



MiningWatch Canada

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Newsletter

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Federal Government Moves Quickly to Bypass Supreme Court Ruling, Undermine Environmental Assessment

Our Supreme Court win re-established the integrity of the Canadian Environmental Assessment Act (CEAA), but the government has moved quickly to undo it. The Budget Implementation Bill, C-9, introduced March 29, 2010 and passed into law on July 12, makes a mockery of the independence and objectivity of the federal environmental assessment process.

MiningWatch joined other national environmental groups and coalitions to roundly denounce changes to CEAA buried deep in the almost-900-page Budget implementation bill. The changes will effectively reverse the January 2010 Supreme Court decision on the Red Chris mine project (the “MiningWatch case”) and ensure continued delays and confusion on environmental assessments of major projects, as well as allowing the public to be excluded from arbitrarily redefined review processes. The groups strongly criticised the changes themselves as well as the secretive, unaccountable, and anti-democratic way they were introduced.

Specifically, the Budget bill gave the federal Minister of the Environment the discretion to redefine the scope of an envi-



Teztan Biny (“Fish Lake”)

ronmental assessment, allowing him (or her) to split projects into component parts or exclude parts of the project from the assessment. It also legalised the exemption of federally-funded

infrastructure projects from EA and formalised the role of the Canadian Nuclear Safety Commission and the National Energy Board in carrying out Panel reviews – despite both agencies’ poor track record in public engagement.

MiningWatch staff testified before both the House of Commons and Senate Finance Committee on the inappropriate use of Budget legislation to bypass proper Parliamentary scrutiny as well as the deeply problematic nature of the changes themselves.

The government’s stated agenda is to minimise and “streamline” the federal role in EA, by reducing the overall number of projects being assessed, centralising the administration of assessment processes within the Canadian Environmental Assessment Agency, handing over the actual assessment processes for large projects to other agencies like the CNSC and the NEB, and ultimately handing over the process to the provinces. Legally, the federal government cannot hand over jurisdiction to the provinces in areas like fish and fish habitat, migratory birds, navigable waters, and of course Aboriginal consultation and accommodation, but they can essentially vacate the field, devolving the assessment process to the provinces and thereby constraining the range of decisions that can be made, if not actually abdicating federal decision-making.

The proposed Prosperity copper-gold mine in British Columbia is a good example of the value and importance of a strong and consistent federal role in environmental assessment (see below). A federal review panel has been hearing evidence from affected communities, independent fisheries experts, and social scientists (MiningWatch was an intervenor). Serious shortcomings in the proponent’s proposals have been identified

and led to the review panel finding that the project would have significant adverse environmental effects. In contrast, a provincial review had already led to approval by the BC government with only minimal conditions – and without the participation of the Xeni Gwet’in First Nation, the Tsilhqot’in National Government, the Secwepemc Nation or the Union of B.C. Indian Chiefs.

Without a federal review, there would not have been a robust and public consideration of significant issues around the project’s impacts on water and fisheries, and the interests of the Xeni Gwet’in First Nation and the Tsilhqot’in National Government.

With this latest attack on CEAA already passed into law, the next challenge will be the scheduled legislative review of the Act, to be undertaken by the House of Commons Standing Committee on the Environment and Sustainable Development in the fall. We believe the government will take the opportunity to try to diminish the law even further. This cannot be allowed to happen; the damage that has been done to the Act must be repaired. At the same time, there is an opportunity to go further, and bring forward proposals to try to address some of the real shortcomings of the Act, to make the environmental assessment process more effective and enforceable, better integrated into decision-making, and more responsive to the public.

We are working with the Environmental Planning and Assessment Caucus of the Canadian Environmental Network and a number of other groups to bring attention to the government’s attack on the CEAA. There is a Facebook group and a web-based campaign urging people to write and visit their Members of Parliament to make sure they understand the seriousness of this issue.

