

CANADA'S MINING FOOTPRINT IN ECUADOR

A look at some of the impacts of existing Canadian mining investment in Ecuador as negotiations advance towards a Canada-Ecuador Free Trade Agreement



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COVER PHOTO:

A protest outside the Canadian Embassy in Quito, Ecuador in March 2024, denouncing harms tied to Canadian mining investment in the country and in opposition to the proposed Canada-Ecuador Free Trade Agreement. Credit: Alliance for Human Rights in Ecuador (Alianza por los derechos humanos del Ecuador).

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Introduction

Canada has an outsized footprint when it comes to the global mining industry. Nearly half of the world's publicly traded mining and mineral exploration companies are Canadian, with assets totalling \$214.7 billion across 98 countries [as of 2022](#). The region with the most Canadian mining investments is Latin America and the Caribbean, with assets valued at over \$100 billion.

While Latin American countries like Brazil and Chile are heavyweight jurisdictions when it comes to Canadian mines in operation, eyes are increasingly on countries like Ecuador which are making significant regulatory changes to attract more Canadian mining investment – including negotiating a free trade agreement with Canada that is expected to be signed in 2025.

Canada already dominates Ecuador's mining sector. Fifteen Canadian companies are operating or conducting mineral exploration activities in the country, with assets valued at [\\$1.8 billion](#). Widespread allegations of human rights abuse and environmental harm caused by these operations have been documented in recent years, such as: companies conducting advanced exploration and drilling activities in [Indigenous territories](#) without their free, prior, and informed consent; collaborating with state security forces to [suppress opposition](#); and advancing mining development in ecologically-sensitive areas, [putting at risk vital water sources](#) for many Ecuadorians.

According to a [study](#) from the University of Sussex, "Mining concessions currently overlap, and place at risk, 1.6 million hectares of protected forests, Indigenous lands and native ecosystems in Ecuador."

As [oil production declines](#) in Ecuador, there has been a renewed push since former [President Rafael Correa](#) (2007 - 2017) to make the country a [primary destination](#) for Australian, Chinese, and Canadian mining investment. Former Ecuadorian President Guillermo Lasso (2021-2023) bypassed Congress during his time in office to enact a series of mining reforms imposed by Executive Decree, drastically increasing protections for investors while reducing taxes and, despite being banned by Ecuador's constitution, re-committing to international arbitration for investments over \$1 million. Current President Daniel Noboa has only expanded on these policies, introducing new ways to fast track mining projects, reduce permitting delays and environmental oversight, and carry out a process for environmental consultation that has been [widely denounced](#) as a [rubber stamp](#) on controversial projects – a process imposed through significant intimidation, militarization, and police repression.

Over this time, Ecuador has steadily expanded its presence at the annual Prospectors and Developers Association of Canada (PDAC) [convention](#) in Toronto, which brings upwards of 30,000 representatives from the mining and financial industries and government. President Noboa attended the 2024 PDAC convention in person, to showcase the country's reforms and prove Ecuador is serious about attracting – and retaining – Canadian mining investment. Straight from PDAC, he went to Ottawa to announce the launch of free trade negotiations. Ecuadorian vice-minister of Mines of Mines Diego Ocampo, who travelled with president Noboa, was blunt. He [declared](#) that the government "will unblock everything that needs to be unblocked," referencing, among other things, efforts to re-open Ecuador's mining cadastre – its system for processing applications for mineral rights and claims which has been shut [since 2017](#) due to a lack of process for prior consultation with affected communities and an outdated management system.

When President Noboa travelled to Canada again in September 2024 to attend the third round of trade negotiations, he [publicly](#) framed his visit as an ideal opportunity to meet with Barrick Gold, Salazar Resources, and Dundee Precious Metals.

The intentions behind this trade deal are clear, supported by [years of lobbying](#) by Canadian companies and direct support from the [Canadian Embassy](#) to shape mining policy in Ecuador. The Canada-Ecuador Free Trade Agreement currently under negotiation – without any consultation with Ecuadorian civil society, and ignoring crucial voices of those already being harmed by Canadian resource extraction projects – sets the stage to worsen an already deteriorating human rights situation in the country.

International arbitration: protecting investor interests over human rights

Chief among concerns is the likely inclusion of an investment chapter with provisions for an investor-state dispute settlement (ISDS) mechanism, which is a mechanism already used widely by Canadian mining companies under other such agreements to file multi-million- or multi-billion-dollar lawsuits against host countries in private supranational tribunals if they are denied, for example, mining permits. Having already been the target of many such unjust lawsuits – including by Canadian companies (see more below) – Ecuadorians voted to prohibit ISDS when adopting the 2008 Constitution.

