Conservation Council *of* New Brunswick
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The Sisson Mine: The real economic cost

What is the Sisson Mine?

The Sisson Mine is a large open-pit tungsten and molybdenum mine proposed northwest of Fredericton, in the upper Nashwaak and Wolastoq (Saint John River) watershed.[1] New Brunswickers rely on this water for drinking, fishing, recreation, and cultural use.

Federal assessment documents estimate the mine would operate for about 27 years.[2] However, mining projects often fall short of their projected lifespans due to metal price volatility, rising costs, or financing challenges.[3,4,5,6] We have seen this before in New Brunswick, where the Mount Pleasant tungsten mine, for example, closed in 1985 after only two years.[7]

Once a mine is approved, public responsibility does not end if the project closes early.[8]

Who controls the mine — and where the money goes

The Sisson Mine is controlled by Northcliff Resources, which holds most of the controlling interest in the project.[9]

Northcliff Resources is majority-owned by the Todd Corporation, a privately held New Zealand company owned by one of that country's wealthiest families.[10,11]

Why ownership matters:

- Most profits would flow outside New Brunswick and outside Canada
- Corporate decision-making is centred elsewhere
- Long-term environmental, infrastructure, and health costs are local

New Brunswick communities and taxpayers bear the risks, while the financial returns largely leave the country.

What remains when the mine closes

Even if the mine operates for fewer than 27 years, the physical footprint remains: [4]

- **Open pit:** About 145 hectares (about 200 soccer fields)[2]
- **Pit depth:** About 370 metres (deeper than the CN Tower is tall)[2]
- **Tailings storage facility area:** About 751–785 hectares (about 1,400–1,500 soccer fields; larger than many New Brunswick towns)[2]
- **Tailings dam**: About eight kilometres long and 90 metres high (almost 16 times the length and twice the height of the Mactaquac Dam)[2]
- **Total industrial footprint:** About 1,253 hectares (12.5 km², about the same size as Fredericton)[2]

The mine may be temporary.

The waste and costs are permanent.

Hidden public costs

1. Boom-and-bust economics

Mining typically brings:

- A short construction boom
- Fewer long-term jobs
- Sudden closure when markets change [12]

This cycle is typical in mining towns across Canada. A detailed analysis of three major coal mines in northeastern British Columbia found that companies consistently overstated economic benefits, delivered fewer jobs than promised, and paid far less in taxes than projected.[13]

When mines close early, communities are left with:

- Job losses[14]
- Industrial waste
- Long-term public costs

The province is projected to receive $280 million in royalties from the Sisson Mine over 27 years, about $10.3 million per year.[15] This amount is likely outweighed by infrastructure, maintenance, health, and environmental costs.[16]

2. Permanent water treatment costs

Mining waste produces contaminated water that must be treated every day to prevent pollution.[17]

That water can be a toxic chemical cocktail and can include sodium cyanide and arsenic.

At Sisson:

Millions of litres of contaminated water would be created each year and then discharged into the Nashwaak watershed

- Water treatment is predicted to cost at least $1 million annually. [18]
- Treatment would need to continue when the mine closes[17]
- Systems may need to operate indefinitely to prevent pollution from spreading [18,19]

Mining companies do not stay forever. Taxpayers foot the bill when they leave.

For example, the Mount Pleasant Tungsten Mine in New Brunswick continues to treat tailings water 40 years after the mine closed.

If the Sisson Mine closes early and the company leaves, the public is responsible for water treatment costs that could be incurred for decades, potentially indefinitely.[17,19]

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3. Public infrastructure carries private costs

Mining projects depend on major public infrastructure, funded by taxpayers.

Access to roads, bridges, and power systems is one of the highest costs of mining. Public investment is often needed to make projects possible.[20,21] For Sisson, this would include:

- New and upgraded access roads
- Reinforced bridges and culverts
- Heavy-haul transportation routes for fuel, chemicals, and equipment
- A **n**ew 42-kilometre transmission line and a substantial power connection (30-50 megawatts) to link the mine to the grid.[1]
- Long-term maintenance of rural infrastructure not designed for industrial traffic

Heavy mining trucks and industrial traffic cause more wear on rural roads, leading to higher maintenance and replacement costs. These costs are rarely fully recovered from mining companies and often fall to taxpayers.[21]

Open-pit mines are also major electricity users.[22] Grinding rock, pumping water, running treatment systems, and maintaining tailings facilities require large amounts of power, day and night. This can mean:

- Grid upgrades paid for by the public utility
- Higher electricity costs for homes and small businesses
- Reduced capacity for communities and other industries

If the mine closes early, the public may still be left paying for:

- Stranded road and power infrastructure
- Long-term electricity needs for water treatment and site management
- Ongoing maintenance costs with no offsetting economic benefit

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4. A growing cleanup bill we can't afford

New Brunswick has thousands of contaminated sites, many resulting from past industrial activity.[23,24] Cleanup is often delayed or incomplete because of high costs.

