



# MiningWatch Canada

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## Mines Alerte

### Newsletter

Number 38: Spring/Summer 2015

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#### ***Environmental assessment and mining in Ontario – there’s a big hole***

Ontario has a very big hole in both its environmental safeguards and in its regulatory oversight of the mining sector. Our research looked at 93 mining operations in Ontario and found that 73% did not undergo a full project-level environmental assessment (“EA”), despite the huge risks to the environment and to people’s health and livelihoods. Amazing. Bizarre. And wrong. Our report provides realistic recommendations for addressing the weaknesses of Ontario’s EA policy, or at least those related to the mining sector. As the province undertakes a review of its Mineral Strategy this year, we and our allies will be taking advantage of opportunities to push decision-makers for some big improvements. The report is online: *The Big Hole: Environmental Assessment and Mining in Ontario*



#### ***CBC exposes Ontario’s resource giveaway***

Canada, too, has its share of corporate tax avoidance. We are working with Canadians for Tax Fairness to raise public awareness and generate media attention. An early result: we were quoted extensively by CBC Radio’s Rita Celli in her radio series “Mining for more: How much is mining really worth to Ontario?” The series got a very positive public response – and

a very prickly defence from the industry (you can listen to the podcasts online). As staff member Ugo Lapointe commented on Ontario’s 1.5% overall royalty rate: “One and a half per cent! That’s like 10 times less than a tip at a restaurant. Can’t we require that they tip us 15 per cent for using and extracting our resources?”

## Maybe Ontario is ready to make some changes to mining policy

Coincidentally, we had just filed a submission to the Ontario Attorney General, Bonnie Lysyk, asking her to undertake a “Value-for-Money” analysis of several key aspects of Ontario’s mining policy. The request was in response to the Ontario government’s half-baked review of its Mineral Development Strategy. The review tried to skate over some very thin ice, on everything from Free, Prior, Informed Consent

for Aboriginal peoples, to EA to royalties and taxation, to clean-up costs and environmental liabilities. Read our submission to the Mineral Development Strategy review online: *Time to Renew Ontario’s Mineral Development Strategy – For Real This Time*, and our letter to the Auditor General for Ontario: *Ontario Urgently Needs a Comprehensive “Value-for-Money” Cost-Benefit Analysis for Mining*.

## Tax avoidance in Greece (via the Netherlands & Barbados) by Eldorado Gold

MiningWatch helped the Dutch *Centre for Research on Multinational Corporations*, SOMO, develop an important report on tax avoidance and austerity in Greece. “Fool’s Gold” reveals that Canadian mining company Eldorado Gold uses mailbox companies in the Netherlands to avoid paying taxes in Greece while having no material operations in the Netherlands, and employs a financing structure that involves interest payments from its Greek subsidiary Hellas Gold via the Netherlands to Barbados. This case is emblematic: Canada supports tax avoidance through lax disclosure requirements and international tax treaties, both of which mean companies can

minimise tax paid anywhere, including Canada and whatever country they are operating in. Eldorado is also supported by Export Development Canada. Read more online: *Canadian Mining Company Eldorado Gold Devastates Greek Communities, Uses Netherlands, Barbados to Avoid Tax*.



## Eldorado Gold investors warned about Certej project in Romania

Not long after the Dutch study was published, and just ahead of Eldorado Gold’s annual shareholders’ meeting, Mining Watch Romania released an investor alert on the company’s Certej mine proposal, in association with 22 Romanian and international NGOs. The report exposes a compendium of environmental, social, political, and financial risks associated with

the Certej gold project. Read the report here: *No Silver Lining for Eldorado Gold’s Certej Project in Romania: Top reasons to stay away*.



## Indigenous Shuar leader murdered on his way to international climate talks

José Tendetza was a Shuar Indigenous community leader from Zamora Chinchipe, Ecuador who refused to give up his land for the illegal gold and copper Mirador project currently

under construction. He went missing on his way to Lima, Peru for the COP20 (the 20th Convention of the Parties to the United Nations’ Framework Convention on Climate Change), and was found dead in the Zamora River on December 2, 2014. Now in the hands of the Chinese consortium, CRCC-Tongguan, this project belonged to Vancouver-based junior mining company Corriente Resources until August 2010. CRCC-Tongguan still has a subsidiary in Vancouver. We joined Amazon Watch and a dozen other environmental and human rights organizations to urge the Ecuadorian government to ensure a just, transparent, and expeditious investigation into José’s murder. Read more on our web site: *José Tendetza’s murder is more blood on Canada’s hands*, and also: *International NGOs Call for Transparency in Murder Investigation of Ecuadorian Indigenous Leader*.