Multiple UN bodies and experts have recommended that ISDS not be included in new trade agreements and be removed from existing ones, [warning](#) that the mere threat of a lawsuit leads to regulatory chill, shackling states in their efforts to combat climate change and live up to their international human rights obligations. Even Chrystia Freeland, who was Canada’s foreign affairs minister in 2018 when it came time to renegotiate the North American Free Trade Agreement, proudly took ISDS off the table [saying](#), “ISDS elevates the rights of corporations over those of sovereign governments. In removing it, we have strengthened our government’s right to regulate in the public interest, to protect public health and the environment.”

A free trade agreement, particularly one which includes an ISDS clause, will severely limit Ecuador’s ability to uphold democracy, respect the self-determination of Indigenous communities who say “no” to mining, and protect the health and environment of all Ecuadorians. The National Confederation of Indigenous Nationalities of Ecuador (CONAIE), Ecuador’s largest Indigenous body, said in a [state-ment](#) that this treaty appears to include “international arbitration clauses that could restrict the sovereignty and regulatory autonomy of the Ecuadorian State, putting at risk the human, environmental, and collective rights of Indigenous Peoples.”

A lot is at stake. In this brief, we provide an overview of Canadian mining investment in Ecuador and spotlight four Canadian projects which exemplify some of the harms caused by mining, including an instance in which ISDS was already used: Atico Mining’s La Plata project, Solaris Resources’ Warintza project, Dundee Precious Metals’ Loma Larga project, and Copper Mesa’s Llurimagua project. This brief aims to highlight some of the ways Canadian mining investment is often imposed through violence, militarization and repression, and expose how a free trade agreement opens the door to increased Canadian investment with few protections in place to ensure community consent and environmental protection, and with no effective mechanism in Canada to hold companies accountable for abuse.

Canadian mining in Ecuador: Overview

Only two industrial-scale mines are currently in operation in Ecuador. Both have operated since 2019 in the Amazon province of Zamora Chinchipe and both have faced allegations of human rights abuse. The Fruta del Norte gold mine, owned by the Canadian mining company Lundin Gold, has long been [accused](#) of negatively affecting local flora and fauna, [contaminating water](#), and causing significant psychosocial harm through [police repression](#). The El Mirador copper mine, owned by Ecuacorriente – a subsidiary of a Chinese consortium between Tongling Nonferrous Metals Group and China Railway Construction Corp – has faced [criticism](#) related to [forced evictions](#), contamination of watersheds, and accusations of killing an Indigenous environmental leader.

While the most visible harms typically associated with mining often come from industrial mines in operation, the activities of exploration companies can have just as much impact. As of September 2024, there were [15 Canadian mining companies](#) operating in Ecuador, including but not limited to: Adventus Mining (recently acquired by SilverCorp Metals Inc), Atico Mining Corporation, Aurania Resources Ltd, Barrick Gold Corporation, Dundee Precious Metals Inc, Lucky Minerals Inc, Lumina Gold Corp, Lundin Gold Inc, Salazar Resources Ltd, Silver X Mining Corp, and Solaris Resources Inc.¹ Combined, these companies have approximately 27 active mining projects in the country across 7 different provinces, all in different stages of development. Given the lack of publicly available information on all mining projects, however, it is near impossible to obtain a complete picture about Canadian mining investment in the country.

Many of these companies have encountered strong resistance from local communities concerned about mining's impacts on their livelihoods and environments in the face of a lack of free, prior, and informed consent for mining activities, incomplete environmental assessments, and the use of aggressive and manipulative tactics to push projects forward, among other issues. High levels of socio-environmental conflicts are often seen in the territories where Canadian mining companies are active. For instance, in 2023, Ecuador's Ministry of Energy and Mines classified [14](#) gold and copper mining projects – roughly half of which are Canadian – as "[Security Zones](#)," where state security forces [may be used to protect mining projects](#) in early stages of development. While these security zones are being [framed](#) as a response to "incursions by illegal miners or violent attacks on mining camps," they are being used as a pretext for militarizing communities and escalating violence against protesters. The sheer number of projects being classified this way shows that, in effect, Ecuador has enacted a strategy of social control to bring more mining projects into operation.

