



EARTHWORKS



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## **Self-proclaimed leader in responsible battery metals fails to address serious environmental harms from mine waste disposal**

Conic Metals, a Toronto-based company that specializes in securing electric vehicle battery minerals has failed to address allegations of serious environmental harm from the Ramu nickel and cobalt mine, specifically its submarine tailings disposal operation that uses the ocean as a dumping site for mine waste. The company ignored multiple requests in [February](#) and [March](#) for information on what steps the company has taken to address serious environmental contamination related to its principle asset, owned through a joint-venture interest with Metallurgical Corporation of China (MCC). Earlier this year, leading Norwegian asset manager, [Storebrand, divested from MCC](#) over environmental damage at the Ramu mine, which is situated near the Basamuk Bay in Madang Province in Papua new Guinea.

The Ramu mine is designed to dump millions of tonnes of toxic mine waste into the ocean each year.<sup>[i]</sup> Before going into production, landowners fought a 19-month legal battle to halt the mine over the devastating impacts the ocean dumping would have on the Basamuk Bay in the Coral Triangle.<sup>[ii]</sup> The courts ultimately allowed Ramu mine to operate, pending further study and contingent on strict quarterly reporting by MCC on the impacts of ocean tailings dumping. Government officials and local activists say MCC has not produced a single report.<sup>[iii]</sup> Additional science-based information on the long-term, cumulative impacts of ocean dumping has been equally lacking.<sup>[iv]</sup>

In August 2019, the [company's tailings storage container overflowed](#)<sup>[v]</sup>, turned waters of the Basamuk Bay red, providing a small glimpse of the toxic sludge being pumped into the ocean day in and day out. The lead scientist contracted by the provincial government to examine impacts from Ramu mine [reports](#) that the evidence gathered so indicates “alarmingly high level of contamination” in the ocean, natural water bodies, coastal communities, agriculture. Now, landowners are suing again, this time with evidence provided by the international experts who say the August slurry spill is just the tip of the iceberg when it comes to toxic harms from operations at Ramu mine. View the preliminary report from the expert team, SVQ, [here](#).

Despite holding just 8.56% joint-venture interest in Ramu mine<sup>[vi]</sup> [Conic states](#) that revenue from the project is central to the company's growth strategy and foundational to its goal to become a "leading battery metals investment vehicle." Unfortunately, this growth strategy relies on a toxic tailings disposal operation that is decimating a coral-reef biological hotspot and putting at risk the livelihoods of thousands of fishermen who depend on the Basamuk Bay for their food. This is unacceptable, particularly given the increasing scrutiny and pressure to address the health, environmental, economic, and social impacts along the supply chains of lithium-ion batteries, electric vehicles and other low-carbon technologies. Companies that purchase nickel-cobalt hydroxide, nickel sulfate or use nickel-containing inputs should ensure that their supply chains are not linked to the damaging practices at the Ramu mine, or similar high-pressure acid leaching (HPAL) facilities dumping toxic waste into the ocean.

Making matters worse, Conic continues to laud the HPAL operation as 'best in the world' instead of addressing the fact that its flagship asset is at the center of massive environmental lawsuit. The company's behavior, unwillingness to engage with the mounting evidence, and unresponsiveness to concerns raised by stakeholders, renders [its environmental and social commitments](#) meaningless. It also casts doubt on the rigor of standards set by the [Cobalt Institute](#), an industry association that seeks to shed the stigma associated with the metal and promote responsible sourcing alternatives.

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[i] The Ramu mine utilizes High-Pressure Acid Leaching (HPAL) to produce the high-quality nickel products used in electric vehicle batteries from laterite ores. This process is highly toxic, polluting, energy-intensive and leaves a massive amount of residual material which is then piped into waters of the Basamuk Bay off the coast of PNG.

[ii] Coumans, Catherine. 2019. Into the deep: science, politics and law in conflicts over marine dumping of mine waste. [International Social Science Journal](#). Pp 303-323.

[iii] Conic maintains that MCC is meeting or exceeding all social and environmental obligations, is in full compliance with the environmental permit and has been conducting required monitoring. Conic did not respond when asked by Earthworks and MiningWatch Canada for copies of quarterly monitoring reports. Press Release: Conic Provides Update on Ramu Operations and Announces TSX-V Listing. November 13, 2019.

<https://www.conicmetals.com/investors/news-releases/conic-provides-update-on-ramu-operations-and-announces-tsx-v-listing>

[iv] The U.N.'s Joint Group of Expert on the Scientific Aspects of Marine Environmental Protection, Tracy Shimmield, told [Mongabay](#) in May 2020 that "she only knows of one small data set that examines the ability of undersea ecosystems to recover after Deep Sea Tailings Disposal (DSTD). The [study](#), which Shimmield co-authored, found effects of DSTD persisting three and a half years after a gold mine closed on Misima Island, also in PNG, although there was no baseline data for comparison."

[v] Cobalt 27's ownership of the Ramu mine and Highlands Pacific was transferred to CONIC in October 2019. <https://www.conicmetals.com/investors/news-releases/creation-of-conic-metals-corp>

[vi] CONIC's stake in Ramu will increase from 8.56% to 11.3% following repayment of Highland Pacific's attributable Ramu construction and development loans.