

August 16, 2010

HONDURAS: GOLDCORP INC. FACES CRIMINAL CHARGES FOR ENVIRONMENTAL HARMS & RELATED HEALTH HARMS, AS IT TRIES TO RE-OPEN ITS GOLD MINE IN HONDURAS

RIGHTS ACTION Commentary:

Over the past few years, Rights Action has supported and worked closely with the Siria Valley Environmental Defense Committee, reporting on a wide range of environmental and health harms, and other human rights violations, caused by Goldcorp Inc's "San Martin" open-pit, cyanide leaching mine.

The Siria Valley Environmental Defense Committee, Rights Action and other groups have denounced the range of harms and violations inside Honduras, and to the Canadian government, the company itself, and many investors (such as the Canada Pension Plan) that are profiting greatly from their investments in Goldcorp, given the record high prices of gold.

These denunciations have fallen on deaf ears in Canada – including in the Canadian media that rarely investigates or reports on these issues, enabling Goldcorp to continue to operate with impunity and immunity from any effective accountability.

Goldcorp Inc. denies any wrong doing, harms or violations whatsoever, despite the growing list of well-documented harms and violations.

BELOW: News release from CAFOD (Catholic Overseas Development Agency, <http://www.cafod.org.uk/>) – that criminal charges have been filed against Goldcorp Inc (via its wholly owned subsidiary Entremares) for pollution and environmental harms.

RE-OPENING THE CLOSED MINE

Not only does Goldcorp Inc. (Entremares) deny any wrong doing, harms or violations, but with the Honduran Congress controlled by politicians that supported the 2009 bloody military coup against the elected government of President Zelaya, Goldcorp Inc. now aims to re-open its controversial "San Martin" mine.

Goldcorp has been in direct communication with mayors in four municipalities in the Siria Valley, where Goldcorp operates the "San Martin" mine, encouraging them to write letters to Honduras members of congress (of the post military coup regime) to say that the mayors of the Siria Valley do not want the company to leave, that they want Goldcorp to re-open their open-pit, cyanide leaching mine. Goldcorp (Entremares) is applying for extensions to its mining licenses so that it can re-open its "San Martin" mine.

HONDURAN GOVERNMENT RETURNS 80 MILLION LEMPIRAS TO GOLDCORP!

Meanwhile, at the same time that criminal charges have been laid against Goldcorp Inc. (Entremares) for environmental harms and related health harms, the (post-military coup) government of Honduras is returning to Goldcorp (Entremares) 80 million lempiras (over \$4,000,000) for a tax paying error!

"More than being worried, I am indignant, because [this "tax repayment" is happening] even as the government acknowledges the environmental harms and health harms to the Siria Valley population that have been caused by Entremares [Goldcorp]." (Dolores

Valenzuela, coordinator of the Asociación Hondureña de Periodistas Ambientalistas y Agroforestales, elHeraldo newspaper, August 9, 2010. redaccion@elheraldo.hn)

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MORE INFORMATION

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GOLDCORP STAFF FACE CRIMINAL CHARGES OVER MINE POLLUTION AFTER CAFOD INVESTIGATION

For immediate release, August 16, 2010

Authorities in Honduras last week filed criminal charges against senior officials of Entremares – a wholly-owned subsidiary of mining giant Goldcorp - based on evidence from aid agency CAFOD of severe water contamination.

The data gathered at the San Martin gold mine in the Siria Valley area of Honduras revealed dangerously high acidity and metal concentrations in water flowing into a local stream. The information uncovered by CAFOD was part of an official water monitoring report at the mine but was not disclosed or acted upon by the Honduran Government's department for mineral resources or Goldcorp.

CAFOD Policy Analyst Sonya Maldar said: "We welcome the news that action has finally been taken against Goldcorp on the basis of CAFOD's evidence and local community concerns. Given that Entremares is applying for new mining permits in Honduras, it is essential to get to the bottom of events at San Martin and ensure that the people of Honduras don't pay the price of pollution in the long term."

Charges have been filed against two executives from Entremares for contaminating water and damage to the environment. The accusations against Christian Pineda and Renan Santamaria are that their actions contravened Article 181 of the Honduran criminal code, and if convicted, they could face imprisonment of up to six years.

Gustavo Adolfo Torres Garay, a former senior official within DEFOMIN (the Honduran Department for the Administration of Mineral Resources) has been charged with breach of official duties for failing to act on evidence of pollution. This is in contravention of Article 349 of the Honduran criminal code with a punishment of up to three years and disqualification from office.

Goldcorp is one of the world's largest gold mining companies and has consistently denied that the San Martin mine has caused environmental damage. On top of the undisclosed water monitoring report, Newcastle University experts also gathered visual evidence of acid mine drainage close to the mine site.

