



Stacie R. Beyer
Planning Manager
Land Use Planning Commission

Via Electronic Mail

June 26, 2020

Dear Ms. Beyer:

I am submitting these comments on the Wolfden rezoning application on behalf of the Natural Resources Council of Maine (NRCM). NRCM is Maine's largest environmental advocacy group with more than 25,000 members and supporters. NRCM's mission is protecting, restoring, and conserving Maine's environment, now and for future generations.

Wolfden continues to ignore multiple, clear LUPC requests for information relating to its proposed Pickett Mountain mining project near Mount Chase. NRCM believes this merits LUPC rejecting the petition. The continued failure to provide accurate, timely information is quite disconcerting given the dangers associated with metal mining. The mining industry is notorious for not providing timely and accurate information about its environmental impacts even though mining's serious risks make this information necessary.

Wolfden appears determined to make changes to its petition in response to LUPC requests almost impossible for the public to follow by not submitting them in "track changes" or marking them clearly in some other manner. This would appear to be a sign that Wolfden is uninterested in providing public information in a way Maine citizens can follow. Again, accurate and clear information is particularly necessary for mining projects because of the serious risk they present.

NRCM also wishes to flag three issues that Wolfden has repeatedly failed to address despite LUPC's requests that they do so.

Financial Capacity

LUPC asked Wolfden for evidence of financial capacity in letters dated March 6¹ and May 27.² Wolfden still has not provided any evidence that it has the capacity to carry out a project that its own petition

¹ 2020. LUPC. Letter from Stacie Beyer to Wolfden Resources. March 6. Pp. 5-6. Accessed at: https://www.maine.gov/dacf/lupc/projects/wolfden/hearing_record/4.5_2020-03-06_LUPC_Letter_AdInfo_Request.pdf

² 2020. LUPC Letter from Stacie Beyer to Wolfden Resources. May 27. Pp. 3-4. Accessed at: https://www.maine.gov/dacf/lupc/projects/wolfden/hearing_record/4.7_2020-05-27_LUPC_Ltr_AdInfo_Request3.pdf

identifies as costing more than \$1 billion.³ The company's description of its limited financial capacity is shocking. The Wolfden petition states:

Funding for the Pickett Mountain Mine project to date has been a combination of small equity raises and timber sales from the property. Wolfden's share price will be an important factor for its ability to fully finance the construction of the project. Wolfden continues to trade at a discount to many of its peers because investors have their doubts about Maine's willingness to issue mining permits. We anticipate that this trend will continue for the project until milestones like the rezoning have been achieved and the project is proceeding well through its baseline studies.⁴

This is not a description of a company with good prospects for making a billion-dollar investment.

Moreover, the table describing Wolfden's proposed schedule of investments doesn't specifically mention the requirement in Maine law (Title 38 section 490-RR(2)(2)) that mining companies must provide financial assurance sufficient to "cover the cost to respond to a worst-case catastrophic mining event or failure, including, but not limited to, the cost of restoring, repairing and remediating any damage to public facilities or services, to private property or to the environment resulting from the event or failure."⁵ This financial assurance is critical to protect Maine's taxpayers and its environment. Mining companies have a history of causing terrible environmental damage, going bankrupt, and then leaving the public to pay for cleanup. The Legislature designed Maine's mining law specifically to prevent this from happening by requiring very substantial financial assurance so that Maine taxpayers never have to foot the bill for cleanup again as they continue to do for the Callahan Mine in Brooksville, which closed in 1972.

The fact that Wolfden appears unable to demonstrate financial capacity does not surprise NRCM. Wolfden has not successfully developed any site it owns, nor has the company ever made a profit from mining. The *Portland Press Herald* stated the following in 2017:

According to the company's statement, Wolfden is a mineral exploration company with interests in Manitoba and northern New Brunswick. Corporate filings show that the company has yet to move from exploration to actual mining at any of the sites. The most recent quarter report stated that Wolfden has lost more than \$17 million (U.S. dollars) since 2009, including more than \$800,000 during the first two quarters of 2017.⁶

Solid financial capacity is necessary to mine safely. Without demonstration of adequate financial capacity, which Wolfden has been unable to do in the five months since filing its petition, LUPC should deny the rezoning.

³ 2020. Wolfden Resources. Petition to Rezone Portion of Township 6, Range 6 Penobscot County, Maine for Development of an Underground Metallic Mineral Deposit. P.145. January 26. Accessed at https://www.maine.gov/dacf/lupc/projects/wolfden/hearing_record/Rezoning_Petition_LUPC.pdf

⁴ Ibid., P. 84.

⁵ Accessed at <http://www.mainelegislature.org/legis/statutes/38/title38sec490-RR.html>.