Participation in Prosperity Panel Review Pays Off – Process Shows Value of Rigorous Environmental Assessment

On July 2, sixty days after the end of six weeks of public hearings, the federal review panel examining the proposed Prosperity Gold Copper Mine released its report. We were very pleased to see many of our concerns, as well as those of the Tsilhqot’in and Secwepemc Nations, Williams Lake Council of Canadians, Friends of Nemiah Valley, Cariboo Chilcotin Conservation Society and others were reflected in the report which concluded that:

the Project would result in significant adverse environmental effects on fish and fish habitat, on navigation, on the current use of lands and resources for traditional purposes by First Nations and on cultural heritage, and on certain potential or established Aboriginal rights or title. The Panel also concludes that the Project, in combination with past, present and reasonably foreseeable future projects would result in a significant adverse cumulative effect on grizzly bears in the South Chilcotin region and on fish and fish habitat.

MiningWatch submitted detailed comments and Canada Program Coordinator Ramsey Hart participated in two weeks of hearings in Williams Lake, making presentations to the panel and questioning other presenters. We were also able to hire expert consultants to do technical reviews of fish habitat and socio-economic issues thanks to participant funding provided

by the Canadian Environmental Assessment Agency. While these funds cannot be used for MiningWatch staff time they were essential for us to be able to participate effectively. The participant funding program is an important balancing and accountability mechanism in the environmental assessment process which was not available during the provincial EA process.

The provincial process did not have the benefit of participation from the affected First Nations, due to their decision to only participate in one process and due to their perception of betrayal by the province when it decided to not conduct a joint process with the federal government. The extensive public hearings that were held by the federal panel, including visiting the affected First Nations, provided much greater opportunities for participation that the information sessions held under the provincial review process.

The provincial process was not run by an independent panel but by government employees that ultimately answer to the BC Cabinet. The mining industry is a significant supporter of the BC Liberal Party and Taseko Mines Ltd. is no exception, having made more than \$30,000 in contributions to the party as the provincial environmental assessment process was unfolding. This raises serious concerns about potential for political manipulation and conflict of interest in the provincial process.

There was also a time limit placed on the BC process, which had to be completed within 180 days (excluding time for the proponent to respond to questions from the Environmental Assessment Office). The Federal Panel raised concerns that this tight time line may not have allowed sufficient time to examine the issues and that the BC decision may have been reached prematurely without resolving areas of significant uncertainty.

These differences help to explain why the province has approved the project, though it did find that there would be significant adverse environmental impacts. The province however concluded that these impacts would not be as extensive as the federal panel found, and that the construction of "Prosperity Lake" to compensate for lost fish habitat would provide considerable mitigation for the draining of Teztan Biny (Fish Lake) and the loss of lake and stream habitat in the upper Fish Creek watershed. The province did not have the benefit of reviews by MiningWatch's consultant Dr. David Levy or the eminent Dr. Gordon Hartman both of whom provided ample evidence that the proposed habitat compensation plan was highly unlikely to succeed.

Unfortunately the mandate to make a final recommendation regarding the project was written out of the federal panel's terms of reference and they were only able to provide information relevant to a decision about possible justification of significant adverse effects. The decision now rests with the federal Cabinet, though even if approved the project could still be stopped through legal action by the Tsilhqot'in National Government, which has a strong case for exerting fishing rights to the proposed mine site.

The federal cabinet needs to hear from Canadians that approval of this project would be an unacceptable affront to commitments to First Nations made in the residential school apology and in the UN Declaration on the Rights of Indigenous Peoples. It would equally be an affront to

the EA process and to Canadian commitments to pursue sustainable development. Visit the MiningWatch web site to see our action alert and for more information about the project.