La Plata: Militarization and police repression

One of the projects classified as a "Security Zone" is La Plata in Ecuador's northeastern Cotopaxi province, owned since 2019 by Vancouver-based Atico Mining. La Plata is currently in pre-development, proposed to extract up to [1000 tons of ore per day](#) to process gold, copper, zinc, and silver. A significant portion of the local affected communities of Palo Quemado and Las Pampas have firmly opposed mining for at least the [past 15 years](#), on the grounds that mining activities will threaten the

¹ On September 9, 2024, Solaris Resources announced its intention to relocate its head office to Quito, Ecuador. The company [says](#) it is "continuing to evaluate further steps to complete a greater transition to Ecuador." Regardless of any future company plans, the harms outlined in this publication took place while Solaris was headquartered in Canada and, at time of publication, the company remains headquartered in Vancouver.

integrity of surrounding ecosystems, air and water quality, as well as the social fabric of their communities. They fear their livelihoods raising cattle and farming sugar cane for export to Europe will be negatively affected.

La Plata has also been one of two test sites for Ecuador's controversial new process for environmental consultation.² After a first failed attempt in [2023](#), the national government resumed a consultation in March 2024 in the community of Palo Quemado. In response to peaceful protest, there was [significant military and police repression](#), leaving [at least 15 injured](#), one person in a coma, and over 70 environmental defenders charged with terrorism in an effort to criminalize their legitimate right to protest. Local and national human rights organizations [circulated video recordings](#) on social media in which it appears the military were being housed within Atico's compounds. Since then, many of the same environmental defenders charged with terrorism are also now facing charges of organized crime. Although the consultation was suspended in March, the courts have now [backtracked](#) on that decision. Fears are high there will be renewed efforts to carry out the consultation and, along with it, bring renewed state violence.

Several United Nations bodies have denounced this process for environmental consultation for excluding many Indigenous Peoples and other potentially affected communities, for providing incomplete information, and for the violence under which the consultations have been carried out. United Nations High Commissioner for Human Rights Volker Türk expressed his concern last year about the violence surrounding these projects, and underscored the right of Indigenous peoples to be consulted on the use of their lands. He [noted](#), "People directly affected by mining projects or activities must be heard, not repressed."

Together with other UN experts, the Special Rapporteur on the situation of human rights defenders, Mary Lawlor, also [wrote to the governments of Ecuador and Canada](#) about the misuse of the judicial system against human rights defenders, underscoring Canada's responsibility to protect and uphold human rights, and expressing concern that Atico Mining receives financial support from Export Development Canada.

The use of state security forces to repress local opposition to mining is a growing trend in Ecuador. Mining projects that aren't even operational yet are already causing significant and potentially lasting harm – raising glaring concern as measures are put in place to dramatically increase Canadian mining investment, including through a new free trade agreement.

² Former President Guillermo Lasso passed in 2023 Executive Decree 754, which aims to formalize a process for environmental consultation with the public. However, it affords communities no rights to veto development projects on their lands and has been loudly rejected for being unconstitutional. In addition to the La Plata project, the second test site for the environmental consultation is with communities affected by the Curipampa-El Domo project, owned by the Canadian companies Salazar Resources Ltd. and Adventus Mining Corporation (recently acquired by Silver-Corp Metals Inc). Affected communities in the canton of Las Naves in the province of Bolivar faced [criminalization](#), [intimidation](#) and [military repression](#) in relation to their opposition to the project in 2023. An environmental consultation was suspended on March 25 by a local judge after the mayorship of Sigchos, the Confederación de Nacionalidades Indígenas del Ecuador - CONAIE (Confederation of Indigenous Nationalities of Ecuador), the Frente Nacional Antiminero (National Anti-Mining Front), and the Movimiento Indígena y Campesino de Cotopaxi - MICC (Indigenous and Campesino Movement of Cotopaxi) [filed](#) an injunction against the consultation, challenging its legality under the constitution. On August 2, a local judge in Sigchos [rejected](#) the legal complaint. La CONAIE, the MICC and others have announced their intention to appeal the judge's decision.

Warintza: Mining in the Amazon

Solaris Resources' Warintza copper, gold, and molybdenum mine is currently in its advanced exploration phase. It is proposed as an open-pit mine slated to extract [some 4 million tonnes of copper](#) from the Ecuadorian Amazon in the province of Morona Santiago. The project is located in the territory of the Shuar Arutam People in the Cordillera del Cóndor, a megadiverse mountain range in the Amazon bordering the Zamora, Coangos, and Santiago rivers.

