

January 10, 2005

Press release / urgent action

Military may be called in to support the Canadian Glamis Gold mining operation (in Guatemala) that is supported by the World Bank, Canadian government, etc, at the expense of the development needs and human rights of local indigenous populations. Send messages urgently to the Glamis Gold company, World Bank, Canadian government and media about this on-going crisis situation.

See below, to support local communities at risk of military repression for resisting the imposition of this "development" project by Glamis Gold, the Canadian government, the World Bank, etc. If you want on-off this elist: info@rightsaction.org

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40 DAYS OF PROTEST AGAINST GLAMIS GOLD'S GUATEMALAN MINE:

Monday, January 10 marks the fortieth day that platform trailers carrying milling cylinders for Glamis Gold's Marlin mine in the western department of San Marcos have been blocked from passing along the Panamerican Highway to the mine. Since December 3, the convoy - which cannot pass under a metal pedestrian crossing bridge 130 km northwest of Guatemala City - has been the object of a growing opposition to metal mining in the largely indigenous populated highlands.

When the equipment reached the bridge, workmen from the transport company tried to cut away part of the bridge so that the trailer could pass. When the local population discovered that the equipment was for mining, they organized to protect the bridge and prevent the mine equipment from passing further. On the first day of protest more than 2000 indigenous farmers and villagers gathered, and tried to dissuade the convoy from traveling further. When their demands were not met, one small vehicle carrying tools and fuel for the mine was set afire. The rest of the convoy retreated 2 km to

a

lookout point's parking area where it has remained since, guarded by private police under the vigilance of local villagers.

CALLING IN THE MILITARY:

Since December 3, the local mayor has stated repeatedly his determination to respect his constituents' demand that the equipment not continue to San Marcos where Glamis is constructing its Marlin mine.

The Guatemalan Interior Ministry stated on January 8 that it is prepared to call in troops to escort the convoy past the bridge despite local opposition. Villagers have stated that they will push the equipment over a cliff where it is parked if the military intervenes.

VIOLATION OF INDIGENOUS RIGHTS:

Opposition to the mining began when a mining license was granted by the previous administration in late 2003. Despite public assurances to the contrary, neither the company, nor the Canadian or Guatemalan governments ever properly consulted with the local communities, as required by national and international law. Once the communities discovered the extent of possible negative development impacts of the project, opposition formed around issues of violation of the rights of indigenous persons and environmental risks inherent to the cyanide leaching refinement process.

WORLD BANK INVESTMENTS:

The situation is further aggravated by the World Bank's International Finance Corporation's lending \$45 million to Glamis to develop the mine, despite written opposition to the mine project by local organizations, and the apparent non compliance of the WB-IFC to the Bank's own recommendations regarding extractive industries investments requiring their broad community support and clear poverty alleviating impacts.

WIDESPREAD OPPOSITION:

Local organizations and villagers have organized across four departments in

support of the protest and demand a government / company dialogue directly with the San Marcos communities affected by the mine project to reach an accord regarding the mine's future. As tensions rise and patience grows short, neither the company or government show signs of engaging those opposed to the mine, and the World Bank, having been informed of these problems since early December, has demonstrated no leadership or ability to address the situation.

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SEND COMMUNICATIONS, INSISTING ON:

- Glamis Gold company, World Bank and Canadian governments delay work on the Glamis Gold mining operation and establish a transparent and public negotiation table with all potentially affected communities
- Glamis Gold company, World Bank and Canadian governments must insist that the Guatemalan government NOT call in the military to forcibly escort the transport trucks and force this "development" project on the local communities

CANADIAN GOVERNMENT:

- James Lambert, Canadian ambassador in Guatemala, gtmla@international.gc.ca
- Ginette Martin, Advisor, Canadian embassy in Guatemala, ginette.Martin@international.gc.ca
- Monica Izaguirre, Monica.Izaguirre@international.gc.ca

WORLD BANK:

- James Wolfensohn, President, Attention to: Minneh M. Kane [Asst. to the President], F: 202-522-1677, E: mkane@worldbank.org
- Vice President David de Ferranti, E: Ddeferranti@worldbank.org
- Michael Swetye, Principal Investment Officer, Oil, Gas, Mining and Chemicals Department F8K-254, WB (International Finance Corporation), E: Jswetye@ifc.org, F: 202-974-4323
- Carmen Gadala, World Bank External Affairs Officer, E: cgadala@worldbank.org
- Jane Armitage, Country Director, Central America, E: Jarmitage@worldbank.org, F: (202)676-1464
- Mario Marroquin, World Bank, Guatemala City, E: mmarroquin@worldbank.org
- Neeta Sirur, Country Manager for Guatemala, E: Nsirur@worldbank.org
- Irma Yolanda Avila, civil society and indigenous peoples specialist

Guatemala Country Office City, E: iavilaargueta@worldbank.org

GLAMIS GOLD: 310-5190 NEIL ROAD, RENO, NV, USA, 89502, T:
(775)827-4600,
F:(775)827-5044, info@glamis.com, www.glamis.com

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FUNDS FOR HUMANITARIAN NEEDS:

Based in Central America, Canada and the US, Rights Action funds and works

with community development organizations. Rights Action has first hand

experience with the destruction caused by most global mining operations. To

support community organizations working for locally controlled development,

make tax-deductible check payable to "Rights Action" and mail to:

* United States: 1830 Connecticut Av, NW, Washington DC, 20009.

