

Legal challenge to misleading statements related to Tahoe Resources/ Pan American Silver's repressive, corrupted mine in Guatemala

<https://mailchi.mp/rightsaction/legal-challenge-to-misleading-statements-related-to-tahoe-resources-pan-american-silvers-mine-in-guatemala>

As 10s of 1000s of Guatemalans flee into exile, year after year, in caravans or separately, trying to leave behind endemic exploitation, destitution and violence, government repression, corruption and impunity, Tahoe Resources / Pan American Silver seek support from the Guatemalan regime to help re-start their legally challenged, widely opposed mining operation.



Securities Commissions Asked to Investigate, Ahead of Tahoe Resources / Pan American Silver Merger

Accountability group seeks report on consultation with Guatemala's Xinka Indigenous people
<https://us7.campaign-archive.com/?e=&u=8f98b851e94f659be52c775d5&id=46ab5cbe78>

Today, ahead of the January 8th shareholder vote on Pan American Silver's acquisition of Tahoe Resources, the Justice and Corporate Accountability Project (JCAP) filed letters with the British Columbia Securities Commission and the US Securities and Exchange Commission asking for an investigation about claims in relation to the court-ordered consultation with Xinka Indigenous people in Guatemala.

The letters provide evidence to the BCSC and the US SEC that Pan American Silver (TSX: PAAS NASDAQ: PAAS) and Tahoe Resources' (TSX: THO NYSE: TAHO) have made misleading statements on the future of the Escobal mine, and failed to disclose serious issues and conflict already emerging with the consultation process.

The letter also points out the failure to disclose that the court suspended an application for an exploratory license as well as an order that could result in increased royalties.

These letters mark the third submission regarding Tahoe Resources in less than three years. JCAP filed letters to the U.S. SEC in August 2016, and with the BCSC in May 2017, informing them that Tahoe had not disclosed its failure to consult with Indigenous people and its knowledge of serious community opposition to the mine. Tahoe denied that there were any problems, but two months after the British Columbia complaint, in July 2017, a court in Guatemala suspended operations over discrimination and lack of consultation with Xinka Indigenous people.

"I use this case in my business law classes to show what happens when companies don't get consent from communities," said Shin Imai, JCAP lawyer and professor emeritus at Osgoode Hall Law School in Toronto. "At its height in 2014, Tahoe was trading at almost \$25, and now it is hovering below \$4".

Xinka authorities are closely monitoring the process to make sure their rights are respected during the consultation and have denounced Tahoe Resources for pursuing parallel negotiations on the margins of the consultation process, circumventing the Xinka people's legitimately elected authorities.

"Tahoe has a proven track record of grossly overstating their social license, and this is no exception," says Ellen Moore, International Mining Coordinator for Earthworks. "It is critical that BC and US regulators investigate Pan American and Tahoe for not disclosing everything they know about conflicts surrounding the consultation process and the potential for a restart of the Escobal mine."

LETTERS

Pan American Silver SEC Report Request
Pan American Silver BCSC Report Request
Tahoe Resources SEC Report Request
Tahoe Resources BCSC Report Request

- For letters: <https://us7.campaign-archive.com/?e=&u=8f98b851e94f659be52c775d5&id=46ab5cbe78>

BACKGROUND

Tahoe Resources' Escobal silver mine in southeastern Guatemala has been suspended since June 2017, first due to community protest, and later by order of the court over discrimination and failure to consult with the Indigenous Xinka people. Tahoe has faced widespread, grassroots opposition since it began development of the mine in 2010.

In September 2018, Guatemala's highest court ruled the mine will remain closed while consultation takes place. Since then, Xinka leaders have expressed growing discontent with the company and Guatemalan authorities over alleged illegalities and misinformation regarding the consultation process. The September court decision also cancelled Tahoe's nearby Juan Bosco exploration license for failure to consult.

On November 15th Pan American Silver announced it will buy out Tahoe Resources for \$1.1B, including the highly controversial Escobal mine.

Pan American Silver has promoted the potential value of Escobal as a way of building shareholder confidence ahead of the sale, obscuring the significant risks associated with investing in the project and downplaying the importance of Xinka agreement to the continuation of the project.

Class-action lawsuits

Tahoe shareholders have filed three class-action lawsuits for material losses due to the company's failure to report its lack of social license and the presence of indigenous people. A fourth was filed last month in Canada, focused on statements made by former Tahoe CEO, Ron Clayton, immediately following the filing of the lawsuit in May 2017 that resulted in the suspension of the mine.

Civil lawsuit – Tahoe Resources shootings

The British Columbia Court of Appeals ruled in January 2017 that a civil lawsuit against Tahoe Resources for negligence and battery associated with the 2013 shooting outside the Escobal mine should proceed in Canada.

The 2013 attack in which seven farmers were seriously injured when mine private security open fired is one example of abuses and violence associated with the Escobal mine. In 2012, Tahoe pressured the Guatemalan government to do more to protect its operations and in 2013 the government declared martial law in four municipalities surrounding the project in order to quell growing opposition. Dozens of leaders were criminalized during the 2013 crack-down and more than 100 spurious legal complaints have been filed against Xinka and campesino community members organizing municipal and community referenda rejecting mining in the region since 2010.

Mayors in five municipalities surrounding Escobal refuse mine royalty payments out of respect for the municipal referenda. Two around-the-clock protest camps on the highway on either side of the mine in Casillas and Mataquescuintla continue despite the mine's indefinite suspension.

The January 3, 2019 letters to the U.S. Securities and Exchange Commission and the British Columbia Securities Commission were filed by the Justice and Corporate Accountability Project (JCAP) on behalf of Earthworks, MiningWatch Canada and Maritimes-Guatemala Breaking the Silence Network.

CONTACTS

- Ellen Moore (English and Spanish), International Mining Coordinator, Earthworksemoore@earthworks.org 202-887-1872 x128
- Shin Imai (English and Spanish), Lawyer, Justice and Corporate Accountability Projectsimai@justice-project.org 647-524-2312
- Moisés Divas Santos, (Spanish only), Director, Diocesan Committee in Defense of Nature (CODIDENA), xanpiya@gmail.com +502 5158-3503

TAHOE RESOURCES LAWSUIT IN CANADA

to hold Tahoe accountable for shootings, contact: Matt Eisenbrandt: meisenbrandt@gmail.com

WHAT TO DO ABOUT CANADA, mining impunity capital-of-the-world, exacerbating and benefitting from refugee producing crisis in Guatemala, Honduras,

Write and call, and keep writing and calling, your elected MPs, government officials, asking why the Canadian and U.S. governments, and North American businesses (hydro-electric dams, mining, African palm, tourism, cattle, fruit, etc.) and investors (pension funds, trusts, endowments, etc.) maintain profitable relations with corrupt, repressive governments in Honduras and Guatemala, benefitting from repression, environmental devastation, human rights violations, corruption and impunity.

- Contact your MP: <https://www.ourcommons.ca/Parliamentarians/en/members>
- Minister Chrystia Freeland, Ministry of Foreign Affairs, 613-992-5234, 1-343-203-1851, chrystia.freeland@parl.gc.ca, chrystia.freeland.c1d@parl.gc.ca, chrystia.freeland@international.gc.ca
- Canadian Ambassador to Guatemala, Deborah Chatsis, 502 2363-4348, gtmla@international.gc.ca

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Your funds at work (to date in 2018): <http://rightsaction.org/your-donations-at-work/>

Rights Action has, since 2012, funded community/ environmental/ human rights defense struggles of communities harmed by Tahoe Resources' / Pan American Silver's mine. [Make check payable to "Rights Action" and mail to:](#)

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