

Tahoe Resources Shareholder Alert: A Dangerous Investment

MiningWatch Canada
Network in Solidarity with the People of Guatemala (NISGUA)

8 May 2013

Tahoe Resources Inc.

TSX: THO.CA

NYSE: TAHO

- Tahoe Resources does not have the social license to operate the Escobal project;
- It is likely that conflict and violence will persist if the mining project continues to be imposed without community consent;
- Implication of company private security in recent acts of violence could lead to civil lawsuits as has taken place in relation to other mining conflicts in which Canadian companies are involved;
- Tahoe Resources is already under investigation in Guatemala for industrial contamination of water supplies near the Escobal mine site;
- Failure of Guatemalan regulators to address residents' complaints prior to granting company's exploitation license is under appeal, which could put Tahoe's exploitation license in jeopardy;
- By repeating patterns seen in Guatemala's mining sector in connection with Goldcorp's Marlin mine, including lack of respect for prior community consultation, targeting of peaceful protesters through the judicial system and putting the project into production in the midst of violence and repression, the company is likely to be the object of further protests.

Tahoe Resources Inc. is a silver exploration and development company registered in British Columbia, Canada with headquarters in Nevada, US. Tahoe's only silver project is the Escobal mine in southeast Guatemala, in the department of Santa Rosa, in the municipality of San Rafael Las Flores. The Escobal Project, once property of Goldcorp, changed hands in 2010, the same year Tahoe Resources Inc. was formed. Goldcorp owns 40% of Tahoe Resources¹ shares and two thirds of Tahoe's directors have had or current have close relationships with Goldcorp, including Tahoe founder, President and Chief Executive Officer, Kevin McArthur, who was CEO of Glamis Gold and Goldcorp until 2008.² The Escobal project received its production license in April 2013 and is in the process of construction.³

Escobal lacks community support

Since 2011, local residents have roundly rejected Tahoe Resources' Escobal mine project, as demonstrated through a series of 12 community referenda carried out in accord with the Guatemalan Municipal Code, Articles 63 to 66.⁴ In each case, over 90% of participants have voted against the mine. Four took place at the municipal level in Nueva Santa Rosa⁵, Santa Rosa de Lima, Casillas and

1 The Globe and Mail, "Goldcorp sells Escobal deposit to Tahoe" (3 May 2010), online: <<http://www.theglobeandmail.com/globe-investor/goldcorp-sells-escobal-deposit-to-tahoe/article1371902/>>

2 Tahoe Resources, "Management Team", online: <<http://www.tahoeresourcesinc.com/company-information/management-team/>>

3 Tahoe Resources, "Tahoe's Escobal Project Received Final Permit", online: <<http://www.tahoeresourcesinc.com/taho-es-cobal-project-receives-final-permit/>>

4 UNICEF, "Guatemala Codigo Municipal" online <<http://www.unicef.org/guatemala/spanish/CodigoMunicipal.pdf>>

5 Carolina Gamazo, "Nueva Santa Rosa celebra consulta por minería" (4 July 2011), elPeriodico online: <<http://www.elperiodico.com.gt/es/20110704/pais/197661/>>

Mataquescuintla.⁶ In the municipality of San Rafael Las Flores, in which the mine is currently being installed, referenda have so far been held in 8 of 26 communities that make up the municipality.⁷

In the municipality of San Rafael Las Flores, the Committee for the Defence of Life and Peace together with the Committees for Community Development⁸ that represent each of the individual villages in the municipality organized these votes. During the most recent vote in San Rafael Las Flores on April 21, the communities of El Chan, Caserio Las Delicias and Caserio el Renacimiento rejected the Escobal project and its recently approved exploitation license.⁹ Multiple attempts to hold a municipal level vote were blocked through various legal measures, which were undertaken by people who local residents have identified as working for the mine.¹⁰ In December 2012, during a meeting with the Ministry of Energy and Mines, 16 of 26 Committees for Community Development in San Rafael Las Flores formally presented their opposition to the mining project.¹¹