For Ramsey some of the most interesting aspects of the hearings were:

- Questioning of Natural Resources Canada staff who admitted that though a "best practice" the proposed mitigation measure of installing wells to pump and treat contaminated groundwater is "hit and miss".
- The manipulation of information and messaging by the proponent and their antagonistic and aggressive tactics towards opponents and even the review panel. At one point Taseko tried to have panel member Naline Morin taken off the job, accusing her of bias in favour of First Nations' interests.
- Anne Maest and Kevin Moran did a brilliant review of water quality issues that were not adequately addressed by Taseko.
- With wit and wisdom, Dr. Gordon Hartman, one of the country's leading trout biologists, deconstructed the proposed construction of Prosperity Lake as compensation for the loss of Fish Lake, Little Fish Lake and upper Fish Creek.
- Joan Kuyek and Marvin Shaffer provided important critiques of the economic benefits of the mine, pointing out that many costs were not considered in the BC process, and that there may actually be a net cost of the project to BC.
- The complete lack of any plan for how the project would help the community of Williams Lake pursue its goals of sustainable development, collaboration with First Nation communities and a transition away from a dependence on a narrow resource economy.
- The BC Mining Association's claim of supporting sustainable mining initiatives but having no definition or criteria for evaluating the sustainability of a mine.
- The warmth and generosity of Williams Lake citizens, especially the members of the local chapter of the Council of Canadians.
- The consistent strength and grounded conviction of the Tsilhqot'in and Secwepemc to protect their lands and cultures.

Open Letter Regarding the Socio-economic Costs and Benefits of the Proposed Prosperity Mine

July 16, 2010

to: the Honourable James Prentice, Minister of the Environment, and the Right Honourable Stephen Harper, Prime Minister of Canada

RE: Socio-economic Costs and Benefits of the Proposed Prosperity Mine

I write urging you to accept the findings of the Federal Panel Review on the Prosperity Mine in British Columbia, and refuse to issue any federal permits for the mine.

The independently-constituted Federal Panel found that the proposed Prosperity Mine will destroy an entire watershed and irretrievably damage the way of life of the Tsilhqot'in and Secwepemc peoples. The mine's approval will make a mockery of the apology your government made to Aboriginal peoples, and will threaten the already tenuous relationship that the BC

government has built with First Nations.

You are being asked by the mining company – Taseko – to believe that the socio-economic benefits for the province and for Williams Lake – which is over 100 kms from the mine – justify this destruction. No critical review of Taseko's economic data was undertaken by the Government of British Columbia before they issued the Certificate of Environmental Compliance. They accepted the company's promotional data without question.

As part of the federal environmental review, MiningWatch Canada and Friends of the Nemiah Valley undertook detailed examinations of the anticipated benefits from the mine. Based on their research these organizations asked for an independent, ecological, full cost accounting of the company claims about socio-economic benefits, but none have been undertaken. Before the federal Cabinet can even contemplate overturning the Panel findings, such a study should be done.

I reviewed the socio-economic analysis submitted by the

company for MiningWatch Canada. Currently working as a university professor, I am the former National Co-ordinator of MiningWatch, and the author of a number of peer-reviewed publications on mine economics and taxation.

It is my considered opinion that the mine will not deliver on the benefits the company promises. The company's claims were exaggerated and do not address key negative social and economic impacts of the project.

In the company's feasibility studies for the proposed mine (which were undertaken for investors), the economic evaluations were not done by an "independent qualified person" as the securities regulators require, but by the company vice-president, Scott Jones. As a result, the feasibility studies have a number of serious short-comings.

The Prosperity deposit is very low grade, with gold at less than 0.43 grams per tonne of ore mined, and copper at 0.22% of the ore. The gold is dispersed in the copper, and cannot be mined without mining the copper. The ore itself contains antimony, arsenic and mercury in such concentrations that the company will pay huge penalties to any smelter that accepts the ore.

The cost estimates in the feasibility studies do not make any allowance for the payment of federal or provincial income taxes; for compensation to the affected First Nations; for any financing or interest charges; for contingency on operating costs; or for variations in the exchange rate.