The Shuar Arutam people have an estimated population of 12,000 people, with a territory spanning approximately 230,000 hectares. Fifty-six per cent ([56%](#)) of Shuar Arutam territory has been concessioned by the national government to transnational mining companies without Shuar consent, including to Solaris Resources.

The Shuar exercise their self-determination through the Governing Council of the Shuar Arutam People (PSHA), an elected body upholding their ancestral organizing practices made up of 47 communities organized into 6 associations. They make decisions by way of popular assembly and, in 2019, the PSHA overwhelmingly voted to prohibit mining in their territory. According to their [2009 Plan de Vida](#) (Life Plan and Charter), mining is a harmful practice that doesn't fit within their cosmovision and their community priorities to protect the health and integrity of their territory, respect ancestral wisdom, and live in harmony with nature.

Despite this [clear stance](#), Solaris continues to advance its Warintza project. It [submitted](#) its Environmental Impact Assessment in September 2024. The company [maintains](#) that it has obtained the consent of affected communities, but has only signed agreements with two of the 47 Shuar communities. According to the [PSHA](#), the company has bypassed its traditional leadership, failed to obtain consent, and failed to carry out a prior consultation in accordance with Ecuador's constitution – a position also upheld by the [International Labour Organization](#).

The PSHA has [denounced](#) an increase in conflict in the region since the company's arrival, leading to community division, [harm to the social fabric](#), an increase in emotional stress and anxiety within the community, intimidation of community members who have received death threats for their opposition to mining, and the [presence of military in Shuar territory](#) to advance the project. Many of these claims are the subject of a February 2024 [complaint filed](#) before the British Columbia Securities Commission against Solaris Resources for failure to disclose to investors the long standing opposition to the mine and documented violations of Indigenous rights.

Meanwhile, Solaris continues to promote the project to investors as one of the top copper development opportunities, with the company [well-positioned](#) to capitalize on the [rising global demand](#) for copper – demand stemming, in part, from the global energy transition.

Loma Larga: Mining in key watersheds

Since the early 2000s, a string of Canadian mining companies have attempted to advance the Loma Larga gold and copper mine in the Kimsakocha páramo (high-altitude wetland) in the province of Azuay in southern Ecuador. Toronto-based Dundee Precious Metals acquired the project in 2021 and has since worked towards obtaining environmental permits for the project, proposed as an underground mine set to extract some [3000 tons of ore per day](#).

The proposed site sits in the highest part of the Amazon slope in the Ecuadorian Andes, in a páramo that plays an essential role maintaining the water supply for tens of thousands of people in the region. The project also intersects, and would affect, areas that are key for biodiversity conservation, such as the Macizo de las Cajas Biosphere Reserve and the Kimsakocha National Recreation Area.

The environmental risks associated with this project are significant. Given its proximity to key water sources and recharge areas, the project has an extremely high potential to contaminate water used for human consumption and for agriculture throughout the region. In fact, an [independent expert review](#) found the project is essentially a “ticking time bomb” for arsenic contamination, with major risks posed by the 5.5 million tons of mine waste Dundee plans to leave permanently exposed on the páramo when the mine’s 16-year life is up.

[For 20 years](#), residents in nearby urban centres, as well as rural campesino and Indigenous communities downstream from the proposed mine, have maintained a strong and steadfast movement to protect the region’s water and oppose mining. Since 2010, they have carried out several popular referenda where participants have rejected the project, including in the city of Cuenca, where 80% of participants voted to protect water in the páramos from the threats posed by the Loma Larga mine.

The Loma Larga project was [suspended](#) by a provincial court in August 2023 – a decision ratified by the Constitutional Court in February 2024 – for [failure to obtain a social licence](#) from affected Indigenous communities through a process of free and prior consultation, and for failing to carry out an environmental consultation. Dundee Precious Metals, however, has consistently downplayed these court rulings and the legitimate fears about mining in such an ecologically-sensitive area, and continues to push forward the project.

Copper Mesa: Prioritizing investor interests over human rights

Ecuador has already faced repercussions for signing investment agreements prioritizing the rights of foreign investors over the rights of Ecuadorians.

In the late 2000s, Vancouver-headquartered Copper Mesa Mining Corporation (formerly Ascendent Copper) attempted to develop its open-pit Llurimagua copper and molybdenum mining project in the Intag cloud forest in the northern province of Imbabura in Ecuador.