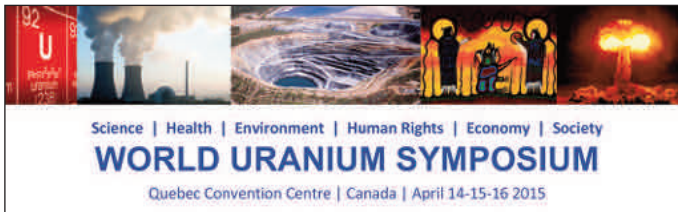




## Breaking the uranium supply chain

This is a key year for debating the future of uranium, nuclear power plants and nuclear weapons: it's the 70th anniversary of the atomic bombing of Hiroshima and Nagasaki; a UN conference is reviewing the nuclear non-proliferation treaty; and, closer to home, the Quebec government will decide whether to continue a moratorium on uranium mining.

The April 2015 World Uranium Symposium in Quebec City, the result of collaboration by a number of concerned organisations (we were a sponsor) was therefore timely. It drew high-level speakers, including Naoto Kan, Japan's prime minister during the Fukushima catastrophe, who said via video link that it is time for the world to put an end to nuclear power. Three hundred delegates from twenty countries on five continents called for an end to uranium mining in a declaration that notes that "nuclear power is not a cost-effective, timely, practical or safe response



to climate change", and calls for "a worldwide ban on uranium exploration, mining, milling and processing, as well as the reprocessing of nuclear waste, and the irresponsible management of radioactive waste". The declaration is being circulated around the world for organisations and individuals to sign onto via the internet. See the details online: *International Delegates from Five Continents Sign Declaration of World Uranium*

*Symposium*. The declaration complements MiningWatch's long-standing policy to phase out uranium mining.

While the symposium was under way, Prime Minister Modi of India was visiting

Canada and signed an agreement to buy Canadian uranium from Cameco. Delegates were disturbed by Canada's open disregard for the Nuclear Non-Proliferation Treaty and issued a statement: *Sale of Canadian Uranium to India Denounced by International Experts at the World Uranium Symposium*.

## Uncovering Canadian government complicity in mining abuse in Mexico

A Canadian mining company has not lived up to its part of a land-use agreement with a rural community in Mexico. Residents' formal complaints to Canadian officials to get Excellon Resources to face their accusations and enter into dialogue were stymied when the company simply refused to collaborate. Our extensive review of material obtained through Access to Information revealed that the Canadian government, through the embassy in Mexico City, took an active role, unquestioningly supporting the company and facilitating its access to high-level relationships within the Mexican government, despite officials' knowledge of well-documented community complaints. What's more, an Embassy trade commissioner, knowing the police and army were going to forcefully remove a community protest camp set up near the mine site on private land with the owner's permission, wished the company well, expressing no concerns about the risk of violence.

Our report highlights but one example of the implications of the Canadian government's "economic diplomacy", now a central facet of its Global Markets Action Plan whereby its entire diplomatic corps is at the service of private interests. The full report is here: *Unearthing Canadian Complicity: Excellon Resources, the Canadian Embassy and the Violation of Land and Labour Rights in Durango, Mexico*, and the local response: *Community Responds to Report Revealing Complicity of Canadian Embassy in Excellon Violations against La Sierrita*.

Another Mexican case where the Canadian Embassy was involved was that of Blackfire Exploration in Chiapas. We had

found that if the Embassy had taken action to support Mariano Abarca instead of supporting the company, he might not have been killed. We wrote to authorities on the fifth anniversary of his November 27, 2009, murder. Read more here: *Five Years After Mariano Abarca Was Murdered for his Resistance Against Blackfire Exploration, We Demand Justice!*

Then in February it was revealed that the RCMP had shut down its investigation of Blackfire for corruption, prompting members of the Chiapas branch of the Mexican Network of Mining-Affected Peoples (REMA, from the Spanish) to denounce the Canadian government's lack of commitment to supporting human rights and stopping corporate impunity: *Mexican Network Deplores Conclusion of Canadian Investigation into Blackfire in Chicomuselo, Chiapas*.



CBC's Karen Pauls highlighted our findings on the national news.

## The Fraser Institute mining survey really is made up



We asked ourselves how the Fraser Institute could bring back its annual global mining survey after Press Progress' devastating exposé "Now ordinary Canadians can skew Fraser Institute's data from home". Apparently

the answer is simple -- pretend that nothing is wrong with the methodology (or that there actually is a methodology), just as they always have. For more: *Discredited Fraser Institute Mining Survey Resurfaces*.

# The Mount Polley disaster must lead to serious changes – “business as usual” isn’t an option

Following the January release of the Independent Expert Panel report on the Mount Polley mine tailings disaster, we called on the Province of British Columbia, but also other provinces and the federal government, to heed the Panel’s warnings and not to delay fully implementing its recommendations. Our statement is here: *“Business as Usual” Cannot Continue: Mount Polley Report on Tailings Dam Safety*. But we’re not leaving it at that; we are coordinating with dozens of groups in BC and nationally, as well as internationally – in Alaska, downstream of many BC mining projects – to monitor the spill’s impacts and oversee clean-up efforts, and to make sure that the rules and practices for the sector are changed to better protect the land, the waters, and the people. In April, a large and diverse group of Canadians and Americans called on the British Columbia government to halt the permitting of wet tailings facilities for new and proposed mines in B.C. Eighty-seven

Alaska Native tribes, members of B.C. First Nations, businesses, prominent individuals, scientists, and conservation groups signed a letter to the B.C. government calling for a shift to



Skytruth made this image showing the failed tailings dam and the spill, showing Hazeltine Creek inundated with tailings. Polley Lake is in the upper left with Quesnel Lake on the right.

newer and safer dry tailings storage technology: *Canadians and Americans Demand No More Mount Polleys*.

