

Rights Action – March 27, 2012

**GOLDCORP IN GUATEMALA:
Seven Years & No End In Sight
to predictable harms, violations, impunity and profits**



(Where once there was a mountain and rural village Photo @ Grahame Russell, March 6, 2012, of the first pit opened by Goldcorp in 2005, and still going deeper.)

BELOW:

- **BISHOP RAMAZZINI OF GUATEMALA DETAILS HARMS AND VIOLATIONS CAUSED BY GOLDCORP'S MARLIN MINE**
- **DANISH PENSION FUND DIVESTS FROM GOLDCORP**

Seven years of documented environmental and health harms, human rights violations and social divisions

Seven years of denials by Goldcorp

Seven years of complicity and acquiescence by the governments of Guatemala and Canada

Seven years of extraordinary profits flowing to company executives and North American private investors and pension funds

SEE BELOW

- To support mining harmed communities
- To come on educational delegation to visit mine harmed communities
- To get involved in education and activism, in Toronto, Canada, before and during Goldcorp's April 26th AGM (Annual General Meeting)

PROBLEMS CREATED BY THE GOLDCORP MARLIN MINE IN SAN MARCOS

by Bishop Alvaro Ramazzini of the Diocese of San Marcos, March 11, 2012

[Original article published on COPAE website:

<http://www.copaeguatemala.org/articulosCOPAE/Los%20Problemas%20creados%20por%20la%20mina%20Marlin.html>, translated by Natasha da Silva]

Montana Exploradora, a subsidiary of the Canadian company Goldcorp Inc, has been exploiting natural resources, particularly gold, in the highlands of San Marcos since 2005. The people of San Marcos, where the Marlin mine is situated, have been suffering the daily effects of the mining project for the last seven years.

ENVIRONMENTAL CONSEQUENCES OF THE MARLIN MINE

In order to investigate the quality of surface water surrounding the Marlin mine, the Pastoral Commission for Peace and Ecology (COPAE in Spanish) has been monitoring the situation for the past five years. For example in their fourth report, high concentration levels of copper, aluminium, manganese and, in particular, arsenic and also nitrates were noted in the Quivichil and Tzalá rivers at points located downstream of the mine's wastewater reservoir and at some river sources. It can thus be concluded that the mining operations directly affect the quality of these waters.

The Centre for Ocean and Aquaculture (CEMA) at the Guatemalan University of San Carlos has supported the findings of COPAE's fourth report, after their own independent monitoring produced similar results. Furthermore, according to CEMA's own report, all samples taken from water sources in this region (both surface and groundwater) showed microbiological contamination, indicating that they are not fit for human consumption.

In their report, titled "Evaluation of Predicted and Actual Water Quality Conditions at the Marlin Mine, Guatemala", E-Tech International, a non-profit organisation providing environmental technical support, warned that "the mine wastes have a moderate to high potential to generate acid and leach contaminants (...) into water resources and aquatic ecosystems (...) and tailings seepage may be migrating to the drainage downstream of the tailings dam."



(Photo @ ADISMI, 2010. Cow died, apparently from drinking contaminated water down the mountain from Goldcorp's waste product reservoir)

According to COPAE's research in conjunction with The Norwegian University of Life Sciences, there is also greater chemical reactivity from arsenic in the upper layers of sediment located downstream from the reservoir, indicating that arsenic on top has been more recently deposited than arsenic sediments below, proving that episodes of discharge from or flooding of the reservoir contribute to dangerous concentrations of arsenic sometimes reaching the river.

According to the report on the level of cyanide contamination, there is a low level of pollution in samples obtained from storm precipitation in areas close to the mining project and the air circulating around the area. The pollution is caused by mining activities in which gold is extracted from the ore through leaching. Cyanide contamination can be corrected if the company implements appropriate measures to prevent or limit it.

Pollution from acid rain also occurs across the whole area surrounding the Marlin Mine, which could well result from mining activities.

After 4 consecutive years of water monitoring and other investigations into the environmental hazards, the results indicate that the community inhabitants and other forms of life found in the area affected by the mine remain at high risk of pollution. This constitutes multiple human rights violations, including the right to a healthy environment and the right to water and food, amongst others.



(Photo @ local doctor, 2009. Baby living in mine harmed community.)

COST OF CLOSING THE MARLIN MINE

In the event of the Marlin Mine being closed, recovery of the area where it has operated will be necessary. This will require long-term water treatment, recovery of the sterile rock, open pits and tailings, re-vegetation, erosion control and removal of the mine's operating facilities, equipment and waste products.

