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GUATEMALA: Mayan-Q'eqchií people occupy Skye Resources nickel mine property

BELOW:

- 1- News article about Mayan-Q'eqchií people occupying Skye Resources nickel mine property
- 2- Reports of mining companies set to purchase Skye Resources
- 3- What to do

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[Rights Action is involved in education and outreach work related to mining in the Mayan-Q'eqchií region of Guatemala. We do this work in conjunction with AEDPI (Asociación Estorena Para el Desarrollo Integral), mentioned in this article.]

MAYANS OCCUPY GUATEMALAN NICKEL MINE PROPERTY

GUATEMALA CITY, Sept 18 (Reuters) - Hundreds of Mayan Indian families have invaded land owned by a Canadian nickel mining firm in Guatemala, setting up makeshift camps and demanding the company cede land for subsistence farming.

Skye Resources Inc. plans to reopen a long-dormant nickel project near Guatemala's Lake Izabal and begin producing 11,000 tonnes of ferro-nickel late in 2008. But environmental concerns and disputes over land rights prompted more than 1,000 Mayan Indians living near the site to occupy two different areas within the company's concession over the weekend, said activists working in El Estor, the town closest to the mine.

"People are building houses and it looks like they are not planning on leaving anytime soon," said Daniel Vogt, who represents local Mayan development group Aepdi. The company said it is open to negotiation but that the townspeople refused to enter into discussions to resolve the dispute. "Right now they are just near the roads to the mineral deposits, and the landing strip," mine official Omar Dieguez told Reuters. "We would like to resolve this or else there could be conflicts once we start operations."

Skye's shares rose last week after news that mining giants Companhia Vale do Rio Doce (VALE5.SA: [Quote](#), [Profile](#), [Research](#)), BHP Billiton (BHP.AX: [Quote](#), [Profile](#), [Research](#)) and Xstrata Plc (XTA.L: [Quote](#), [Profile](#), [Research](#)) were all considering bids for the Vancouver-based company.

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[RightsAction can provide information about human rights violations and enviro-harms associated with operations of Skye Resources and its predecessor company INCO (international nickel company), now a shareholder in Skye. The well-documented problems and human suffering associated with Skye/ INCO's mining operations make no impact on global acquisitions and received scant media coverage.]

SKYE FALLING INTO VIEW OF GLOBAL MINERS -- CVRD, BHP BILLITON AND XSTRATA SAID TO BE WEIGHING BID FOR VANCOUVER COMPANY, By Andy Hoffman and Andrew Willis, Globe and Mail, September 11, 2006

The same global mining giants at the centre of the high-stakes battle for Inco Ltd. and Falconbridge Ltd. are moving downstream, turning their acquisition sights to smaller Canadian base metal miners amid a shortage of new nickel supplies. Companhia Vale do Rio Doce (CVRD) of Brazil, BHP Billiton Ltd., the world's biggest mining firm, and Xstrata PLC, which recently seized control of Falconbridge, are all considering bids for Vancouver's Skye Resources Inc., according to industry sources familiar with the matter.

CVRD's interest in Skye is understood to be the most advanced, and the iron ore giant is believed to be preparing a bid that could be in the range of \$20 a share, according to one source in the investment banking industry.

BHP, however, may have the upper hand. The company already has a 16.5-per-cent stake in Skye, which is developing the Fenix nickel project in Eastern Guatemala. BHP has its own operations in the country close to the Fenix project.

Skye shares jumped 50 cents to \$16.20 Friday on the Toronto Stock Exchange on speculation of a takeover bid. The stock has surged almost 450 per cent this year.

Unlike CVRD's \$19.4-billion all-cash bid for Inco or Xstrata's \$18-billion acquisition of Falconbridge, an offer for Skye would be a relatively small purchase for the mining companies. Skye's market capitalization is \$477-million. The Vancouver firm expects to produce up to 25 million pounds of nickel from the Fenix project a year beginning in 2008, according to a recent feasibility study. The company says Fenix could produce up to 50 million pounds of ferro-nickel a year thereafter.

A Skye spokesman declined to comment on Friday. The company asked its financial adviser TD Securities to explore the potential merger or sale of Skye in late August.

Spurred by soaring demand for nickel, copper and other base metals

from China and India, the mining industry is undergoing rapid consolidation amid soaring commodity prices. 0

Interestingly, Skye's Fenix project was once owned by Inco, but the mine and an on-site processing plant was shut down in the early 1980s because of soaring energy costs and low nickel prices. The price of nickel has more than doubled this year, extending a three-year boom in base metals. Skye acquired the rights to the Fenix project in 2004 and Inco owns approximately 12 per cent of the company's stock. A CVRD spokesman did not respond to requests for comment. 0

Skye is headed by Ian Austin, the former chief financial officer of Placer Dome Inc., which was swallowed up by Barrick Gold Corp. last year for \$10.4-billion (U.S.). Mr. Austin was unavailable for comment on Friday.

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WHAT TO DO:

Over the past few years, Rights Action ñ with other North and Central American organizations ñ has been supporting local communities resisting the multiple harms (enviro-destruction; undermining of locally controlled development; repression against people opposing mining; violations of the rights to health, water and control over one's property and resources; etc.) caused by the mining operations of Skye Resources [formerly and still partially INCO nickel company]. We also support efforts to end the legal immunity from prosecution and impunity with which these companies operate.

It is disheartening and harmful that most news coverage, discussing the mergers and acquisitions, makes no mention whatsoever of the well-documented enviro-harms and human rights violations associated with these companies' operations; for the media, companies, investors and shareholders, the only issues worth commentary are financial.

GET INVOLVED:

For more information about North American mining companies in Central America; to provide tax-deductible donations for the community development work of Mayan communities; to come on educational delegations to the region; to get involved in your community in work for justice, equality and environmental respect: info@rightsaction.org, www.rightsaction.org.

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