



GITANYOW HEREDITARY CHIEFS
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Date: December 2, 2025

To: Bank of America, BBVA, BMO, BNP Paribas, CIBC, Citi, Credit Agricole, Deutsche Bank, Goldman Sachs, HSBC, ING, Intesa Saopaoolo, JPMorgan Chase, MUFG, Mizuho Financial Group, Morgan Stanley, National Bank of Canada, RBC, Santander, Scotiabank, SMFG, Societe Generale, TD Bank, Wells Fargo

Export Development Canada, Canada Infrastructure Bank, Export-Import Bank of Korea, Korea Trade Insurance Corporation, Korea Development Bank, Japan Bank for International Cooperation

Alberta Investment Management Corp, British Columbia Investment Management Corp, Caisse de Depot et Placement du Quebec, Canada Pension Plan Investment Board, Canada Post Pension Plan, Healthcare of Ontario Pension Plan, Investment Management Corp of Ontario, Ontario Municipal Employee Retirement System, Ontario Pension Board, Ontario Teachers' Pension Plan, Ontario's University Pension Plan, OPSEU Pension Trust, Public Sector Pension Investment Board

RE: KSI LISIMS LNG PROJECT – LEGAL, FINANCIAL, AND ENVIRONMENTAL RISKS TO FINANCIERS AND INVESTORS

To Whom It May Concern:

We write to you from Northwestern British Columbia, Canada representing the Simigigyet'm Gitanyow (Gitanyow Hereditary Chiefs), a traditional Indigenous government mandated to protect Gitanyow Nation's lands, resources, and laws. The Gitanyow have never ceded or surrendered title to their lands, rights to their resources, or the power to make decisions within our Lax'yip (Territory).

We would like to alert you to significant negative impacts and risks posed to our people and the natural resources on which we rely from the proposed Kxi Lisims liquefied natural gas project. Given our serious concerns, growing legal uncertainty and the withholding of consent for the project by Indigenous Peoples — including Gitanyow — as required under the *U.N. Declaration on the Rights of Indigenous Peoples* to which

Canada is a signatory, we strongly urge your institution not to provide financing or consider equity investments for this project or its developers.

The Ksi Lisims LNG project is a proposed floating LNG export facility that would export 12 million tonnes per year (MTPA) of LNG, with Asian markets currently identified as customers. It would be located at the north end of the Great Bear Sea in northwest B.C. The project is a joint venture between Rockies LNG and Western LNG and is supported by the Nisga'a Lisims Government, a self-governing First Nation.¹

Lack of First Nations Consent

We have challenged the project in court over threats to salmon populations in the Nass Watershed, climate impacts, inadequate consultation and absence of Indigenous consent.²

Gitanyow went to the B.C. Supreme Court in February 2025 asking to overturn a decision by the B.C. Environmental Assessment Office not to consult the Gitanyow on the proposed Ksi Lisims LNG project or permit the Gitanyow to be meaningfully involved in the environmental assessment for the project. While we did not succeed in this court challenge, we will continue fighting for our way of life through the courts or by other means.

The project would be located next to the mouth of the Nass River, home to the third largest wild salmon run in BC. Salmon migrate past the proposed LNG terminal as juveniles, swimming downstream from the Gitanyow territory in the mid-Nass to the lower-Nass before entering the Pacific Ocean in a sensitive and vulnerable stage of their lifecycle. Juvenile Chinook salmon that Gitanyow historically depended on for their fisheries have been found at the proposed project site. Nass River Chinook are currently on the decline, and have been for over a decade, causing Gitanyow to avoid harvest of this species in support of conservation.

When salmon begin their journey back to their birthplace to spawn in Gitanyow territory (primarily the Meziadin Lake and River and tributaries among others), they again pass by the proposed LNG terminal site as adults. The terminal would destroy or alter more than 100,000 cubic metres of salmon habitat.

In 2021, the Gitanyow Hereditary Chiefs adopted the Wilp Sustainability Assessment Process, or WSAP. Under the Gitanyow WSAP, a person proposing a project that may

¹ Ksi Lisims LNG. Detailed Project Description - Proponent Information. April 25, 2022. <https://www.projects.eao.gov.bc.ca/api/public/document/626856e03b4cc60022207c7a/download/Ksi%20Lisims%20DPD%2020220425.pdf>

² Gitanyow Hereditary Chiefs. [For Immediate Release: Gitanyow Hereditary Chiefs File Legal Action On Ksi Lisims LNG Project](#). October 28, 2024.

impact Gitanyow Lax'yip or Gitanyow Huwilp must notify the Gitanyow Office about the project. We have never received any notification for the Ksi Lisims LNG project.