Mine closures and reclamation are identified as the largest long-term financial risks, especially when financial guarantees and enforcement fail to cover those costs.[16,24,25]

Adding another large, high-risk mine adds to a backlog that the province has not shown it can afford to manage.[23,24]

New Brunswicker taxpayers are already shouldering this burden:

- Caribou Mine: Estimated $49 million to remediate[27] $1 million annually to treat water[28]
- Restigouche Mine:[24] At least $8 million to remediate
- Nigadoo Mine:[24] At least $23 million to remediate
- Smurfit-Stone mill site:[29] At least $12 million to remediate

Northcliff's $25-million security bond is not enough for the clean-up of Sisson Mine after it closes.

When companies leave, the public costs remain.

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5. Health care costs

It is estimated that environmental contamination costs public health systems in Canada billions of dollars.[30]

When water, air, or land is polluted:

- More people need medical care
- Chronic conditions require long-term treatment
- Public health monitoring and testing increase

These costs are predictable, ongoing, and borne by provincial health budgets, not mine owners.

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6. Property values and municipal finances

Communities near large industrial mines often experience:

- Lower property values [31]
- Reduced buyer interest
- A shrinking municipal tax base

These losses are real, long-term, and rarely compensated.[31,32]

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7. A mine that needs a taxpayer backstop

The Sisson Mine is not economically viable under normal market conditions.

An independent review[33] shows that the mine only works when metal prices are very high, and even then, margins are weak. This is mainly because the ore at Sisson is very low grade, meaning huge amounts of rock must be mined and processed to extract small amounts of tungsten.

Low-grade ore leads to:

- Higher energy use
- Higher water use

- Much larger volumes of waste
- Higher operating costs

Because of this, the mine would struggle whenever prices fall, which history shows they regularly do.

To make the project work, governments would likely need to:

- Guarantee minimum ore prices
- Provide subsidies or grants
- Accept long-term environmental liabilities

This means taxpayers would be supporting a private, foreign-owned project because the resource itself is not strong enough to stand on its own.

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8. A tailings disaster would cost millions

A major tailings leak or dam failure at the Sisson Mine would be a financial disaster for New Brunswick.

A tailings failure at Sisson is a real risk, not a remote or impossible one. Canada has one of the worst records in the world when it comes to mine tailings spills, including the Mount Polley disaster in British Columbia, where 24 million cubic metres of mine waste spilled into the nearby streams and rivers.[34]

In March 1998, intense rainfall in southern New Brunswick led to the tailings dam failing at the Mount Pleasant Tungsten Mine. Contaminated tailings water flowed into the Piskahegan Stream. [35]

The Sisson Mine would be located at the headwaters of the Nashwaak watershed. That means a similar failure to Mount Polley would send millions of cubic metres of toxic waste downstream and affect the entire river system, including Fredericton's drinking water. This would also damage fish habitat, flood communities, and leave polluted sediments across large areas of land and water for decades.

The costs would include:

- Emergency response and evacuation
- Loss of clean drinking water
- Long-term cleanup and water treatment
- Damage to property, fisheries, and recreation
- Ongoing public health costs

These costs would far exceed the money set aside by the company for cleanup and the money (about $10 million annually) the government may receive in royalties. If the company could not pay or walked away, taxpayers would be left with the bill.

Even if the chance of failure is low, the damage would be permanent and extremely expensive. This level of risk is not acceptable for a project that provides a limited and uncertain public benefit.

The bottom line

The Sisson Mine shifts financial risk from a private, foreign-owned company to the public.

This includes:

- Permanent water treatment
- Expensive cleanup
- Increased health care costs
- Reduced property values
- Long-term taxpayer liability

Short-term private profit. Permanent public cost.

This is not responsible economic development. It is a bad deal for New Brunswick taxpayers and communities.

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