



To:

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Sean W. Strickland  
Aaron Engen

CC: The Honourable François-Philippe Champagne

Dear CGF,

We, the undersigned Civil Society Organizations, are writing to express our serious concerns regarding any potential financing from the Canada Growth Fund (CGF) for the proposed Ksi Lisims floating liquified natural gas (LNG) export terminal, and any associated infrastructure. We believe this project is fundamentally misaligned with CGFs strategic mandate.

### **CGF Investment Criteria**

[CGF's mandate](#) is to attract private capital into projects that reduce emissions, strengthen Canada's clean economy, and deliver long-term economic value. Ksi Lisims does not meet these objectives. It fails to meet any of the three core investment criteria of the CGF:

#### **1. Additionality**

The project has failed to attract meaningful private financing for nearly a decade. CGF's mandate is to catalyze private investment, rather than replace it. Stepping in where the market has consistently declined is the opposite of additionality.

#### **2. Financial soundness**

Gas buyers have been secured for only one-third of projected capacity, leaving serious questions about revenue viability. The project may not ship its first LNG cargo until 2029 at the earliest, by which point global LNG demand trajectories will be further shaped by price and supply instabilities as a result of geopolitical conflict

#### **3. Long-term benefits for Canada**

Ksi Lisims is wholly owned by the Texas-based Western LNG. Any profits earned from this project would be offshored to foreign owners and investors. The floating terminal will



be constructed in South Korea, so most of the economic benefit would not be captured by Canada.

### Environmental Liabilities

CGF's mandate requires investments in projects aligning with 'the path to emissions reductions'. Ksi Lisims is not consistent with any such emissions reductions pathway.

- Ksi Lisims would produce upstream emissions of at minimum 3–4 MT CO<sub>2</sub>e per year from methane leakage alone, a gas [80 times more potent than CO<sub>2</sub> over a 20-year timeframe](#). Downstream emissions would exceed 32 MT CO<sub>2</sub> per year, the equivalent of eight coal-fired power plants.
- Canada is [already significantly off-track on its climate commitments](#). Financing new fossil fuel infrastructure would be antithetical to emissions reductions.
- Canada's only currently operating LNG facility is [flaring 45 times beyond its permitted limits](#), releasing more than 350 million cubic metres of methane between July and December 2025 more than Nigeria's Bonny Island LNG terminal emitted in all of 2024. Canadian regulators have failed to address this permit violation, signalling that there is poor enforcement infrastructure available to limit
- There is no evidence that LNG displaces emissions from elsewhere in the world. LNG may have an environmental footprint 33% higher than coal, when considering processing and shipping, as shown by academics at [Cornell University](#).

### Unresolved Indigenous Rights Issues

CGF's investment criteria require that projects deliver long-term benefits for Canada and generate broadly shared economic outcomes. Projects with active, unresolved legal challenges from Indigenous communities cannot credibly make that claim. Ksi Lisims faces significant Indigenous opposition and legal exposure:

- Neither the [Lax Kw'alaams Band nor Metlakatla First Nations](#) have consented to the project, and both have filed federal judicial reviews challenging its approval.
- Most Gitksan house groups have not consented, with [one hereditary chief filing a provincial challenge](#) against the Prince Rupert Gas Transmission Line
- The Gitanyow Hereditary chiefs have [challenged the project in court](#) over threats to salmon populations, climate impacts, inadequate consultation and absence of Indigenous consent
- Two members of the [Nisga'a Nation](#), equity partners on the Ksi Lisims project, have filed a lawsuit in the B.C Supreme Court, alleging inadequate consultation and financial risks.



CGF's own commitment to sustainability-related standards includes social and governance dimensions. A project facing this volume of active Indigenous legal opposition does not meet that bar.