⁶ 2017. Kevin Miller, Portland Press Herald. Mining company plans to buy northern Maine mountain. September 8. Accessed at <https://www.pressherald.com/2017/09/08/mining-company-plans-to-buy-northern-maine-mountain/>.

Lack of proven, effective wastewater treatment

Wolfden has repeatedly claimed that it would build a wastewater treatment system capable of treating mining wastewater to natural background levels of contaminants in groundwater upstream of the site. However, although LUPC asked Wolfden to provide an example of a comparable mine that can treat wastewater to such pristine levels in its March 6 letter within 30 days⁷, Wolfden has not done so. Although Wolfden did discuss the wastewater treatment system at the Halfmile Mine in New Brunswick in its petition amendment dated May 1, this mine is not relevant to the proposed Pickett Mountain Mine.

The Halfmile Mine ships its ore to another facility for processing.⁸ Therefore, its wastewater treatment plant is dealing with a much lighter load of pollutants than a mine with an on-site beneficiation plant that concentrates ore, as Wolfden has proposed at Pickett Mountain. Because beneficiation of ore involves dealing with a greater range of contaminants (toxic materials are added to the flotation tanks to concentrate ore), and there is a greater volume of wastewater and metals to treat, treating the wastewater from a mine with onsite ore-processing is much more difficult than from a mine that ships its ore to another facility for processing. A mine like the Halfmile Mine only has to treat water with metals and acid that may leach from mine workings or run off storage facilities. The proposed Pickett Mountain Mine would have to treat these sorts of contaminants plus the far more polluted volume of wastewater and contaminant types that comes from the beneficiation process.

When NRCM staff met with Wolfden staff last February, we asked them to provide us an example of a mine that could treat wastewater to background levels as they were proposing to do at Pickett Mountain. They mentioned the Halfmile Mine. When we asked if this was a mine that had an onsite ore-processing facility, they said that it was not, but that they would provide us an example of a mine that could treat to background levels and also had onsite ore-processing. They have never provided NRCM with an example of such a mine despite our asking again for them to do so in an email (attached). They have not provided LUPC with such an example either, more than three months after LUPC asked for one.

NRCM believes this failure is grounds to deny Wolfden's rezoning petition.

Failure to remove references to disposing of tailings paste in mine workings

In its rezoning petition, Wolfden proposed disposal of tailings paste in closed mine workings. LUPC has pointed out to them multiple times that this is not allowed under DEP's Chapter 200 mining rules, but the company still has not removed reference to this disposal technique from its petition according to LUPC's May 27 letter.⁹

⁷ 2020. LUPC. Letter from Stacie Beyer to Wolfden Resources. March 6. P. 4. Accessed at: https://www.maine.gov/dacf/lupc/projects/wolfden/hearing_record/4.5_2020-03-06_LUPC_Letter_AdInfo_Request.pdf.

⁸ 2017. SRK Consulting. Technical Report on Preliminary Economic Assessment for the Halfmile-Stratmat Massive Sulphide Zinc-Lead-Silver Integrated Project Bathurst, New Brunswick, Canada. P. viii. October 26. Accessed at https://s22.g4cdn.com/617180940/files/doc_downloads/operations/halfmile-stratmat-pea-2017.pdf.

⁹ 2020. LUPC Letter from Stacie Beyer to Wolfden Resources. May 27. P. 2. Accessed at https://www.maine.gov/dacf/lupc/projects/wolfden/hearing_record/4.7_2020-05-27_LUPC_Ltr_AdInfo_Request3.pdf

NRCM also discussed this issue with Wolfden at our February meeting. When we informed them that this risky technique is not permitted under Maine rules, one of the Wolfden staff stated that Maine's rules were poorly thought-out on this front. We informed him that Maine's rules took years to craft and that DEP specifically and deliberately prohibited this practice because of the high risk of contamination it poses to groundwater. Maine's Chapter 200 rules have been approved by both the Board of Environmental Protection and the Legislature.

NRCM is uncertain whether Wolfden's continued failure to remove references to disposing of mining tailings in closed mine works from its petition reflects sloppiness on the company's part or contempt for Maine's mining rules. Either way, NRCM believes this is a sign that Wolfden is not a company Maine should entrust with metal mining. To avoid environmental disaster, companies wishing to mine in Maine must respect our rules and plan and implement their operations meticulously. Wolfden's failure to remove references to disposal of tailings paste in mine workings indicates either an unwillingness or inability to do either of these things.

For all the above reasons, we urge LUPC to deny Wolfden's petition for rezoning.

Please feel free to contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Nick Bennett". The signature is written in a cursive, somewhat stylized font.

Nick Bennett
Staff Scientist