We are not alone in our opposition to this project.

The Lax Kw'alaams Band and the Metlakatla First Nation in northwest B.C. filed separate judicial reviews in Federal Court in October, alleging that B.C.'s minister of environment and climate change ignored their concerns about the adverse impacts of the Ksi Lisims project.³

The project is one of the first major projects to be approved under the updated B.C. Environmental Assessment Act. The Act requires the B.C. Environmental Assessment Office to seek the Free, Prior, and Informed Consent (FPIC) from impacted First Nations for projects they are assessing, in compliance with B.C.'s Declaration on the Rights of Indigenous Peoples Act (DRIPA).

However, consent and/or a decision on consent has not been granted for Ksi Lisims LNG by four of the six participating Nations: Lax Kw'alaams, Metlakatla, Kitsumkalum, and Gitxala.⁴

Further, the Council of the Haida Nation has stated opposition to increased LNG tanker traffic in their coastal waters and, by implication, opposition to the project.⁵

The B.C. government acknowledged that there was a lack of consent from several communities,⁶ leading us to expect further legal and regulatory challenges.

Multiple Intersecting Risks

Despite Ksi Lisims LNG recently receiving its environmental assessment certificate from the B.C. government on September 15, the project is moving forwards amid multiple intersecting risks that are significant for financiers and investors, including:

- Financial risks related to rising costs, a looming LNG glut and a shortage of long-term buyers, threatening the project's ability to meet debt obligations;

³ CBC News. [First Nations in B.C. make legal challenges to huge Ksi Lisims LNG project](#). October 23, 2025.

⁴ Province of British Columbia Ministry of Environment and Parks, Environmental Assessment Office. [Environmental assessment certificate granted for Ksi Lisims LNG project](#). September 15, 2025.

⁵ Haida Nation. [Official Response to Canada and BC's approval of Ksi Lisims LNG project through Haida Territorial Waters](#). September 17, 2025.

⁶ Province of British Columbia Ministry of Environment and Parks, Environmental Assessment Office. [Environmental assessment certificate granted for Ksi Lisims LNG project](#). September 15, 2025.

- Climate and environmental impacts posing additional legal and regulatory risks, including ecosystem threats from tanker traffic and the climate impact of methane; and
- 23 outstanding conditions the project proponents must meet, imposed by the Government of the Province of British Columbia, that threaten the project's ongoing regulatory compliance and could delay construction.

These multifaceted risks and implications are detailed below, along with our recommendations for financial institutions and institutional investors.

Financial Risks: Mounting Costs, Insufficient Buyers & LNG Glut

Gitanyow have been following the financial viability of Ksi Lisims LNG and find that it does not make economic sense for our nation, other nations, or any financiers or investors.

The project faces serious threats to its financial viability amid rising costs, a lack of committed buyers, and LNG market headwinds. A widely anticipated LNG oversupply risks eroding the project's revenue, especially given its shortage of long-term purchase agreements, increasing the material credit and default risk to financiers and equity investors of the project.⁷

Mounting Costs: The original projections of Ksi Lisim's capital expenditures were likely underestimated, and the total cost of the project is likely to rise. Proponents initially estimated that the project would incur costs of \$550-\$600 USD per MTPA of LNG, based on an outdated study under significantly different economic conditions.⁸

Comparable studies estimate construction costs for floating LNG (FLNG) plants with similar capacity at \$1,200–\$1,900 USD per MTPA of LNG—potentially more than triple the initial estimates, according to analysis from the Institute for Energy Economics and Financial Analysis (IEEFA).⁹ High import tariffs on steel components critical to FLNG construction in addition to the potential for trade wars that could disrupt specialized supply chains, are further likely to escalate costs for Ksi Lisims LNG.¹⁰

LNG Market Risks: Ksi Lisims LNG is expected to come online, if constructed on schedule, in 2028, amid an impending LNG supply glut, which will drive down LNG prices globally and threaten Ksi Lisims LNG's returns. Independent market analysts

⁷ IEEFA. [The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment](#). June 2025. p.19

⁸ Ksi Lisims. [LNG Detailed Project Description - Anticipated Costs](#). April 25, 2022, p.7

⁹ IEEFA. [The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment](#). June 2025.