### Our Recommendations

1. **Decline any project financing** for Ksi Lisims LNG;
2. **Decline general financing** to Ksi Lisims' project developers;
3. **Required that CGF directly consult with any First Nations or Indigenous communities impacted by a project.** The Government of Canada has a duty to consult Indigenous groups when a project or action might adversely impact potential or established Aboriginal or treaty rights. This duty, which is a legally required by federal agencies, has been reaffirmed by the Supreme Court of Canada in several cases, including [Haida Nation v. British Columbia \(Minister of Forests\)](#), [Taku River Tlingit First Nation v. British Columbia \(Project Assessment Director\)](#), and [Mikisew Cree First Nation v. Canada \(Minister of Canadian Heritage\)](#);
4. **Require Free, Prior, and Informed Consent** from all affected Indigenous communities as a hard precondition for any investment decision;
5. **Redeploy capital toward CGF's core mandate:** low-carbon supply chains and emissions-reducing projects.

CGF was created to accelerate Canada's transition to a clean and competitive economy. Ksi Lisims is not that opportunity. It is a decade-old proposed project that the private market has already passed on, facing active legal challenges, carrying enormous climate liabilities, and inconsistent with the mandate CGF was given.

Canada has real, clean energy assets to build on. We urge the Board to direct CGF's resources toward building that future.

Yours Sincerely,

Environmental Defence Canada  
*Representing 240,217 Canadians*

My Sea to Sky  
*Representing 35,000 Canadians*

Shift: Action for Pension Wealth & Planet Health (a project of Makeway)



environmental  
defence

Change Course

For Our Kids, Burnaby  
*Representing 200 Canadians*

Seniors for Climate Action Now!  
*Representing 800 Canadians*

Shift: Action for Pension Wealth & Planet Health (a project of Makeway)

Climate Justice Saskatoon  
*Representing 600 Canadians*

Wilderness Committee  
*Representing 50,000 Canadians*

Climate Justice Thunder Bay  
*Representing 5,000 Canadians*

Climate Action Network Canada  
*Representing 200 Climate Organisations from across Canada*

Stand.earth  
*Representing 1,000,000 Canadians*

Dogwood  
*Representing 100,000 Canadians*

Grandmothers Act to Save the Planet (GASP)  
*Representing 170 Canadians*

Canadian Association of Physicians for the Environment  
*Representing 25,000 Canadians*

David Suzuki Foundation

Greenpeace Canada  
*Representing 43,000 Canadians*



environmental  
defence

Citizens for Public Justice (CPJ)  
*Representing 3,500 Canadians*

Climate Reality Project Canada  
*Representing 1,600 Canadians*

Climate4Palestine Toronto  
*Representing 60 Canadians*

Ateliers pour la biodiversité

Regroupement Vigilance Énergie Québec (RVÉQ)  
*Representing 200 Canadians*

CCC-AC - Collectif de convergence citoyenne d'Ahuntsic-Cartierville  
*Representing 200 Canadians*

Citizens' Climate Lobby Canada  
*Representing 6,000 Canadians*

Say No to LNG

Mobilisation environnement Ahuntsic-Cartierville

Southern Alberta Group for the Environment

Calgary Climate Hub  
*Representing 700 Canadians*

Teachers for Future Turtle Island  
*Representing 5000 Canadians*

Decolonial Solidarity  
*Representing 11,342 Canadians*

Solidarité Environnement Sutton

Les AmiEs de la Terre de Québec  
*Representing 3,000+ Canadians*



BC Divest Now

For Our Kids

*Representing 8000 Canadians*

*Total of 33 Organizations Representing 1,604,859 Canadians*

### **International Partners**

urgewald

Oil Change International

AnsvarligFremtid (Denmark)

groundWork

Andy Gheorghiu Consulting

MARBE SA, Costa Rica

Center for Oil & Gas Organizing

Jubilee Australia Research Centre

Rivers & Mountains GreenFaith

Rainforest Action Network (RAN)

Fundación Ambiente y Recursos Naturales (FARN)

Quest For Growth and Development Foundation

Climate Conversation Brazoria County

Carrizo Comecrudo Tribe of Texas

Earth Ethics, Inc.



environmental  
defence

Climate Defenders

Mother Rise Up

350Hawaii

Gulf South Fossil Finance Hub

South Durban Community Environmental Alliance

ReCommon

GreenFaith

FoE Japan

Pacific Environment

Waterkeeper Alliance

Parents4climate

Climate Action Campaign at the Humboldt UU Fellowship

*Total of 27 Organisations Representing Africa, Asia, Oceania, North America, South America and Europe*