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Press Release

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SAM cautions against proceeding with exploration and mining of Rare-Earth Minerals

Despite the assurances by the Water, Land and Natural Resources Ministry's (KATS) that the memorandum of understanding (MoU) signed between a China company and the Perak state government is for the exploration of rare earth minerals and not to mine them, Sahabat Alam Malaysia (SAM) continues to have very serious concerns over the objective of such a venture.

The Ministry issued a statement yesterday in response to SAM's concerns over the MOU signed between the Perak state government and a Chinese company, Chinalco GXNF Rare Earth Development to undertake the exploration of rare-earth minerals in Perak.

The Ministry in the statement clarified that "the context of the signing of the MOU is to use the Chinese expertise in identifying the potential of rare-earth sources in Perak especially that in ion-adsorption clay that does not contain thorium or uranium as by-product wastes", and that the Ministry "supports any cooperation from foreign parties if it is positive for economic development and is sustainable and does not impact the environment and the well-being of the community."

Despite these assurances by the Ministry, our concerns are not allayed as our preliminary research on China's experience shows that there are very serious environmental damage and human-health costs related to the mining and leaching of ion- adsorption rare-earth clay resources.

A 2013 study by six Chinese university academics on the consequences in Southern China of the ion-adsorption rare-earth industry reveals devastating environmental effects in the region. The study, 'China's ion-adsorption rare-earth resources, mining consequences and preservation' has many alarming findings.

It said that the Chinese central government in June 2011, enforced a ban on surface mining and tank/heap leaching while implementing in-situ leaching for ion-adsorption rare earths.

According to the study, "surface/mountain top mining for ion-adsorption rare earth ores has become the dominant driver of land-use change and degradation in southern China, causing permanent loss of ecosystem, severe soil erosion, air pollution, biodiversity loss and human health problem". The study estimates that the costs of this mining are more than the benefits, even before taking into account the human health and environmental costs.

The study further states that while the in-situ leaching technology is advantageous in terms of surface vegetation clearing and soil excavation, however, "the enforcement of in-situ leaching to tackle environmental problems associated with rare earth mining and extraction remains highly contentious."

According to the study, "The practice of in-situ leaching has also revealed serious environmental problems including underground water contamination, mine collapses and landslides...More than 100 landslides reported in the Ganzhou region were attributed to in-situ mining and leaching practices, at significant human costs and

losses...The reclamation of finished in-situ leaching mines ...could be more costly than that of surface mining/heap leaching mines.”

These findings on both categories of activity (surface/mountaintop mining, and in-situ leaching) are indeed alarming and the Ministry’s assurances do not give us any comfort.

This central question remains: Why embark on an exploration to identify rare-earth minerals in the first place, if the mining and processing of the minerals are so extremely environmentally damaging, with also serious human and public health costs?

SAM makes the following call on the authorities:

Firstly, in the interest of transparency, we call on the Ministry and the Perak state government to make public and disclose the contents of the MOU. We would like to understand what the Chinese company is tasked to do; at what costs; who will finance this venture; where the exploratory activities will take place and what activities are involved.

Secondly, we call on the Ministry to make public the government’s policy on the development of the rare-earths industry, including the environmental and social safeguards, laws and regulations as well as the implementing and enforcement capabilities and mechanisms in place prior to embarking this Perak venture or any further ventures anywhere in the country.

We also note that most environmental matters are within the purview of the Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) and we wonder if that Ministry has been consulted and its approval obtained for the MOU.

Thirdly, we call on KATs and the Perak state government not to proceed with implementing the MOU until these matters are clarified adequately.

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