



Fast

FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

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Canadian Premium Sand Doubles Down With its Revamped Silica Sand Mine Development Project

Canadian Premium Sand (CPS) is an Alberta-based company proposing to operate a silica sand mine adjacent to Hollow Water First Nation, on the eastern shores of Lake Winnipeg. The company has substantially revamped its proposal from 2019 and will therefore need to submit a new Environment Act Proposal. Some of what the company says it wants now do it cannot do, without further testing. And its latest iteration in this ongoing saga contains a good deal of greenwashing.

Glenn Leroux, President and CEO of CPS, noted in an October 18, 2021 news release that CPS was “pleased to announce that it has decided to focus its future manufacturing operations on the North American patterned solar glass market.” He added, “We are extremely excited about the decision to focus our development activities on the solar glass market given its attractive growth profile and its suitability to maximize the value of our high-purity, low-iron sand resource.”

Canadian Premium Sand’s newly released NI-43-101 Technical Report is a legal document required to be filed for all Canadian mining companies listed on the Toronto Stock Exchange.

The Technical Report notes that if CPS wants to produce high grade silica, low iron content glass for use in solar glass products,

with iron content of 100 parts per million (ppm) or lower—an acceptable industry standard benchmark for solar glass—then further test sets are required on bulk sand samples. These tests are needed to determine if the iron content can be reduced low enough for making solar glass products.

In short, testing done to date is not currently adequate enough to show that CPS can do what they say they are going to do – produce patterned solar glass.

Clearly, CPS is trying to greenwash its new and improved proposed silica sand mining development project plans.

CPS also intends to double down by using its silica sand as a proppant, or frac sand, for use in the fracking industry.

CPS identified a potential silica sand resource of 25 million tonnes, as stated in their Technical Report...”the frac sand resource is still material to the Company. CPS completed the Preliminary Feasibility Study technical report – for silica sand used for proppant, or frac sand – in a significantly larger area than the glass sand resource area. The frac sand resource estimate encompassed an area defined by 22 Quarry Leases within the Wanipigow Property.”

In other words, producing frac sand for the fracking industry still remains a key

there is an alternative.

CCPA-MB
301 - 583 Ellice Ave.
Winnipeg, MB
R3B 1Z7

phone
(204) 927-3200

email
ccpamb@policyalternatives.ca

website
www.policyalternatives.ca/
manitoba

blog
www.policyfix.ca

twitter
@ccpamb

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component of the company's proposed mining development project.

CPS is also looking to build a so-called state of the art float glass plant, somewhere in the Greater Winnipeg Region, but no location has so far been identified. CPS will need roughly \$300 to \$400 million in upfront capital to build a float glass plant—that is what the cost estimate was for a similar float glass plant proposed for southern Ontario.

CPS received an Environment Licence from the Government of Manitoba in May of 2019, and it is set to expire in May of 2022.

Given the substantial changes that CPS is now proposing for its proposed silica sand mining development project, they will need to submit a request for an alteration to the Government of Manitoba before their current Environment Licence expires. The problem is that these proposed alterations are major in nature, and under the Manitoba Environment Act, CPS will be required to submit a new Environment Act Proposal for review and approval for these major alterations.

CPS will also need to submit a separate Environment Act Proposal for review and approval by the Government of Manitoba when and if they proceed with their proposed state of the art float glass plant.

CPS is still exploring the idea of barging silica sand from its proposed mining operation near Hollow Water First Nation to an as yet undetermined location on the west side of Lake Winnipeg. From there, the silica sand would be shipped by rail to Winnipeg to its proposed float glass plant and points beyond for use in fracking operations throughout North America.

How CPS will accomplish this in a cost effective manner is a real question. CPS can only barge their mined silica sand six months out of the year, or until freeze up. Further, given that the west side of Lake Winnipeg is extremely shallow, it would require constant dredging to allow the barges, loaded with silica sand, to dock at a location close enough to load the silica sand onto a railway line.

The last words go to the authors of the newly released Technical Report, as a final recommendation to CPS. "If CPS puts the Wanipigow Glass Sand Project into production, and to avoid making misleading disclosure, it is recommended that the issuer (CPS) discloses that the Company has not based its production decision on a Preliminary Feasibility Study, or a Feasibility Study of mineral reserves, demonstrating economic and technical viability. In addition, the Company should provide adequate disclosure of the increased uncertainty and the specific economic and technical risks of failure associated with its production decision."

In Short, the authors of the Technical Report are saying that CPS has not yet demonstrated the project's viability, the project is wrapped in uncertainty and is high risk. This should be remembered when CPS comes cap-in-hand to the Province for the \$300-400 million that is likely to be needed to build the proposed float glass plant.

Don Sullivan, was a former Special Advisor to the Government of Manitoba for seven years, is a Queen's Golden Jubilee Medal recipient, the former North American Coordinator for the Taiga Rescue Network and is a Research Associate for the Canadian Centre for Policy Alternatives – Manitoba.

CCPA-MB
301-583 Ellice Ave.
Winnipeg, MB
R3B 1Z7

phone
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email
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website
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manitoba

blog
www.policyfix.ca

twitter
@ccpamb

References available upon request.