

June 14, 2005

GUATEMALA: COMMUNITY CONSULTATIONS IN GUATEMALA CONCERNING MINING EXPLORATION & COMMUNITY-CONTROLLED DEVELOPMENT

As recently reported by Rights Action, in response to actual and potential threats (to community development, human rights and the environment) caused by the global mining industry, Mayan communities in Guatemala are proceeding with a process of local discussions and consultations concerning the 'pros' and 'cons' of the mining industry and about community-controlled development. Below, you will find:

- a response from the Canadian-US Glamis Gold company, that is mining in the region where the consultations will take place, expressing suspicion and concern about the consultations

- an article, published by the on-line Newspaper www.embassymag.ca, looking broadly at the situation of the global mining industry in this remote, Mayan region of Guatemala

Please re-distribute this information widely, as considerable international attention is needed to support the communities' efforts to openly consult and have their views known and respected. For more information ..., info@rightsaction.org, 416-654-2074.

To get on/ off this elist: info@rightsaction.org

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JUNE 8, 2005 - 17:05 ET

Glamis Gold Comments on Proposed Referendum in Guatemala
RENO, NEVADA--(CCNMatthews - June 8, 2005) - All amounts in US\$

Glamis Gold Ltd. (TSX:GLG)(NYSE:GLG) commented today on reports that a referendum may be held concerning mineral exploration in the Municipality of Sipacapa, Guatemala. Glamis' Marlin gold and silver deposit is located in a separate municipality - San Miguel Ixtahuacan. All necessary permits, land

and exploitation rights for the Marlin mine are in hand and this referendum will have no impact on current construction activities or future operations.

Glamis has learned that a small group of private individuals in Sipacapa are proposing to hold a referendum regarding whether or not the municipality wants future mineral development within its borders. To Glamis' knowledge, there has been no formal announcement regarding the referendum nor have details of how it will be conducted been made publicly available. The information provided herein has been gathered from various sources believed to be reliable. The key points regarding the proposed referendum are as follows:

- The referendum is reportedly scheduled for June 18. The Municipality of Sipacapa, apparently under pressure from a small group of private individuals, has ceded authority to carry out the event to this same group.

- While the text of the proposed question(s) on the referendum has not been released, Glamis understands that it will seek a vote on whether future mineral development should be permitted within Sipacapa. None of Glamis' reserves or resources are located within the boundaries of Sipacapa, although it does have exploration concessions and targets within the municipality.

- Glamis has received reports of intimidation by the referendum organizers, including threats to shut off water or burn crops of residents if they vote against the referendum. The Company understands that there will be no secret ballot, but that in the face of such threats and intimidation, organizers of the referendum intend to conduct a public vote by a show of hands. Suggestions that third parties be permitted to monitor the referendum process for fairness have reportedly been rejected by the referendum organizers.

- Glamis believes that the referendum is illegal and unconstitutional,

for various reasons related to the conduct of the vote as described herein, and because Guatemalan law reserves questions of mineral tenure and access to the national government.

- Glamis understands that the referendum is being financially supported by a local NGO, and possibly two international NGOs based in the United States. Glamis assumes that these organizations are unaware of the serious shortcomings involving the proposed referendum. The Company has communicated its concerns to the NGOs regarding this apparently undemocratic and abusive process, suggesting that they should reconsider their involvement.

Based on all of these circumstances, the proposed referendum appears to be patently corrupt and if allowed to proceed, Glamis believes it will provide no reliable measure of support for mineral development activity in the Municipality of Sipacapa. Glamis supports the right of local residents to voice their opinions in a fair and democratic process, and is convinced that in a fair election a majority of the residents of both Sipacapa and San Miguel Ixtahuacan would support its activities.

Glamis Gold Ltd. is a premier intermediate gold producer with low-cost gold mines and development projects in Nevada, Mexico and Central America. Plans call for growth from 400,000 ounces of gold production in 2005 to over 700,000 ounces in 2007. The Company remains 100 percent unhedged. More information regarding Glamis can be found on its website at www.glamis.com, which is also available in Spanish by clicking on the "Glamis en Espanol" link on the home page.

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A GUATEMALAN BISHOP AND HIS INDIGENOUS FLOCK TRY TO HOLD BACK A CANADIAN GOLD MINE,

By Jim Creskey, Embassy newspaper Online, www.embassymag.ca, June 8th,

2005

Bishop Alvaro Ramazzini lives in the epicentre of a migratory bridge between poverty-stricken Central America and the prosperous North. His diocese of San Marcos, Guatemala, rests on the southern edge of the Mexican border.