The community of Los Planes, located just 300 meters from the mine site, was the second community in the municipality of San Rafael Las Flores to organize a community referenda on March 3, 2013.¹² 93% of the population voted against the mining project.¹³ The community is opposed to the project given negative impacts from mine operations they are already experiencing, such as noise pollution and vibrations, which intensify at night.¹⁴ This has disrupted the population's ability to sleep, in turn affecting residents' wellbeing. Another specific example is of Mr. Clodoveo Rodriguez, a lifetime resident of Los Planes, whose land is completely surrounded by the mine installations. His house is located just 50 meters from the projects' tailings pond and just three meters from the hammer mill.¹⁵

The 12 community referenda send a clear message: Tahoe Resources does not have the social license to operate the Escobal project.

6 Network in Solidarity with the People of Guatemala, "Two Municipalities in Santa Rosa say no to Tahoe Resources and Metal Mining" (2 Aug. 2011), online: <<http://nigua.blogspot.com/2011/08/two-municipalities-of-santa-rosa-say-no.html>>

7 Network in Solidarity with the People of Guatemala, "Communities in San Rafael Las Flores say No to Tahoe Resources Escobal Project" (7 March 2013) online: <http://nigua.blogspot.com/2013/03/communities-in-san-rafael-las-flores_7.html>

8 See appendix A and B

9 See: <http://resistencapacificaelescobal.blogspot.ca/2013/04/dia-de-la-tierra-dia-15.html>

10 Personal interview with a spokesperson for the San Rafael Committee in Defence of Life and Peace (16 April 2013).

11 Press Release, Consejo Diocesano en Defensa de la Naturaleza (CODIDENA), Comité por la Vida y Contra la minería de San Rafael Las Flores, and Colectivo Ecologista MadreSelva, "Vecinos y Vecinas de San Rafael Las Flores Presentan Oposición a Proyecto Minero El Escobal, de la Empresa Minera San Rafael, Sociedad Anonima," (16 December 2012), online: <[http://www.infoiarna.org.gt/red%20iarna/2012/Red%20IARNA%206%20\(01\)/adjuntos/comunicado-san-rafael-las-flores.pdf](http://www.infoiarna.org.gt/red%20iarna/2012/Red%20IARNA%206%20(01)/adjuntos/comunicado-san-rafael-las-flores.pdf)>

12 Claudia Méndez Villaseñor, "La población de San Rafael Las Flores se opone a la minería" (25 March 2013), elPeriodico online: <<http://www.elperiodico.com.gt/es/20130325/pais/226317>>

13 Network in Solidarity with the People of Guatemala, "Communities in San Rafael Las Flores say No to Tahoe Resources Escobal Project" (7 March 2013) online: <http://nigua.blogspot.com/2013/03/communities-in-san-rafael-las-flores_7.html>

Video Consulta de Buena Fe, Aldea los Planes see: http://www.youtube.com/watch?v=gZ_85nA2cjM

14 Claudia Méndez Villaseñor, "'Mina' palabra prohibida en San Rafael las Flores" (8 April 2013), elPeriodico online: <<http://www.elperiodico.com.gt/es/20130408/pais/226720>>

15 James Rodriguez, "Goldcorp's Legacy: Criminalization and Mine Resistance in San Rafael Las Flores" (28 March 2013), online: <<http://www.mimundo.org/2012/04/25/goldcorp's-legacy-criminalization-and-mining-resistance-in-san-rafael-las-flores/>>

High Probability of Further Violence

The Escobal project has brought with it an increase in violence in the municipalities surrounding the mine site, which has been attributed to both private mine security, as well as clandestine armed groups. It is highly likely that violence will continue to escalate if the mining project continues to be imposed.

