



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

January 28, 2019

Inconsistent Information for Environmental Review: Frac Sand Mining in Manitoba

Update from “What the Frack is Happening in Manitoba” Nov. 22, 2018 <https://policyfix.ca/2018/11/22/what-the-frack-is-happening-in-manitoba/>

The corporation proposing a major mining operation on the shores of Lake Winnipeg is not providing accurate and timely information. This is putting the integrity of the public environmental review process at risk. Government need to do more to demand this information be provided in the public interest.

Since the Bre-X scandal in the 1990’s all mining companies trading on the stock exchange in Canada must now submit National Instrument Reports known as NI 43-101, which is an instrument for the Standards of Disclosure for Mineral Projects within Canada. The Instrument is a codified set of rules and guidelines for reporting and displaying information related to mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada.

In short, the purpose of National Instrument 43-101 is to ensure that misleading, erroneous or fraudulent information relating to mineral properties is not published and promoted to investors on the stock exchanges overseen by the Canadian Securities Authority.

As required, Canadian Premium Sand (the

Company) filed a 393 page NI 43-101 Preliminary Economic Assessment Technical Report back 2014 on its frac sand mine holdings located adjacent to Hollow Water First Nation, a community located about 250 km North East of Winnipeg and situated along the Eastern shores of Lake Winnipeg.

In January of 2019 the Company submitted an Environmental Act Proposal, the first step in getting approval and a Manitoba Environmental Act licence from the government of Manitoba to proceed with the proposed development of frac sand mine and processing facility. The Company also submitted information about its frac sand mine and processing facility on a request made by the Canadian Environmental Assessment Agency (the Agency), the federal Agency responsible for administering the Canadian Environmental Assessment Act (CEAA), so the Agency could make a determination on whether the frac sand mine and processing facility will require an environmental review under CEAA.

All of the information regarding the operational details with respect to the frac sand mine and processing facility that the Company has provided to both government regulators flow from the Company’s 2014, 393 page, NI 43 101 Technical Report.

there is an alternative.

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Issues such as volume of production, life expectancy of the mine, how much total resource is available, how much equipment is required, how large is the the mine, how many workers will be required, how big will the processing facility be and how much is all of this estimated to cost are contained, in great detail, in the Company's 2014 NI 43 101 Technical Report. In short it is the Company bible. It is also the information that potential investor read before investing money in or buying shares in the Company.

A citizen-group monitoring the situation, What The Frack Manitoba has gone over the Company's 2014 NI 43-101 Technical Report with a fine tooth comb, and have discovered a number of glaring inconsistencies between what the Company is saying to both government regulators and what the Company must report to the stock exchange regulators and to its investors and shareholders. In fact, we found so many inconsistencies that it makes the information provided by the Company to both government regulators extremely deficient to the point that both government regulators must request additional information before granting any government approval to the Company to proceed with its proposed development project.

What The Frack Manitoba has now learned, via a news release dated January 23, 2019, the Company will be replacing its 2014 NI 43 101 Technical Report with a new NI 43-101 Technical Report, which is anticipated to be finalized in March 2019. "The new NI 43-101 Technical Report will replace and supersede the previous Report and Resource Estimate that was filed in 2014. In conjunction with the 2019 NI 43-101 Technical Report, CPS will be updating all financial and feasibility information previously released for the project."

This report will of course be produced after the review process has concluded to determine if the Canadian Environmental Assessment Act needs to be applied to this proposed frac sand mine and

processing facility and after the public comments and review period has concluded with respect to the Company's Environmental Act Proposal to the government of Manitoba.

I ask, what the frack is going on here and why is the Company not being forthright with providing accurate and timely information, especially with respect to its operational details regarding the frac sand mine operation and processing facility? Why are the regulators not demanding accurate and timely information that is needed to determine if the proposed development project will have the potential for adverse and significant impacts?

Both regulators need to pause the current approvals process until the Company provides its new NI 43-101 Technical Report to both regulators and to the public, as the information contained in this new NI 43 101 Technical Report is critical to the entire integrity of the current government review processes now underway.

Don Sullivan is published landscape photographer, the former Director of the Boreal Forest Network and one time Special Advisor to the Government of Manitoba working the Pimachiowin Aki UNESCO World Heritage site portfolio. Don is also a Queen Golden Jubilee medal recipient.

Editor's note: "Frac Sand" is the industry term. "Frack" is the more common spelling. They both are short for hydraulic fracturing.

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