The hydro costs are estimated based on a cost of \$37.4/Mwh, when BC is currently purchasing hydro for over \$88/Mwh. Dr. Marvin Shaffer estimates this discrepancy in power costs as a subsidy to the mine of over \$35 million per year from BC taxpayers.

Even with all these ignored costs, the mine's rate of return to investors is expected to be 10%, below industry standard. The bottom line for this mine is fragile and its ability to operate for 20-30 years will be totally dependent on continuing high prices for gold and copper, and on a low Canadian dollar.

Since all mining taxes are based on profit, it is unlikely that

the mine will ever pay much (if anything) in royalties or income taxes.

Will the mine actually provide employment for the people of the Chilcotin? During the construction phase – two years at the most - there will probably be some increased local employment. However, the Panel's report highlighted the fact that most of the mine employees will be skilled workers who leave other jobs, and that the company claims are based on total employment, not actual net new jobs created.

Will the mine stimulate new businesses in the region? There are already many community level initiatives in the Chilcotin that could grow to provide the needed jobs but will be disrupted by the mine: tourism, market gardens, ranching, renewable energy, timber fibre products, and arts and heritage enterprises. Existing businesses will shift their focus to supplying the mine, and will become dependent on it.

The community of Williams Lake is divided over the mine proposal. Even those Williams Lake community leaders that are in favour of the mine admit that they need to diversify their economy away from mining and forestry, but believe they have no alternative.

It is anticipated that the mine will worsen inequality and social problems in the region, especially for low income people. Costs for dealing with these problems will be carried by First Nations governments and taxpayers, not by the company.

Most importantly, the mine will entail huge ecological and cultural costs, which can only be roughly calculated in dollars. These costs will be borne by the affected First Nations and by future generations of taxpayers.

Yours,

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Ottawa ON K1Z 7P2
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Ring of Fire: Growing Concerns About Violations of Aboriginal Rights, Environmental Damage

In the last two years, the number of active mining claims has more than doubled in Ontario's Far North in an area in the James Bay lowlands about the size of Prince Edward Island. Known as the "Ring of Fire", it is the homeland for several Cree and Ojibway communities and sits at the edge of one of the world's largest fresh water wetlands. The Attawapiskat and Albany Rivers flow west from the area past the Cree communities of Attawapiskat, Fort Albany and Kashechewan on their way to James Bay. Ecologically the area is of concern for its role storing vast amounts of carbon and providing habitat to caribou and migratory birds. It also sustains the rich aquatic and marine systems of the lowlands and James Bay. Companies are interested in nickel, copper, zinc, gold and diamonds in the region but it is one of the world's largest deposits of chromite (used in stainless steel) that is drawing much of the attention.

Though it can be hard to separate industry hype from reality, there is talk of developments on the scale of Sudbury, Ontario. Sudbury is one of Canada's largest, oldest and most ecologically damaged mining regions, where Whitefish Lake

First Nation is suing over the loss and exploitation of resources from their treated lands and where studies are ongoing to find ways to heal the denuded landscape and poisoned waterways. What lessons from the past will be applied to the Ring of Fire? Unfortunately we don't seem to be off to a good start.

Even at this relatively early stage, there is cause for concern regarding: inadequate waste management, garbage disposal and fuel spills in several mineral exploration camps; inappropriate and possibly illegal use of mining claims to map out two competing railway routes; and increased danger for species at risk like woodland caribou and wolverine that need large intact areas of boreal forest to survive. Webequie and Marten Falls First Nations have had to resort to blockades of airstrips and the media to get attention to their concerns. In his January 2010 throne speech Premier McGuinty highlighted the opportunities in the region, but the following budget provided only enough funding to hire one regional coordinator.

Before any actual extraction of minerals can occur from the area, massive infrastructure development is needed to connect

to year-round ground transportation and likely the electrical grid. As mentioned above, planning for a rail corridor has already begun. The mining company, KWG Resources, has locked down two corridors using mining claims, but engaged in no consultation with the First Nations, public review, or environmental impact assessment. Work along one of the corridors led to the cutting of trees on a sacred burial site of the Marten Falls First Nation.