Private mine security

Private mine security were implicated in violence on 27 April 2013, when they shot and injured six community members as they walked on a public road located in front of the mine installations.¹⁶ Two men remain in critical condition, including one young man whose face was disfigured.¹⁷ While Tahoe Resources, the mine security, and some Guatemalan authorities claim that the security personnel used rubber bullets, medical personnel at Guatemala's public hospital indicate that the injuries were inflicted with live ammunition fired by high caliber weapons.¹⁸ This analysis was supported by Guatemala's Public Prosecutor's office, when on the morning of 30 April Alberto Rotondo security manager for Tahoe Resources' Guatemalan subsidiary was arrested in the airport as he attempted to leave the country.¹⁹ Rotondo is charged with causing minor and serious bodily harm, and for obstructing the investigation by tampering with the crime scene.²⁰

Prior cases of violence at mine sites connected with private security forces have led to civil lawsuits in Canada, such as three currently before Ontario courts against HudBay Minerals for negligence in murder of a local activist, the shooting and paralysis of another man, and the rape of eleven women during a forced eviction in the municipality of El Estor, Guatemala. HudBay Minerals acquired the Fénix Nickel project when it merged with Skye Resources in 2008 and sold the project to the Russian Solway Investment Group in 2011, after the lawsuits were launched.²¹

Clandestine armed groups

During the last several months, human rights organizations such as the Unit for the Protection of Human Rights Defenders in Guatemala (UDEFEQUA) have remarked on the presence of armed clandestine groups operating in the area. These groups are believed to be attempting to destabilize the region in order to delegitimize community opposition to the project and to criminalize the peaceful resistance to the Escobal mine.²²

From January 11-12, two members of the mine's private security and a third man, possibly one of the attackers, were killed and six people injured during a nighttime attack just outside the mine installations.²³

¹⁶ Prensa Libre, "Incidente deja seis heridos de bala frente a mina San Rafael" (29 April 2013), online: http://www.prensalibre.com/santa_rosa/personas-resultan-incidente-San-Rafael_0_909509181.html

¹⁷ Sofia Menchu, "Ministro confirme que guardias dispararon a comuneros en mina" (28 April 2013), online: <http://www.elperiodico.com.gt/es/20130428/pais/227535/>

¹⁸ Ibid.

¹⁹ Diario de Centro América, "Indagarán a jefe de seguridad por enfrentamientos en mina San Rafael" (30 April 2013), online: <http://www.dca.gob.gt/index.php/template-features/item/17560-indagarán-a-jefe-de-seguridad-por-enfrentamientos-en-mina-san-rafael.html>

²⁰ Mariela Castañón, "Juzgado liga a proceso al jefe de seguridad de minera San Rafael" (7 May 2013), La Hora online: <http://www.lahora.com.gt/index.php/nacional/guatemala/actualidad/177342-juzgado-liga-a-proceso-al-jefe-de-seguridad-de-minera-san-rafael>

²¹ See: <http://www.chocversushudbay.com/>

²² Statement from the Unit for the Protection of Human Rights Defenders in Guatemala (UDEFEQUA), "Condenamos el uso del Estado de Sitio para resolver problemática social derivada de imposición de empresa minera canadiense" (2 May 2013).

²³ Gerson Ortiz, "Grupo armado atenta contra Mina San Rafael" (13 Jan. 2013), [elPeriodico online](http://www.elperiodico.com.gt/es/20130113/pais/227535/):

On March 17-18, four leaders representing the Xinca Parliament were abducted while returning home after observing a referendum in the community of El Volcancito, San Rafael Las Flores. One man was killed and two managed to escape, while the third was freed some 180 kilometers away.²⁴ The men testified to having received threats related to their opposition to the mining project.²⁵

On April 29, a member of the National Police was killed in an attack near the mine site by a group of armed men wearing ski masks.²⁶

Guatemalan human rights organizations allege that these three events are related to the operation of one or more clandestine armed groups and could be linked to Minera San Rafael's private security. The May 6 arrest of two supposed employees of the mine in connection to the April 27 and 29 attacks provides a starting point to investigate their claims.²⁷ Preliminary investigations indicate that the two men were instructed to attack those peacefully protesting the mine.²⁸

These incidents have led to repeat calls for the International Commission against Impunity in Guatemala (CICIG) to investigate.²⁹

Singling out of peaceful opposition could further provoke violence

Public stigmatization and unfounded allegations against peaceful resistance by both state and company related actors single out local activists for future attacks and criminalization. They also obstruct community efforts to peaceful protest and the organization of local votes over the mining project.

