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PRESS STATEMENT

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RARE EARTH MINING WILL ENDANGER THE WATER SUPPLY SECURITY IN PERLIS, KEDAH & PENANG

PENANG, Monday, 7.12.2020: The Kedah Menteri Besar's approval of large-scale mining permits in Ulu Muda will jeopardise water supply in 3 northern Malaysian states and endanger water supply for a combined population of 4.2 million people.

According to a 2.12.2020 *Astro Awani* report, Kedah Menteri Besar YAB Muhammad Sanusi Md. Nor said his state administration had approved a permit for a company to explore large-scale mining of minerals referred to as "rare earth elements" (REE) in Ulu Muda, Sik and Baling.

The Ministry of Environment and Water (KASA), the Ministry of Natural Resources and Energy (NRE) and the National Security Council (MKN) must work together to stop this dangerous venture immediately. The Kedah Menteri Besar has conveniently forgotten that Ulu Muda is the largest and most important water catchment area in the Northern Corridor Economic Region (NCER).

Large-scale mining operations in the 163,000-hectare Greater Ulu Muda Forest Complex will involve large-scale land clearing wherever the minerals are found. The fallout from cutting down trees, flattening hills, establishing huge quarries and digging into the earth will be monumental destruction in the rainforest environment. Mining will also adversely affect Sungai Muda, a strategic raw water resource.

Permanent damage and high-risk

There is NO WAY to conduct large-scale mining enterprises in Ulu Muda without decimating rainforests that catch the rainwater which flows into Sungai Muda as raw water. In this sense, Ulu Muda is the first link in the NCER water supply value-chain that meets the water needs of the people and businesses in Perlis, Kedah and Penang.

About 70% of Perlis' raw water and 96% of Kedah's raw water originate from Ulu Muda. More than 80% of the raw water that PBAPP abstracts from Sungai Muda, at the Lahar Tiang Intake in Penang, daily originates from Ulu Muda.

Ulu Muda cannot continue to function as a primary natural water catchment area for 3 NCER states if its rainforests are cut down, its hills are flattened and its landscape is scarred by mining operations. The potential damage is likely to be permanent.

As such, mining REE in Ulu Muda will inevitably put water supply services for 3 states in peril. It will endanger water supply, an essential public service for 4.2 million people. Thousands of businesses seeking to survive and revive their operations during this Covid-19 global pandemic will be burdened with unnecessary risks.

In the case of large-scale mining, the threat is not limited to a shortage of raw water from Ulu Muda. The quality of the raw water from this river will also be compromised.

Large-scale mining operations will generate large amounts of toxic waste, debris and polluted earth, leading to the following:

- disastrous environmental and health impact
- difficult to dispose by-products
- pollute and contaminate surface water systems in the Muda River Basin

KASA, NRE and MKN must ensure that Kedah does not jeopardise the water supply security of the NCER states of Perlis, Kedah and Penang, which contributes about RM147.8 billion in 2019 and the livelihood of 4.2 million people.

Thank You.

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