The project faced strong local opposition due to concerns over impacts to human rights, livelihoods, and water. The site for the proposed mine is located in the Andes just southwest of the Cotacachi-Cayapas Ecological Reserve. The [Intag valley](#) is “one of the most biodiverse places on the planet... The tropical Andes are considered the world’s most biodiverse hotspot, ranking first in plant, bird, mammal and amphibian diversity; however, less than 15% of Ecuador’s original cloud forests and only 4% of all forests in northwestern Ecuador remain.”

Copper Mesa was accused of hiring [paramilitaries](#) in order to advance its project. Community members opposed to the project denounced violent intimidation, assaults, and death threats from private security forces allegedly hired by the mining company.

[This resistance took place in the streets](#) but also in the courts. In 2009, a case was [filed](#) in Canada against Copper Mesa, two of its directors, and the Toronto Stock Exchange (TSX) for alleged violence committed by private security against local community members, including shootings and death threats. The case was dismissed when the court found that none of the defendants owed a “duty of care.”³ Facing such strong opposition and having its licence revoked by the Ecuadorian government, Copper Mesa was delisted from the Toronto Stock Exchange in 2010.

Copper Mesa then turned to international arbitration, filing an investor-state dispute settlement (ISDS) lawsuit in 2010 under the bilateral investment treaty that existed between Ecuador and Canada at the time. In 2016, the company was [awarded](#) US \$24 million – the first mining investment arbitration in Ecuador.

One year after the Copper Mesa award, the Ecuadorian government terminated all international treaties that included arbitration, including the Foreign Investment Protection Agreement (FIPA) with Canada, citing how [exorbitant arbitration cases](#) were undermining its national budget for education and healthcare. Since then, however, successive governments have tried to reinstate ISDS, including through Executive Decree issued by former President Lasso. Earlier this year, when the issue was put to a national referendum, Ecuadorians overwhelmingly voted against returning to a system of international arbitration.

According to a recent [report](#) by the Transnational Institute, 29 arbitration claims have been filed by foreign investors against Ecuador and Canadian companies have filed four of them. Should a free trade agreement advance with an ISDS clause, it can be expected that Canadian companies will pursue this option if they feel their investments are under threat – for the good of their shareholders, not Ecuadorians.

Conclusion

Over the last decade, [numerous UN officials](#) and treaty bodies have spoken out about the harms caused by Canadian mining companies, repeatedly reminding the Canadian government of its duty to protect human rights. Canada has consistently failed to implement concrete measures to curb abuse, relying instead on voluntary measures and corporate self-regulation that have proven wholly ineffective at addressing allegations of severe human rights abuse and environmental harm.

Still today, no laws exist in Canada to hold companies accountable for abuse at their overseas operations. Despite long standing calls for Canada to adopt binding legislation on corporate accountability, including [mandatory human rights and environmental due diligence legislation](#), Canada has failed to act. Even the lax corporate disclosure rules that provoked the Copper Mesa lawsuit continue unaddressed, while the only law that actually regulates the behaviour of Canadian companies outside Canada, the *Corruption of Foreign Public Officials Act*, remains almost completely unenforced.

³ Due to significant legal and financial hurdles, only a handful of legal cases have ever been brought against Canadian mining multinationals in Canadian courts. Since 2009, nine cases have been filed. Two cases, including the Copper Mesa case, were dismissed outright. Two others have been settled out of court, and four are ongoing before Canadian courts.

Instead, Canada moves forward in negotiating a free trade agreement with the government of Ecuador which will promote and protect the interests of Canadian mining investors at the expense of local communities.

As seen in Ecuador and elsewhere, a mining company doesn't need to have a mine in operation to cause lasting harm. Aside from the direct and induced environmental impacts of exploration work, the advancement of an industrial mining project can have devastating impact on social cohesion, cause deep social rifts and conflict, bring violence and repression from state security forces and the criminalization of human rights and environmental defenders, and cause lasting harm to the self-determination and rights of Indigenous peoples.

This free trade agreement will set the stage for a dramatic increase in mining-related conflict in Ecuador, at a moment in which the planet faces an unprecedented climate crisis and where it is extremely dangerous to be an environmental and human rights defender. Communities continue to organize in powerful and varied ways to protect their lands, their water, their livelihoods, and their future from the harms of industrial mining. Their positions must be respected in any Canadian investment in Ecuador – including as free trade negotiations advance.