Unceasingly, tens of thousands of migrants, Guatemalans and Hondurans make their way across the border to El Norte, with the enticement of jobs beckoning from places like Delaware, Virginia, and Los Angeles. Thousands are apprehended before they reach their destinations. They are deported back into Guatemala where the predatory coyotes, traffickers in human beings, set on them to sell a passage to the north that is neither safe nor secure. At the same time, poverty rises and Guatemala's delicate peace is increasingly put to the test after a 36-year genocidal civil war.

But now the bishop and his struggling flock of mainly Mayan Indians have a new problem in the form of a gold mine, a Canadian open-pit mine, that is beginning to look like it will only worsen an already desperate situation instead of bringing much needed work to the region.

"The main border crossing is not at Tijuana or El Paso," says the bishop. "It is in Tapachula between Guatemala and Mexico," where the steady flow of migrants continues night and day from Central America from Honduras and Guatemala though not so much from Nicaragua. Nicaraguans, says the bishop, migrate to Costa Rica. "There are about 600,000 Nicaraguans in Costa Rica today mostly because Costa Rica has no army to keep them out and because Costa Rica's standard of living is higher than Nicaragua's.

In Bishop Ramazzini's 4,000 square-kilometer diocese, "standard of living" is a euphemism for extreme poverty. More than 60 to 80 per cent of the people live in poverty; of these, 40 per cent live in desperate

conditions.

A recent UN report says the situation is worsening, fueled in part by a drop in coffee prices.

"People are becoming resigned to their poverty. They are losing their sense of self-esteem," says the bishop. They say, "It is the will of God." "I don't think it is the will of God that people go hungry."

Migration becomes the only hope for many, but thousands are apprehended in the United States and Mexico and are sent back. From January to April of this year, Bishop Ramazzini, with help from American church groups, housed and fed 5,640 migrants who had been deported back across the border from Mexico.

The larger problem, says the bishop, is protecting the migrants from the coyotes, the human smugglers, who for a fee will offer a dangerous trip across the borders with no protection against the dangers that await Central American migrants as they travel through Mexico and into the U.S. Migrants who are caught often go missing from family members waiting to hear from them, held incommunicado until they are shipped back. Many are hunted by vigilante groups.

Migrant families crossing the border can also expect to pass through the Guatemala-Mexico countryside beside cocaine smugglers who are also stealthily working their way up the continent.

In the heart of Bishop Ramazzini's San Marcos diocese work, is a now nearly completed massive gold and silver mine. The mine's promoters say it will bring investment and jobs to the poverty-stricken region. The combination open pit and underground mine is the work of Glamis Gold Ltd., a Canadian company that is receiving a \$45 million loan from the World Bank to pay for

the construction.

Although it operates no mines in Canada, and has its head office in Reno, Nevada, Glamis Gold Ltd. is a Canadian company because it is incorporated in Canada. Glamis, says industry watchdog Mining Probe, benefits from Canada's tax laws, which are favourable to mining corporations.

The New York and Toronto Stock Exchange-traded corporation's Canadian footprint appears to be only a post office box and a lawyer in Vancouver, according to MiningWatch Canada's National Coordinator, Joan Kuyek. But that Canadian status allows Glamis to play the NAFTA card when they run into cost troubles raised by North American environmental rules. This happened recently when the State of California told Glamis they had a responsibility to back fill a large open pit mine they had planned to dig in that state. Glamis cried foul and is bringing a \$50 million chapter 11 NAFTA lawsuit against the U.S.

For Graham Saul, who is International Program Director at Friends of the Earth, Glamis Gold's Chapter 11 NAFTA suit raised red flags in many places in the human rights and environmental community. "We're looking into the issue of Canadian mines of convenience," says Saul who participated at a forum in Montreal last week with Bishop Ramazzini, and representatives of Glamis Gold and the World Bank.

Mr. Saul said he didn't think the mining company got to answer the large number of complex issues raised by the bishop at the two and half hour meeting. But, said Mr. Saul, it is clear to him that "the World Bank's approach to this was totally irresponsible. The bank clearly ignored its own extractive industries' review report which tried to set consulting guidelines for indigenous people in all of the World Bank's oil, mining and gas projects."

When it come to San Marcos, Guatemala, not only does Glamis Gold

proudly
announce on its web site that it is a "low cost producer of gold," but
says
that its big dig in Guatemala, (called the "Marlin deposit") "enjoys
strong
local support."

Bishop Ramazzini begs to differ. "Yes, there are supporters of the
mine,"
he tells Embassy. "There are the mine's construction employees and
others,
but many, many others a majority of people in many places are opposed
to the
mine."

