

*Bill # 39**(2)*

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The Law Amendments Committee
Nova Scotia Legislature
Halifax, NS

Attention: The Honourable Ross Landry, Chair

Dear Committee Members:

Re: Bill No. 39

I am writing to express my concerns about Bill No. 39. For almost 20 years I have provided legal advice to several mineral exploration companies and am a director and shareholder of some of these. Two of them have properties that are expected to become operating mines and another is earlier stage but has great potential to be a long-term mine.

I have been aware of the moratorium on uranium exploration and mining for many years and its existence has never been an issue with anyone I have dealt with in the mineral exploration and mining sector. None of the companies I'm involved with have any interest in uranium exploration and mining. When I heard of Bill No. 39 I thought it odd that someone felt the need to formalize by legislation an established and longstanding ban, but didn't give it any further thought.

Recent media coverage caused me to read Bill No. 39 and I am troubled by it. Section 5(3) simply makes it an offence to remove material, in the course of mining, which exceeds 100 parts per million of uranium by weight. I don't know the science behind that threshold but it strikes me as being very low - perhaps to the point that various mines around Nova Scotia could find themselves in contravention because of the fact that uranium is so prevalent in many parts of Nova Scotia.

I took a look at the Uranium Moratorium Act that had been the law in British Columbia and noticed that the threshold of 500 parts per million of uranium per tonne of material in samples taken in the course of mineral exploration was required to trigger a report of the finding to the Chief Inspector of Mines. For mine development and production ore bodies required an average grade of 100 parts per million to be discovered before production needed to be halted and the Chief Inspector of Mines informed.

I think the present wording of Bill No. 39 will create a disincentive for mineral exploration and mining in Nova Scotia in general. I have only recently become aware of the extent of uranium in our province, most especially in the Annapolis Valley, parts of the South Shore, and parts of Cape Breton, and it was a surprise to me. My fear is that in its current form Bill No. 39 will scare away companies that otherwise would otherwise bring badly needed employment and economic activity to Nova Scotia because there is too much risk of encountering, in otherwise

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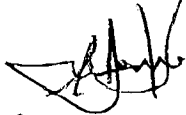
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economic ore bodies, amounts of uranium that would create an offence under the proposed legislation.

Another possibility is that companies that are currently nearing completion of mine development projects, which are and have been fully compliant with all Nova Scotia laws, and have invested many millions of dollars to do so, may find themselves unable to complete or operate their mines because of the introduction of the offences and penalties created by Bill No. 39. There will be the potential for legal action against the Province by affected companies as a result.

In my opinion the form of Bill No. 39 is rather clumsy, perhaps because of haste to have it introduced. The ability of mineral exploration and mining companies to identify if and when they have encountered uranium content above threshold levels and then to report to and work with the Department of Natural Resources to deal with the problem would be an improvement and preferable approach. The current draft seems heavy handed to me. I also question what science determined the threshold level. I think more thought needs to go into this bill before it becomes law. Given the existing moratorium and the adverse affects that could result there is no need to be hasty.

Yours very truly,



C. James Enman

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