¹⁰ IEEFA. [The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment](#). June 2025.

anticipate a multiyear LNG oversupply beginning in 2026, due to an unprecedented increase in global LNG production capacity that will outpace weak demand.¹¹ Global LNG production capacity is projected to rise by about 180 million MTPA by 2030—nearly 40% of current supply—despite slowing demand in key European and Asian markets.¹²

This market outlook poses a serious risk to Ksi Lisims LNG's cash flow, ability to repay interest and principal and risk to equity investors.

Lack of Committed Buyers: As of November 2025, two-thirds of the project's capacity lacks a dedicated buyer, exposing the project to income volatility. Ksi Lisims LNG has only reached two Sales and Purchase Agreements (SPA) for 4 MTPA of production out of a total 12 MTPA expected capacity.¹³ If project proponents are unable to secure additional buyers, it will likely be subject to the spot market's price swings, influenced by market risks, geopolitical volatility, and competition from increasingly affordable renewables. Buyers are sensitive to these conditions and increasingly seeking flexible, shorter-term LNG purchase agreements.¹⁴ In the context of an impending market oversupply, LNG prices are likely to fall dramatically, and spot cargoes may go unsold altogether.¹⁵

Financiers should be highly concerned about Ksi Lisims LNG's exposure to income volatility amid market risks and other factors, which would threaten the project's debt service coverage ratios and ability to meet interest and principal payments. Meanwhile, equity investors should be concerned about the significant risks to LNG holdings given the current market outlook and other factors.

Legal and Regulatory Risks: Climate and Environmental Threats

Finally, Ksi Lisims LNG poses significant local environmental and global climate risks that should concern responsible financiers, from the greenhouse gas emissions that the project will unleash, to the impact of increased LNG tanker traffic on sensitive marine ecosystems.

¹¹ IEEFA. [Global LNG Outlook 2024-2028](#). April 24, 2024.

¹² IEEFA. [The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment](#). June 2025.

¹³ Ksi Lisims LNG. [TotalEnergies signs long-term LNG supply deal with Ksi Lisims LNG](#). May 19, 2025. See also: Ksi Lisims LNG. [Ksi Lisims LNG and Shell finalize Sale and Purchase Agreement](#). January 8, 2024.

¹⁴ IEEFA. [The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment](#). June 2025. p.9

¹⁵ IEEFA. [The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment](#). June 2025. p.9

The project's environmental assessment certificate also placed multiple legally enforceable conditions related to its climate and environmental impact that Ksi Lisims LNG may not be able to meet.

The Gitanyow Hereditary Chiefs used our own evidence-based climate test and found that the Ksi Lisims project's climate footprint is considered a major concern across the majority of the Gitanyow Climate Test's criteria.¹⁶

Tanker Traffic Threats & Legal Risks: Ksi Lisims LNG is expected to add 160 LNG tanker voyages through the Great Bear Sea per year, posing serious threats to sensitive ecosystems. The north coast of B.C., where the project will be located, is still a nearly pristine, wild ecosystem that provides critical habitat for multiple federally protected endangered species, such as humpback whales. This opens the project up to additional legal risks, as the project's permits could be challenged under the Species at Risk Act. This is the same legal framework that First Nations, environmental groups, and organized labour used to successfully challenge the Northern Gateway tar sands Pipeline in 2016.¹⁷ Federal legislation has already banned oil tanker traffic from the northern B.C. coast, demonstrating the national importance of these waters to Canadians and the intention to protect them.¹⁸

Climate & Health Impacts: Despite Ksi Lisims LNG's greenwashing claims to the contrary, the project will unleash massive amounts of methane, the primary component of LNG, and a greenhouse gas that is 80 times more potent than carbon dioxide over 20 years.¹⁹ The project has an expected climate footprint of 36.2 Million Tonnes of Carbon Dioxide equivalent (MTCO2e) per year; equivalent to the emissions of approximately 31.9 million gas-powered cars in a year, or 9.6 coal plants.²⁰ Around 80% of B.C. gas production is from unconventional sources, primarily extracted via hydraulic fracturing (fracking).²¹ Fracking is a hazardous process which can contaminate drinking water and

¹⁶ Gitanyow Hereditary Chiefs. [Ksi Lisims Proposed LNG Project Fails Gitanyow Climate Test](#). February 13, 2025.