KWG has also shown an extreme lack of recognition of First Nations interests when speaking to the media. President Frank Smeenck was quoted on the Sudbury Mining Solutions Journal website saying he thought all the communities should give up their traditional territories and move to one centralised location in the Ring of Fire area so as to “bring all these First Nation communities into the First World”. While First Nations are serious about exploring the potential economic opportunities mineral development could provide, they are extremely frustrated by the continued lack of consideration of their rights

and interests. Grand Chief Stan Beardy of the Nishnawbe Aski Nation, which represents 49 First Nation communities, summed up the situation by noting that government officials “can make any promises they want. But at the end of the day, there will be no resource development happening on our homelands without consent by First Nations.”

MiningWatch has been building relationships with First Nations communities in the area and with them, is planning capacity-building initiatives that will give leaders and community members the tools to deal with the onslaught of claims and help their communities define how to best to protect their interests. Our annual Ontario Mining Action Network meeting will be held in Thunder Bay in the fall of 2010 in order further build links and raise awareness about the situation in Ontario’s north. These initiatives are supported in part by an Ontario Trillium Fund grant to MiningWatch’s sister organization the Canary Research Centre.

Support for Mining Over Democratic Principles in Papua New Guinea

The global mining industry uses high-risk mining practices and employs environmentally destructive mine waste disposal methods in Papua New Guinea (PNG) that are not tolerated in most other countries, including Canada. Canadian companies continue to severely affect major tropical rivers in PNG by using them as mine waste dumps. They have also dumped millions of tons of metal and chemical laden mine waste into PNG’s seas, and now, Nautilus Minerals out of Toronto plans to mine massive underwater sulphide deposits in the rich biologically diverse territorial waters of PNG. This will be a global first. In the face of serious environmental and social impacts from mining, indigenous landowners are starting to fight back to protect values of importance to them. Rather than uphold their democratic and human rights, the financially strapped PNG government has been lashing out at its own citizens who are relying on basic democratic principles and legal means to protect their resources and livelihoods.

Papua New Guinea Re-writes Laws to Facilitate Submarine Tailings Disposal, a.k.a. Ocean Dumping of Mine Waste

In November of 2008, Catherine Coumans travelled to Papua New Guinea to participate in a review of the preliminary findings by the Scottish Association for Marine Science (SAMS) charged with undertaking an independent evaluation of Submarine Tailings Disposal (STD), also called Deep-Sea Tailings Placement (DSTP). SAMS’ research was part of a collaborative initiative between the European Union and Papua New Guinea’s Mining Sector

Support Programme. SAMS’ final report – completed but not made public by the Government of Papua New Guinea – was leaked this year to the media (the report is available at <http://amboseli.wordpress.com>). Its findings leave little doubt as to the under-reported environmental risks associated with DSTP: it confirms negative impacts to marine environments in Papua New Guinea from existing and closed mines using STD including Barrick Gold’s (now closed) Misima mine.

The leaked report arrived at a propitious time. On March 19, 2010 Lawyer Tiffany Nonggor, counsel for Rai Coast indigenous landowners in a suit against Ramu NiCo Management (MCC) Ltd. et al. was successful in getting an interim injunction to stop the unpermitted blasting of corals to lay pipe for an STD system off the coast of Madang. The controversial STD system is part of the proposed Ramu nickel mine (Chinese owned). In support of a court case by the Rai Coast landowners against the use of STD at the mine, Catherine Coumans provided a sworn affidavit that entered MiningWatch’s STD Toolkit into evidence, as well as her statement that STD is effectively banned in Canada. The leaked

SAMS report would have strengthened the landowners’ pending lawsuit – had not the Papua New Guinea legislature hurried into law a bill that is unprecedented in its intent and scope.

