  
Chief Yunasltin Government



Percy Gulchop,  
Chief T'ai Del del (Alexis Creek Band)