Among those who share the bishop's opposition to the mine are the
other
bishops of Guatemala, the papal nuncio, and numerous human rights
groups,
especially those concerned with the rights of indigenous peoples. In
this
case they are the Sipacapa (Mayan) Indians who happen to live next to
the
Gold mine's open pit.

In Ottawa last week for meetings with Canadian Bishops and with
officials at
Foreign Affairs, the bishop ended his day in the Hispanic community
near St.
Paul University, meeting in the basement of the Paroisse St. Famille,
a
francophone Catholic church that becomes the church of Santa Familia
every
week for one Sunday mass in Spanish.

Speaking in Spanish in front of a poster that announces "Con La verdad
todas
construimos el futuro de Guatemala" -- "Together with the truth we can
build
the future of Guatemala," the bishop tells his audience about the kind
of
investment his part of Guatemala would be better off without.

Bishop Ramazzini doesn't believe an open pit mine that will be
exhausted in
10 years leaves much of a future behind for the poor native people of
his
diocese. In a region where drinking water is scarce and there is a
limited
supply of underground water he is alarmed by the Marlin project's deep

well
and large water pipes that will be used in a mining process where
cyanide is
used to leach out the gold.

"The mining laws in Guatemala are very favourable to the operators.
But not
favourable to the people of Guatemala. The economic model is not
working. It
is about earning money but not about [the needs of] people."

The bishop has a strong conviction that unless there is some kind of
serious
structural change conditions will worsen for his people. He is an
advocate
of agrarian reform, a position, he says, that causes his critics to
say,
"See, he's Marxist!"

His activism for land reform and his strong stand against the Glamis
mine
also suggests a motive behind a plot, recently uncovered, to kill him.
Two
informers, one an intelligence officer, came forward, telling him and
the
Guatemalan government of a scheme to assassinate him. The government
in
Guatemala City asked him to accept three government bodyguards, which
he
did.

Bishop Ramazzini says he has a hard time understanding how the World
Bank
would lend \$45 million to a mining company that will take a massive
share of
the profits from the indigenous countryside, leaving it 10 years later
worse
off than it began. "Why not give \$45 million to create projects to
solve the
poverty problem?"

The bishop says he was encouraged by his meeting with Foreign Affairs
officials in Ottawa, including Assistant Deputy Minister Peter Boehm
who was
once Canada's ambassador to the OAS. Officials voiced Canada's support
of
indigenous communities in Guatemala and also the Canadian government's
support of the Guatemalan peace accord which ended 36 year of civil
war.
They agreed, says the bishop, that the problem was not simply

commercial but
one of ethics.

Work on the mine has progressed so far that Bishop Ramazzini knows that it will be impossible to stop it. But with the support of his fellow bishops, and several NGOs he is lobbying Canada and his own government to help his people renegotiate the terms of Glamis Gold project. What he wants, now that the mine's impact cannot be reversed, is that more of the profits will stay behind after the company leaves. He says that he wants the people of San Marcos to receive one-third of the mine's profits.

There is nothing in the record of the national government in Guatemala City to suggest that it will be able to effectively monitor the mine's operations for environmental damage. It is also less likely that Guatemala could force the company to clean up the open pit mine after it has exhausted the gold and silver supply. Yet Bishop Ramazzini believes that the solidarity of the indigenous community, the churches and sympathetic leaders in Canada will at least help him to extract enough benefits to begin offsetting the mine's effects.

In the end he believes that only significant land reform will make a difference for his people. "We live in a country where in some places the climate allows two to three crops a year. But the mine offers only bread for today and hunger for tomorrow."

"It is better that kind of investment doesn't come. They say [about me], 'Here is a Communist, a Marxist,' but Guatemala badly needs agrarian reform."

Bishop Ramazzini knows he has his critics who believe that the globalism that brings in mining investment and maquiladora assembly plants offers a real solution. "They say to me, 'You can criticize the mine, Bishop,

but can
you give us work?'"

But he is convinced that the rapidly increasing poverty of Guatemala is increased, not diminished by mining investment and low-pay maquinadoras.

There is one form of globalization Bishop Ramazzini would like to see. He calls it "the globalization of solidarity." He came to Canada last week to work at it. In a telephone interview from Toronto over the weekend he said he was now prepared to go to the Canadian Embassy in Guatemala in the hope that Ambassador James Lambert will help him open the negotiations over the Glamis mine.

So far Canada's embassy in Guatemala City, which built a strong record of support for human rights during the long Guatemalan civil war, has not stepped up to the plate over the nominally Canadian Glamis Gold project and the rights of its indigenous neighbours. Bishop Ramazzini believes it may be too late to stop the mine but not too late to get help from Canada to moderate its effects on the community.

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