## Tahoe Resources on trial in Guatemala and Canada; militarization strategy revealed



Alberto Rotondo.

On November 24, 2014, Donald Paul Gray, vice president of Tahoe Resources Inc., submitted an affidavit to the British Columbia Superior Court that sheds light on the powerful interests at play in connection with private

Guatemala’s Public Prosecutor in connection with an April 27, 2013 shooting outside the Escobal mine. The wiretaps provide strong evidence that he targeted peaceful protesters, then tried to cover up the crime and flee the country. Read more here: *Wiretap Transcripts Raise Troubling Questions About Tahoe Resources’ Militarized Security*.

security companies contracted for the Escobal mining project. His affidavit points to the relationship between private security companies and military and intelligence services that carry out large military projects in Afghanistan and Iraq, and with mining and construction operations in Guatemala. We published article by Guatemalan journalist Luis Solano: *How a quasi-military project was created to protect Tahoe Resources’ Escobal mine*.

Those court proceedings also brought to light wiretap transcripts ordered on the company’s former head of security, Alberto Rotondo, by





Meanwhile, Tahoe personnel were also facing charges in Guatemala, for industrial contamination (*Tahoe Resources' Administrative Manager Detained on Charges of Industrial Contamination*) and for the same shooting incident (*Tahoe Resources' Former Security Manager To Be Tried in Guatemalan Court*). In addition, the Norwegian government's

Council on Ethics recommended that Tahoe be excluded from government pension investments due to "unacceptable risk of the company contributing to serious human rights violations through its operation." Read our follow up here: *Norwegian Fund Divests from Tahoe Resources, Canadian and U.S. Investors Urged to Follow Suit*.

## **Canadian government revives Corporate Social Responsibility Strategy with new Councillor, same old evasion of responsibility**

Last November, the federal government released a revised Corporate Social Responsibility (CSR) Strategy for extractive companies operating overseas, finally recognising its power to withdraw the substantial support that it provides such companies, in order to make them accountable, but declining to apply that power in any meaningful way. See: *Canada's CSR Strategy for Extractives 2.0* –



*Government Acknowledges Power to Act, Declines to Do So*. Then, in March, the government announced the appointment of a new CSR Counsellor for the extractive sector, Jeffrey Davidson. The post had been empty for over a year. Read our critique here: *New Federal CSR Counsellor an "Industry Man" – Weak Mandate Remains*.

## **Barrick Gold settles with some victims of violence, demonstrates how "project-level" grievance mechanisms impede justice**

Under legal pressure, Barrick Gold has settled some of the claims against it by victims of rape, shootings, and assaults at its Papua New Guinea and Tanzania mines. The settlements are welcome compensation for the victims, but they also illustrate how the company uses its internal grievance mechanisms to divert and limit the claims against it, effectively obstructing meaningful justice.

In February, African Barrick (now called Acacia Mining)

reached an out-of-court settlement with the Tanzanian villagers who were suing the company for killing and injuring of locals at the North Mara mine. Our analysis: *Out-of-Court Settlement Good for Some Tanzanian Villagers – But Many Others Hindered from Participation by Barrick's Grievance Mechanism*.

Eleven of over 120 women who claim to have been raped and gang raped by security guards at Barrick's Porgera Joint



"Intruders" - local residents - scavenge for gold-bearing rocks in waste rock piles at Barrick Gold's North Mara mine in Tanzania.

Venture mine, and three of many more men and their families who claim to have been the victims of violence and killing by mine security, finally got equitable settlements in April. See *Barrick Settlement on Rapes and Killings in Papua New Guinea* *Proof that Victims Need Independent Legal Counsel* on our web site.

Barrick's "grievance mechanisms" serve to illustrate a growing problem with corporations using their own procedures

instead of local legal processes to address their own human rights or other abuses and damages. We prepared a brief with Rights and Accountability in Development (RAID) to accompany a panel we jointly organized for the Third Annual UN Forum on Business and Human Rights held in Geneva on December 1, 2014. Read more here: *Privatized Remedy and Human Rights: Re-thinking Project-Level Grievance Mechanisms*.

## Ugo Lapointe Joins MiningWatch as Canada Program Coordinator



Following Ramsey Hart's departure in November 2014 after six years of outstanding, dedicated, and intense work, we were thrilled to have Ugo Lapointe replace him, starting in February 2015. Ugo has spent the last seven years as a lead organiser, coordinator, and spokesperson for the Coalition pour que le Québec ait meilleure mine, and has nearly twenty years of diverse experience in the Quebec, Canadian, and international mining sector.



**YES! I want to help provide mining-affected communities with the support they need – and make the mining industry accountable.**

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