On May 28th the PNG legislature amended sections of the country’s Environment Act to, among other things, authorize the Secretary of the Department of Environment to exempt project developers from liability for environmental harm and damage to citi-



On June 30th over 3,000 people peacefully marched through Madang town to protest the government’s amendments to the Environment law that take away landowners rights and grant immunity to foreign companies for the environmental damage they cause.

zens. This effectively quashes the rights of landowners and other interested parties to sue for compensation for environmental harm, or to obtain an injunction to prevent environmental and personal harm. On June 9th Prime Minister Michael Somare defended his new law by saying that the ‘law had been passed to ensure that the project [Ramu nickel mine] achieved its targeted deadline without unnecessary delay.’ (The National, June 9, 2010, p. 40). The chairman of Transparency International in PNG is reported as saying that the changes to the environmental laws were a “clear sign that parliament had become a rubber stamp for vested interests and those with money” (The National, June 9, 2010, p.7).

The rushed amendments have led to an unprecedented and sustained outcry in the media in PNG and have made the news in New Zealand, Australia and the U.K. In response, Papua New Guinea’s attorney-general is reported as ordering people to stop talking about the controversial amendments to the environmental laws. “Attorney-general Ano Pala says people should now stop discussing the issue or they could be in contempt of court. In a statement he says there will be no more talk-back radio or letters to the editor on the issue. He says police should also prevent any demonstrations” (ABC News, Liam Fox, June 25, 2010). On July 26, 2010 the organizer of a protest march against the Environment Act amendments received a regretful letter from the Superintendent Provincial Police Commander of

Madang informing him that, contrary to earlier communications, the march could not go ahead. The commander notes that although “[p]olice in Madang have shown keen interest in your cause... I have been advised that all form of public debate, protest or so forth will be deemed as Sub-Judicial and anyone found to be spearheading this

will be found to be interfering with due process, which may lead to Contempt of Court.” The demonstration against the amendments to the Environment Act went ahead on June 30th, as planned.

Threatening Freedom of Speech and Movement – Indigenous Ipili from Porgera Targeted

This year, as in the past two years, a delegation of indigenous Ipili from the area of Barrick Gold’s Porgera Joint Venture mine in the highlands of Papua New Guinea travelled to the US and Canada in April and May to raise awareness of the environmental and human rights issues they are facing as a result of the mine’s activities. This year’s delegation was made up of Jethro Tulin and Jeffery Simon of the grass-roots human rights group Akali Tange Association and Mark Ekepa and Anga Atalu of the Porgera Landowners Association. Mark Ekepa is the

Chairman of the landowners’ group, which represents the interests of the traditional landowners living inside the mine’s special mine lease area. MiningWatch supported the visit to Canada and helped facilitate meetings in Toronto and Ottawa.

As in past years, the delegation attended and spoke at the annual U.N. Permanent Forum on Indigenous Issues and attended and spoke at Barrick’s Annual General Meeting. They met with federal members of Parliament, civil servants from a number of departments, civil society organizations and the media. They also met with Barrick officials Patrick Garver (Senior Vice-President and General Counsel) and Peter Sinclair (Director, Corporate Social Responsibility). Their visit and message was well-covered in the Canadian media. Over the past few years the issues and allegations that the Ipili of Porgera have been raising in Canada have been corroborated by, among others, the Norwegian national pension fund, Amnesty International, and testimony before a Canadian parliamentary committee (for more information see our web site).