However, there is no recovery plan in place for the Marlin Mine, as Goldcorp paid a deposit of Q8 million (approx. US\$1,000,000) to the government to cover this. However, according to calculations by Unitarian Universalist Service Committee (UUSC), the true cost of recovery would actually be Q389 million, or \$49 million. Furthermore, the company's recovery plan has not been made publicly available, has not been reviewed by independent experts and does

not consist of detailed engineering. Nor has the company conducted proper assessment of the groundwater, toxic effluents and erosion. On top of this, the Mining Act and supervision by Guatemalan government are also inadequate. If Goldcorp does not face up to their responsibilities then Guatemala could be exposed to high risks to public health and damage to the environment.



("We have hopes for an endless mine", Lisa Wade, an environmental officer with the Marlin Mine, told a visiting UNBC delegation in 2008. This photo (March 6, 2012, by Grahame Russell) is of the latest pit being dynamited and mined by Goldcorp in San Miguel Ixtahuacan.)

HOUSES DAMAGED BY THE MARLIN MINE

Shortly after starting mining operations people from nearby villages began to complain about the damage to their houses caused by cracks. In 2009 COPAE and UUSC collaborated to investigate the causes of these cracks. Since Goldcorp never conducted a baseline study, it was necessary to compare damaged villages situated between 0.5 and 3 km away from the mine with control and reference villages being situated 5 km away.

Little damage was found in the control villages, which means that the damage caused in the villages surrounding the mine is not due to seismic activity or construction methods since these are the same in both areas. The extensive cracking found in the villages near the Marlin Mine when compared with the most remote villages, constitutes convincing evidence that the damage is related to mining. Due to the fact that it is usually the walls that are damaged and not the floors, it was discovered that this type of damage is typical of surface vibrations, which can be caused by explosions or heavy goods vehicle traffic. Furthermore, the cracks are found in the walls facing towards the adjacent road and the mine. The study concludes that the Marlin Mine is responsible for damage caused by cracks.



(Cracked house, community of Salitre, 2008. Photo @ Grahame Russell.)

RISKS TO HUMAN HEALTH

In May 2010 the University of Michigan conducted a study on metal contamination in the blood and urine of mine workers and residents living near the mine. The results show that individuals living near the Marlin Mine are exposed to various mixtures of metals, resulting from occupational or environmental factors. Higher levels of lead, mercury, arsenic, zinc and copper were found in the urine of residents living near to the mine (generally in sites adjacent to or downstream from the mine) when compared to that of residents living further away from the mine.



(Prensa Libre newspaper, May 2010.)

Furthermore, the Minister of Health and Welfare noted in 2010 that skin diseases were the third most common medical complaint in both Sipacapa and Ixtahuacán, whereas in the rest of the country they are ranked only as the tenth; "This is somewhat strange and we must ascertain what is happening."

Van de Wauw, Evens and Machiels of the Belgian University of Ghent also found that concentrations of arsenic in some of the groundwater layers serving people living near to the mine are above the standard levels for safe drinking water. Alarming concentration levels were also found in their urine. Arsenic-induced diseases appear to be widespread and warrant for immediate action to be taken.

ECONOMIC BENEFITS OF THE MARLIN MINE

The Zarsky and Stanley report on the economic benefits and environmental risks of the Marlin Mine shows that during the entire life cycle of the mine, environmental hazards significantly outweigh the economic benefits. While environmental costs are likely to rise, perhaps exponentially, in the post-closure phase, the economic benefits will end abruptly with the closure of the mine.

There is little evidence that local revenues from the mine have been invested in building productive capacities and no evidence whatsoever that the mine has allocated any of its revenue to provide future employment or public goods (1).

By contrast, environmental hazards are high (2) and will increase dramatically over the remaining life of the mine and post-closure phase, if business continues as usual. If these conditions persist, the long-term impact of the Marlin will impose high health risks and impoverishment of local communities near the mine and also of livelihood opportunities and agriculture.

SOCIAL DISHARMONY CREATED BY THE MARLIN MINE

The aforementioned risks do not even consider a whole range of other cultural and social costs, which include the destructive impact of the intense conflict on social structure. Since the company Montana Exploradora began its operations, the social fabric has begun to disintegrate around the mining project and especially in the municipality of San Miguel, where crime and unrest in the community have begun to increase.