¹⁷ Ecojustice. [Challenging Enbridge's Northern Gateway pipeline](#). October 30, 2014.

¹⁸ Transport Canada. [Oil tanker moratorium on British Columbia's north coast](#). Accessed September 24, 2025.

¹⁹ International Energy Agency. [Methane and climate change](#). 2021.

²⁰ Estimated by combining the upstream, terminal, and downstream emissions associated with Ksi Lisims. Downstream GHG emissions associated with the project's 12 MTPA of export capacity were estimated using the U.S. Environmental Protection Agency [Greenhouse Gas Equivalencies Calculator](#) and Natural Resources Canada's [Conversion factors and common units to be used for North American Cooperation on Energy Information](#). Upstream and terminal emissions (if the project is not electrified) are from The Pembina Institute's 2023 report, [Squaring the Circle: : Reconciling LNG expansion with B.C.'s climate goals](#). This estimate does not include the emissions associated with marine transportation of the LNG, regasification, transport of the gas to the end user, or leaks at any point in the process.

²¹ Government of Canada. [British Columbia's Shale and Tight Resources](#). Accessed September 24, 2025.

release toxic air pollutants linked to cancer, neurological damage, birth defects, and other health harms.²²

Electrification Barriers Threaten Compliance: Challenges with Ksi Lisims LNG's plans to power the plant via hydroelectricity could jeopardize its regulatory compliance. The project's proponents have pledged to maintain net zero emissions—the emissions impact of the LNG it will process and export notwithstanding—which is legally enforceable as part of its environmental certificate.²³ However, the project has not yet reached an electricity supply agreement with BC Hydro, and a 100km spur transmission line which would link Ksi Lisims LNG to the BC Hydro grid is not yet funded and could take up to 10 years to build.²⁴

Multiple other LNG projects including LNG Canada Phase 2 and Cedar LNG are also competing for limited electric capacity, and it is unclear if BC Hydro will be able to meet all of these industrial needs. Although the project's environmental certificate was granted before securing hydroelectric power, its failure to electrify would increase its climate emissions by 1.8 MMTCO₂e²⁵ and threaten its ability to meet several conditions of its environmental certificate.

The considerable threats to sensitive local ecosystems and the global climate, bolstered by B.C.'s regulatory requirements and legal protections, create additional legal, regulatory, and reputational risks for Ksi Lisims LNG that financiers should carefully evaluate, in the context of their own climate and environmental policies.

Recommendations for Financial Institutions

Given the substantial and interlinked legal, financial, and environmental risks related to Ksi Lisims LNG, we strongly recommend that your institution:

1. **Decline to provide project financing** for Ksi Lisims LNG given the stated risks above.
2. **Deny general corporate financing** to Ksi Lisims LNG's developers.

²² U.S. Environmental Protection Agency. [EPA's Study of Hydraulic Fracturing and Its Potential Impact on Drinking Water Resources](#). Accessed September 24, 2025. See also Garcia-Gonzales, et. al. [Hazardous Air Pollutants Associated with Upstream Oil and Natural Gas Development: A Critical Synthesis of Current Peer-Reviewed Literature](#). Annual Review of Public Health. April 2019.

²³ Ministry of Environment and Parks, Environmental Assessment Office. [Environmental assessment certificate granted for Ksi Lisims LNG project](#). September 15, 2025.

²⁴ IEEFA. [The Ksi Lisims LNG Project and the Broader Canadian LNG Sector Face Strategic Challenges: An IEEFA Assessment](#). June 2025. p.8

²⁵ British Columbia Environmental Assessment Office. [Assessment Report for Ksi Lisims LNG](#). November 12, 2024, p. 41.