This year, after the delegation returned home to PNG, they were surprised by an angry response to their visit to Canada by their Member of Parliament Philip Kikala and PNG Foreign Affairs Minister Sam Abal. PNG media reported that “Papua New Guinea will send a protest note to Canada for encroaching on its sovereignty by entertaining a group of Porgera landowners at parliamentary level” (Sunday Chronicles, May 23, 2010,



Porgera delegation visits the MiningWatch office, from left to right: Anga Atalu, Jethro Tulin, Catherine Coumans, Mark Ekepa, and Jeffery Simon. Susan Murdock photo.

p. 20). Minister Abal is reported as saying “We will make our views known to Canada.” MP Kikala reportedly added that “Papua New Guineans who are spreading false information should also be prosecuted.” Abal and Kikala also targeted NGOs entering PNG. Abal is reported to have said that “the activities of some NGOs entering PNG need to be carefully screened because they come only to make a name for themselves and sell their own cause.” Kikala is reported as saying that information gathered by foreign NGOs “are (sic) likely to call into question PNG’s integrity and threaten its sovereignty.”

Porgera landowners from the highlands are now reaching out to landowners on the coast to support their struggle against ocean dumping of mine wastes and to protest the unprecedented amendments to the Environment Act.

OECD Complaint Filed Against Rio Tinto and Ivanhoe Mines in Mongolia

On March 31, 2010, the Government of Mongolia signed an investment agreement with Rio Tinto International Holdings Limited and Ivanhoe Mines Ltd. for the development of a massive gold/copper mine.

On April 1, 2010, MiningWatch Canada and Britain's Rights and Accountability in Development (RAID) assisted the Mongolian organization OT Watch in filing complaints in the United Kingdom and Canada against Rio Tinto and Ivanhoe for alleged breaches of the OECD Guidelines for Multinational Enterprises. OT Watch is the lead Mongolian complainant acting on behalf of the Centre for Citizens' Alliance, the Centre for Human Rights and Development, Steppes without Borders, Drastic Change Movement, and National Soyombo Movement.

The companies in question are developing the Oyu Tolgoi project located in the fragile ecosystem of the South Gobi Desert in Mongolia. In the absence of an adequate Environ-

mental Impact Assessment and water study, Mongolian civil society groups fear that the mine will reduce the quality and availability of water, threaten Mongolia's wildlife and biodiversity, and decrease the amount of pasture on which the country's traditional nomadic population depends for its survival.

On April 23, 2010, Mongolian NGOs appealed to John Ruggie, the United Nations Special Representative of the Secretary-General on Business and Human Rights, to urge the Mongolian government to oblige Rio Tinto and Ivanhoe to undertake a more thorough environmental impact assessment and water study and review the benefits-sharing arrangements in the government/company Investment Agreement. The appeal to John Ruggie followed demonstrations and hunger strikes by Mongolians concerned about the impacts of the proposed mine project on their lives.

Corruption and Oppression in Chiapas, Mexico

In late November 2009, community activist Mariano Abarca Roblero was gunned down outside his home in the State of Chiapas in the south of Mexico. Mariano was a leader of the Mexican Network of People Affected by Mining (REMA), which had brought public attention to the region's struggle against Canadian company Blackfire Exploration which has a barite mining project in Chiapas. Before his death, Mariano stated that, "If anything happens to me, I blame the Canadian mining company Blackfire." Three men linked to Blackfire were quickly arrested in relation to his murder.

This tragic event also highlighted earlier revelations that Blackfire Exploration had made sizeable payments to the personal bank account of the local mayor, allegedly in return for his assistance in quashing opposition to the mine. The company had filed court documents in Chiapas to support its complaint about the mayor's escalating demands, but also showing that it had been paying him off for over a year before bringing the complaint.

MiningWatch joined with other organizations – Common Frontiers, Council of Canadians, United Steelworkers, Comité pour les droits humains en Amérique latine, Atlantic Regional Solidarity Network, Sierra Club Canada, L'Entraide missionnaire, and the Social Justice Committee – to register a complaint with the RCMP on March 10, 2010, under the Corruption of Foreign Public Officials Act, asking for a criminal investigation of Blackfire Exploration's activities in Chiapas, and specifically the payments to the Mayor of Chicomuselo.