In a human rights study on Goldcorp itself, a pattern of threats and intimidation is identified, which includes death threats due to internal divisions in the community between people in favour of the mine and those that are against it. Since the mine was built, the smaller communities surrounding it and in San Miguel have also seen an increase in crime, drug addiction, alcoholism, prostitution and offensive behaviour.

THE PRECAUTIONARY MEASURES OF THE IACHR



(Prensa Libre newspaper, May 2010.)

On December 9, 2011 the Inter-American Commission on Human Rights (IACHR) of the Organization of American States modified the precautionary measures granted on May 20, 2010. It removed the request calling for the suspension of operations at the Marlin mine, for water sources to be decontaminated and health problems to be addressed. Instead it has asked the State of Guatemala to take measures to ensure that the quality of water sources used by communities is suitable for domestic use and irrigation.

The Center for International Environmental Law (CIEL) and MiningWatch Canada expressed their deep concern that political pressure that has been exerted on the IACHR, the main body for the protection of human rights in the Americas, to change the precautionary measures. Furthermore, the modification of the IACHR's order does not affect the main request currently being reviewed by the Commission, confirming that the government did not obtain free, prior and informed consent from the communities before authorizing the activities of the Marlin mine.

COMMUNITY CONSULTATIONS

Convention 169 of the International Labour Organisation, also ratified by the State of Guatemala, demands that indigenous and tribal peoples are consulted in relation to the issues which affect them, which in this case is mining. It also requires that these people can participate with free, prior and informed consent in the process of development and policy formulation affecting them.

More than a million people are defending their land by way of 58 community consultations related to exploration and exploitation licensing and on every occasion the decision has been a resolute "no" to mining.

On February 23, 2011 the Guatemalan government announced an initiative which sought to regulate the processes of community consultation made in good faith in relation to Convention 169. On March 23, 2011 various indigenous peoples, gathered around the Western Peoples Council (CPO) filed an Acción Constitucional de Amparo (a type of constitutional appeal specific to Guatemalan legal system) against proceedings initiated by the then president, Álvaro Colom. Indigenous peoples objected to Colom's proposal, as the regulation was imposed on them and was a violation of their rights, because they were never contacted and never consulted in the law-making process.

On December 1, 2011 the Constitutional Court issued a final judgment in favour of the CPO, as a result of the constitutional appeal that they had filed. The final judgment issued by the Constitutional Court definitively suspended the regulatory initiative. Furthermore, it urges Congress to create legislation to regulate the manner in which these procedures should be developed. Finally, it was recognized in the judgment of December 1, 2011, that indigenous peoples must be consulted before legislative and administrative action affecting their land can be taken. The law must respect the decision of the communities as the legitimate decision of the people, as a means of asserting of their collective rights.

(1) Until now, the flow of revenue to the Treasury has been low: only about 6 percent of revenues from the mine and 15 percent of the same. Moreover, the lack of transparency and accountability suggests that only a small portion of income received has been invested in public goods such as education, health and infrastructure, that would build long-term productive capacity. However, further research is needed to better understand and assess the impact that income spent by Goldcorp in the procurement of supplies, materials and local teams may have on development.

(2) The environmental hazards are exceptionally high: there is a lack of adequate government regulation and supervision, a lack of an adequate planning for the closure and remediation of the mine, a lack of financial assurance for monitoring and post-closure remediation, a predicted increase in frequency and severity of extreme natural disasters such as floods and cyclones due to climate change, a lack of government capacity for hazard reduction and disaster management, a lack of legislative protection of the human rights of indigenous peoples, poverty of the local community, especially the fact that nearly half the population relies on surface water and groundwater for drinking and irrigation rather than tap water, the dependency of local communities on agriculture as their livelihood.

DANISH PENSION FUND DIVESTS FROM GOLDCORP

(Responsible Investor, 1 March 2012)

Danish pension fund SamPension, which manages the Pension Fund for Danish Municipalities, the Government Employee's Pension Fund and the Graphical Industry Pension Fund, has confirmed to RI that it has divested its DKK1.8m (€242,134) stake in Canada-based mining firm Goldcorp over pollution at the company's Marlin mine in Guatemala. It follows engagement from campaigners at DanWatch, who say other major Danish funds retain their stakes to continue dialogue.

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GOLDCORP AGM IN TORONTO, APRIL 26, 2012

To get involved in local education and activism:

mininginjustice@gmail.com

<http://www.solidarityresponse.net/>

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