3. **Require that clients have obtained the Free, Prior, and Informed Consent from *all* impacted Indigenous communities, as outlined in B.C. law via the *Declaration on the Rights of Indigenous Peoples Act*.**
4. **Develop a comprehensive policy to restrict financing of new and expanded LNG infrastructure as part of your institution's ESRM and climate policy frameworks.**

We welcome the opportunity to discuss these concerns further and provide additional information as needed. **We respectfully request your response to this letter within two weeks, confirming whether you will deny financing to this project as part of a broader LNG exclusion policy.**

Sincerely,

Simoogit Watakhayetsxw/Deborah Good

Naxginkw/Tara Marsden, Wilp Sustainability Director

128 Organizational Endorsements:

Adasina Social Capital	Climate Justice Victoria
Alaska Community Action on Toxics	Coalition of Responsible Energy
Amnesty International Canada Section, English Speaking	Development in New Brunswick (CRED-NB)
Amnistie Internationale Canada, Francophone	Conexiones Climáticas
Armenian Women for Health and Healthy Environment (AWHHE)	Cowichan Climate Hub
Association for Farmers Rights Defense, AFRD	David Suzuki Foundation
BankTrack	Decolonial Solidarity
Baruch Initiative for Transformation	Divest Oregon
Between the Waters	Divest Washington
Canadian Association of Nurses for the Environment	DivestNJ
Change Course	Don't Gas the Meadowlands Coalition
Cherokee Concerned Citizens	Earth Ethics, Inc.
Climate Action Network Canada	Earth Justice Ministries
Climate Action Partnership	Earth Neighborhood Productions
Climate Conversation Brazoria County	Eco Action Families
Climate Emergency Unit	Elders Coalition for Climate Action
	Environmental Defence Canada
	Fenceline Watch
	First Do No Harm
	For a Better Bayou
	For Our Kids

Frack Off London	Planet Over Profit
FracTracker Alliance	Plant Based Treaty
Friends of the Earth Australia	Plastic Pollution Coalition
Friends of the Earth Canada	Private Equity Stakeholder Project
Friends of the Earth EWNI (England, Wales, Northern Ireland)	Pro Public
Friends of the Earth Ireland	Public Citizen
Friends of the Earth Japan	Racial Justice Investing Coalition
Giniw Collective	Rainforest Action Network
Glasswaters Foundation	RBC Off Screen
Grandmothers Act to Save the Planet (GASP)	re•generation
GreenFaith	Reel Stories Creative
Greenpeace Canada	Rettet den Regenwald / Rainforest Rescue
Gulf South Fossil Finance Hub	Rise Up WV
Iceland Nature Conservation Association	Sacred Earth
Indigenous Climate Action	San Antonio Bay Waterkeeper
Indigenous Solidarity Committee of Seniors for Climate Action Now!	Save the Yellowstone Grizzly
Independent Jewish Voices, Vancouver Chapter	Say No to LNG
Investor Advocates for Social Justice	Seniors for Climate Action Now!
Jubilee Australia Research Centre	Seniors for Climate South Okanagan
Justiça Ambiental JA! Mozambique	Shake Up The Establishment
Lamu Youth Alliance	Shift: Action for Pension Wealth and Planet Health
Last Generation Canada	Sierra Club
Les Amis de la Terre France	Sierra Club BC
Les Amis de la Terre-Togo	Skeena Watershed Conservation Coalition
MARBE SA—Costa Rica	Solutions for our Climate
Market Forces	South Fraser Unitarians
Mothers Rise Up	South Texas Environmental Justice Network
Movement Rights	Stand.earth
My Sea to Sky	Tallgrass Institute
Natural Investments PBLLC	Texas Campaign for the Environment
NOAH - Friends of the Earth Denmark	The Last Plastic Straw
North American Climate, Conservation and Environment (NACCE)	The Nulla Project
Oil and Gas Action Network	The People's Justice Council
Oil Change International	Third Act
One Cowichan Community Education Society	Third Act New Jersey
Pacific Environment	Third Act SoCal
Parents for Future UK	Tools For Solidarity
People & Planet	Union of BC Indian Chiefs
	Urgewald
	Vancouver Cohousing
	Vancouver Ecosocialists
	Virage Collectif
	Watershed Sentinel Educational Society

West Coast Environmental Law Association
White Rock South Surrey Climate Corps
Wilderness Committee
Zero Waste BC
Zero Waste Ithaca
350 Seattle
350 Yakima Climate Action
350Hawaii
350Juneau
7 Directions of Service
8th Fire Rising Network