The RCMP has indicated that it is looking into the matter, but of course cannot confirm whether a criminal investigation is underway. In the meantime, the registration of the complaint

allowed us and a broad grouping of organizations concerned with the case to alert the media and raise this issue with the Canadian public as yet another example of abuse related to mining operations outside our borders.



Protests greeted the visit of Canadian Governor-General Michaëlle Jean and Minister of State for the Americas Peter Kent in San Cristobal de las Casas, Chiapas, December 9, 2009.

We were also part of a fact-finding delegation that travelled to Mexico from March 21 to 27 that included representatives of Common Frontiers and United Steelworkers and met with Mariano's family, community representatives, and various organisations as well as visiting the mine site. A report on their findings is available on our web site, along with Blackfire Exploration's agreements with local landowners that they say have not been respected and documentation of the company's payments to the Mayor of Chicomuselo.

Bill C-300 Goes to a Vote this Fall – We Need Your Support!

Bill C-300, *An Act respecting Corporate Accountability for Mining, Oil and Gas Corporations in Developing Countries*, also known as the Responsible Mining Bill, has concluded hearings before the Standing Committee on Foreign Affairs and International Development. The Bill goes back to the House of Commons for a final vote (third reading) in the Fall.

Twenty-six witnesses presented in favour of the Bill. The witnesses included: academic legal experts, such as Richard Janda, Penelope Simons and Audrey Macklin; organizations that are part of the Canadian Network on Corporate Accountability such as Halifax Initiative, Kairos, Amnesty International, the North-South Institute, L'Entraide Missionnaire,

Development and Peace, MiningWatch Canada, and the United Steelworkers; human rights experts from Rights and Democracy, the International Human Rights Clinic at Harvard Law School, New York University's Center for Human Rights and Global Justice, and Human Rights Watch; and financial transparency experts such as Revenue Watch, among others! You can listen to the testimony or to read transcripts on the Committee's web page:

<http://www2.parl.gc.ca/CommitteeBusiness/CommitteeMeetings.aspx?Language=E&Mode=1&Parl=40&Ses=3&Cmte=FAAE>

In the course of these testimonies human rights and environmental concerns were raised regarding the activities of large-scale (Barrick, Goldcorp) as well as medium and small scale Canadian mining companies (Corriente, Pacific Rim, and Nautilus, among others) operating in Africa, Latin America and the Asia-Pacific region. The media coverage of the issues raised during testimony has been very good and has raised the profile of the concerns considerably.

Industry response to Bill C-300 has been unlike anything we have seen to date. The Prospectors and Developers Association of Canada in particular dedicated part of its annual convention to opposition to the Bill, created anti-Bill-300 buttons and posters, as well as a dedicated web site. The industry lobby against the bill has also been fierce.

So...we need the support of all Canadians who support greater accountability in Canada for the activities of our mining companies overseas to show their support for this Bill this summer! Let your Member of Parliament know you support this

bill! You can do that in writing or in person. Background information on the bill, as well as urgent action information is available on our web site at <http://www.miningwatch.ca/en/urgent-action-support-legislation-hold-canadian-mining-companies-account-abuses-overseas>. Thanks for your support for this Bill!



Jamie Kneen (in photo) and Catherine Coumans went on CBC Radio One coast-to-coast to talk about Bill C-300 on May 10, 2010.



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

Please direct my contribution to:

- MiningWatch Canada** to press governments to make crucial changes to law and policy. I know I will not receive a charitable donation receipt.
- The Canary Research Institute for Mining, Environment, and Health** to support research and education and receive charitable donation receipt. Charitable Registration # 87103 9400 RR001

Here is my gift of: \$100 \$50 \$250 \$150 \$25 I prefer to give _____

Name: _____
 Address: _____

 City: _____
 Province: _____ Postal Code: _____

I prefer to contribute by Cheque (payable to correct organization)
 Please charge my: Visa MasterCard
 Card # _____ Expiry Date ____/____/____
 Month/Year
 Card Holder Name (please print) _____
 Card Holder
 Signature _____

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