The Newcastle study was carried out in 2009 in response to a request for technical support from the Honduran authorities. During a visit to Honduras in November 2008, Paul Younger, Professor of Hydrogeochemical Engineering at Newcastle University and a

renowned expert on mine water management, noted signs of acidic mine drainage close to the mine site.

Professor Paul Younger said: "Goldcorp's denial of pollution at San Martin has done the company no favours. If Goldcorp had been open about the problems, they could have avoided this action by the Honduran Environmental Prosecutor. The effects of acid mine drainage can continue for long after a mine has closed so the company must publicly commit to long term monitoring and maintenance at the site to prevent a recurrence of such pollution in the future."

During a subsequent visit, Dr Adam Jarvis and Dr Jaime Amezaga, also of Newcastle University, saw unequivocal evidence that highly acidic and metal-rich water had discharged from one part of the mine (the Tajo Palo Alto) to a local stream, on at least one occasion. This evidence was in the form of an analytical report of water samples collected by DEFOMIN (the Honduran Department for the Administration of Mineral Resources), the government body responsible for promoting mining in Honduras, granting concessions and monitoring environmental impact.

Drs Jarvis and Amezaga's report of their visit, which was released by CAFOD in December 2009, reveals acidity of the water at two sites reached levels of a pH between 2.5 and 3, which is typically very damaging to stream biology. (Distilled water has a pH of 7, vinegar 3 and lemon juice 2). As well as high levels of cadmium, copper and iron.

This is consistent with a complaint presented by a local community group, the Siria Valley Environmental Committee, to Honduras' Environmental Prosecutor about discolouration of the water flowing from streams originating from within the mine's perimeter on 24 September 2008. Community members reported that the water was a "reddish colour (...) and emanated a strong smell of sulphur". This indicates that contaminated water from the mine's perimeter had entered streams used by people in the Siria Valley for domestic and agricultural purposes.

Pedro Landa of the Honduran Centre for Community Promotion and Development said: "The case against Entremares (Goldcorp) finally acknowledges the damage caused by this company which has had such a profound effect on the local population and the whole country. It is disappointing that an international company like Goldcorp refuses to take responsibility for its actions. We will stay vigilant so that the authorities apply the full weight of the law and do not allow Entremares to abandon the mine without taking responsibility for the damage it has caused to the local community and environment."

San Martin was the largest open cast mine in Central America before it ceased production in 2008. Since then, Canadian mining company Goldcorp has been carrying out the final stages of mine closure, which it is expected to complete by the end of 2010. The mine has caused controversy from the start, with local people claiming they were not fully consulted about the project.

NOTES TO EDITORS:

- In 2007, the Honduran Secretariat of Natural Resources and Environment (SERNA) fined Goldcorp one million lempiras, equivalent in value to about £26,000 (at the time) for pollution and damage to the environment. The company has consistently disputed these tests and has appealed against the fine.

- In 2007, the Latin America Water Tribunal ruled on a complaint filed by members of the Siria Valley communities, finding Goldcorp accountable for damage to the environment and unreasonable use of water in the Siria Valley.
- Acid mine drainage is a process whereby sulphides in the rock are exposed to oxygen and water and react to produce sulphuric acid. It can have devastating impacts on the environment, contaminating groundwater with toxic heavy metals and killing plants and animals for years after the mine has closed. Professor Younger's observations included unequivocal signs of discoloration of streams indicating that metal-rich, and likely acidic, waters have discharged from the mine perimeter.
- Communities in the Siria Valley have also complained of health problems, including respiratory, skin and gastro-intestinal diseases, which they believe are a result of drinking water polluted by the mine. A study carried out by the Honduran Department for the Environment in 2008, found high levels of heavy metals, such as arsenic, lead and mercury in blood samples taken from villagers living close to the mine. The study has yet to be published by the government. Goldcorp denies that the health problems are a result of their operations.
- CAFOD has attempted to raise concerns about pollution at the San Martin mine with Goldcorp on numerous occasions via letter and in person for several years. The Newcastle University report was presented to Goldcorp's senior management in 2009 but the company has still refused to admit that the site had ever caused water contamination. Without open disclosure of how serious the water contamination was, it is difficult for independent specialists to be sure that the remedial measures now proposed by the mine will be sufficient to protect the communities from long term environmental hazards.
- For further information and copies of the reports submitted by CAFOD as evidence, please contact Pascale Palmer, ppalmer@cafod.org.uk, +44 7785 950 585

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MORE INFORMATION

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RIGHTS ACTION IS A NOT-FOR-PROFIT ORGANIZATION, with tax charitable status in Canada and the USA, that funds and works to eliminate poverty and the underlying causes of poverty, supporting community-based development, environmental, disaster relief and human rights projects and organizations in Guatemala and Honduras, as well as in Chiapas [Mexico], El Salvador and Haiti. Rights Action educates about and is involved in other worked aimed at poverty eradication and critically understanding the related north-south, global development, environmental and human rights issues.