* Canada: 509 St. Clair Ave W, box73527, Toronto ON, M6C-1C0.

On-line donations: USA and Canada: www.rightsaction.org. Wire funds to

Rights Action: contact info@rightsaction.org, 416-654-2074.

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BACKGROUND:

Contact info@rightsaction.org for information previously published about

this company and their operations in Guatemala and Honduras.

<http://ifcln001.worldbank.org/ifcext/spiwebsite1.nsf/0/9e42e13df0ff8b3485256e61006d226a?OpenDocument>

This Summary of Project Information is prepared and distributed to the public in advance of the IFC Board of Directors' consideration of the proposed transaction. Its purpose is to enhance the transparency of IFC's

activities, and this document should not be construed as presuming the outcome of the Board decision. Board dates are estimates only.

Summary of Project Information (SPI)

Project number 21766

Project name Marlin

Country Guatemala

Sector Oil, Gas And Mining

Department Oil, Gas, Mining And Chemicals

Company name Montana

Environmental category A
Date SPI disclosed March 24, 2004
Projected board date May 28, 2004
Status Active
Previous Events Invested: November 5, 2004 Signed: June 29, 2004
Approved: June 3, 2004

Project sponsor and major shareholders of project company Glamis Gold Limited, through Montana Exploradora de Guatemala, has a 100% interest in the Marlin project. Glamis Gold Limited: a description of the sponsor is as follows: Glamis is a Reno based mid-cap sized gold mining company listed on both Toronto and New York Stock Exchanges. Glamis currently produced 230,000 ounces in 2003 at a cash cost of \$184/oz from its operations in Honduras and Nevada. The company has a stated medium term goal of achieving gold production of 500,000 oz/yr at less than US\$150/oz. In addition to Marlin, Glamis holds additional concessions (both through and outside Montana Exploradora) in Guatemala. As of March 5, 2004 Glamis had a market cap of \$2.15 billion at \$16.6 per share.

Total project cost and proposed IFC investment
The project cost for Marlin is estimated at \$254 million, including \$123 million capital costs and \$131 million that Glamis spent to acquire and develop the project to feasibility stage. IFC is considering providing ME approximately \$45 million, including approximately \$10 million equity and \$35 million A Loan for Marlin's development. Glamis will finance the remaining \$80 million in capital costs through shareholders' equity and loans.

Location of project and description of site
The Marlin project is located near the village of San Miguel in western Guatemala. San Miguel is located 30 kilometers south of Huehuetenango, a major town 250 kilometers northwest of Guatemala City along the Central American highway. The Marlin project is accessible by an all-season road,

which is connected to a paved highway near Huehuetenango.

Description of company and purpose of project

The Marlin project (Marlin, the company or the project) is a promising greenfield gold project located in the western Guatemalan highlands approximately 90 air miles northwest of Guatemala City. The \$254 million open pit/underground project is estimated to produce about 217,000 oz per annum over 11 years at about \$93/oz cash cost (lowest quartile on the cost curve). Total open pit and underground reserves in the current mine plan are estimated 13.3 million tonnes at 5.4 g/t gold. In addition, there is significant exploration potential. The metallurgy appears simple and conducive to a simple treatment circuit with high recoveries. The project is owned by Montana Exploradora de Guatemala, S.A. (ME), a 100% subsidiary of Glamis Gold Ltd. (Glamis or the sponsor), a mid tier gold producer listed on both the Toronto and New York Stock Exchanges. ME holds other exploration stage properties in Guatemala in addition to Marlin.

Environmental and social issues – Category A

This is a category A project according to IFC's Environmental and Social Review Procedure. Potential environmental, health and safety issues associated with this project include: associated facilities; longer-term cumulative impacts; natural habitats; international waterways; safety of tailings dam; solid and liquid waste management; hazardous materials management; water resources management; reclamation and closure; management of occupational health and safety issues, as well as emergency preparedness and response. Social issues include: management of impacts on indigenous communities; resettlement, compensation and sustainable economic rehabilitation/development; direct and induced impacts of associated facilities; induced migration to the project area; and management of work camps and residential areas. To view the environmental documents for this project, [click here](#)

Location of environmental documents in locally affected community
The environmental documentation will be made available at the

following

locations: Montana Exploradora de Guatemala, S.A. 20 Calle 24-60 Zona
100fi-Bodegas Pradera #20 Guatemala City, Guatemala Marlin Project
Office Project Site San Miguel Ixtahuacan Departamento San

Marcos Guatemala San

Miguel Ixtahuacan Municipal Office San Miguel Ixtahuacan Departamento
San

Marcos Guatemala Fundacion Sierra Madre Office San Miguel

Ixtahuacan Departamento San Marcos Guatemala Sipacapa Municipal

Office Sipacapa Departamento San Marcos Guatemala

To contact the project company, please write to:

Mr. J. Michael Swetye Principal Investment Officer Oil, Gas, Mining and
Chemicals Department F8K-254 International Finance Corporation 2121
Pennsylvania Avenue NW Washington DC 20433 Email: Jswetye@ifc.org Fax:
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