



Greens demand bigger Cantung cleanup deposit

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YELLOWKNIFE - An environmental group wants Ottawa to force North American Tungsten to set aside more money to clean up its minesite when it closes. The Canadian Arctic Resources Committee says right now, the company has only put up a fraction of the mine's recovery costs.



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It says unless Ottawa moves to increase the security deposit, taxpayers could be on the hook for millions of dollars.

The CanTung Mine, located on the N.W.T.-Yukon border, has been operating intermittently for 40 years. It's expected to close in 2004.



Background

- North American Tungsten reopened the mine in January 2002 after negotiating a three-year contract to sell tungsten.
- That contract is in jeopardy if the company doesn't have a water license.
- The current license is set to expire at the end of November.
- · The land and water board has recommended a one year extension of the current license while the mine undergoes an environmental assessment.

"There's no question there's going to be some taxpayer liability here at the end of

'There's no question there's going to be some taxpayer liability'- Karen Wristen

the day," says Karen Wristen, executive director of the C.A.R.C. "The question is, what is the minister prepared to do to minimize that and ensure the integrity of his new policy for mine site reclamation in the north?"

Last week a Vancouver-based engineer submitted a report on the cost of cleaning up the CanTung mine to Indian Affairs. John Brodie, reviewed the company's abandonment and reclamation plan,





- North American
 Tungsten argues it will cost up to \$1.5 million and take up to a year. The company says it doesn't have the time or money because of its time-limited contract.
- It also says its application to renew its license is protected by a grandfather clause in environmental legislation. The land and water board says the grandfather clause doesn't apply.

and the state of the mine site.

Brodie estimated total land and water related liability at approximately \$34 million. North American Tungsten has just \$2.5 million set aside for reclamation.

In a letter to the Indian Affairs, president Udo von Doehren claims the security deposit is large enough, based on his own consultant's estimate of clean up costs.

The job of reconciling these differing points of view will probably fall to the Mackenzie Valley Land and Water Board. It will consider the size of the security deposit in connection with the mine's water license. North American is looking for a one-year extension to its licence.

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