On May 2, 2013 the government declared a state of siege in four municipalities surrounding the mine site, including San Rafael Las Flores, the location of the Escobal project. The measure falls just one level below a state of war and has resulted in the deployment of a reported 8,500 military and police forces to the region.³⁰ That means roughly 1 military or police officer for every 25 people.

The Guatemalan government, particularly the Minister of the Interior, have made public statements conflating violence with peaceful protest, which have been criticized for their potential to prejudice investigations into the conflict.³¹ Now, in order to justify the state of siege, the government has stated

<<http://www.elperiodico.com.gt/es/20130113/pais/223300/>>

24 Prensa Libre (19 March 2013), online: <http://www.prensalibre.com/jalapa/Bloquean-ingreso-Jalapa-lideres-campesinos_0_884911622.html>

25 Carolina Gamazo, "No puedo decir si este secuestro fue por la mina o fue por el problema con las tierras" (20 March 2013), Plaza Publica online: <<http://www.plazapublica.com.gt/content/no-puedo-decir-si-este-secuestro-fue-por-la-mina-o-fue-por-el-problema-con-las-tierras>>

26 S. Menchu, A. Montenegro, O. Archila, "Tension y caos reinan en Jalapa y Santa Rosa" (1 May 2013), elPeriodico online <<http://www.elperiodico.com.gt/es/20130501/pais/227682/>>

27 Siglo 21, "Vinculan a empleados de mina con muerte de PNC" (7 May 2013), online: <http://www.s21.com.gt/nacionales/2013/05/07/vinculan-empleados-mina-muerte-pnc>

28 Mariela Castañón, "Juzgado liga a proceso al jefe de seguridad de minera San Rafael" (7 May 2013), La Hora online: <<http://www.lahora.com.gt/index.php/nacional/guatemala/actualidad/177342-juzgado-liga-a-proceso-al-jefe-de-seguridad-de-minera-san-rafael>>

29 Center for International Environmental Law, "Mining license approved in wake of violence, investigation into murder pending" (8 April 2013), online: <http://www.ciel.org/Law_Communities/Guatemala_Mining_8Apr2013.html>

30 Keneth Cruz, "Estado de sitio en Santa Rosa y Jalapa deja 16 capturados" (3 May 2013) Prensa Libre online: <http://www.prensalibre.com/noticias/Sitio-Santa-Rosa-Jalapa-capturados_0_911909100.html>

31 MiningWatch Canada, "Canadian and US Organizations Call for Investigation into Recent Violence at Canadian Owned Mines in Guatemala" (28 February 2013), online: <http://www.miningwatch.ca/news/canadian-and-us-organizations->

that mining opposition has served as a pretext for the establishment of organized crime in the region.³²

Since May 2, combined military and police forces have raided the homes of twelve members of the Committee in Defense of Life and Peace, one of the local organizations leading the coordination of community referenda in San Rafael Las Flores.³³ While the state of siege has resulted in the arrest of a number of individuals not involved with peaceful opposition to the project, two prominent members of the peaceful resistance, Roberto Gonzalez of the Xinca Parliament and Rudy Pivaral of the Committee in Defense of Life and Peace have warrants out for their arrest.³⁴ The state of siege also makes peaceful protests and consultation processes illegal by outlawing public demonstrations and group gatherings.

During the past 12 months, individuals that local residents and their legal advisors identify as working for Tahoe's Guatemalan subsidiary Minera San Rafael have also accused various people of crimes related to their opposition to the mining project. The local manager of Minera San Rafael filed the first complaints against seven community leaders and their legal representation for crimes including kidnapping and terrorism, among others.³⁵ Given the lack of evidence, the company eventually dropped all charges.³⁶ Individuals identified by a representative of the Committee in Defense of Life and Peace and the Center for Environmental and Social Legal Action (CALAS) as employees of the mine filed the subsequent criminal complaints with legal support from various large firms located in Guatemala City.³⁷ The legal costs associated with each complaint are approximately 40,000 quetzals, almost 15 times more than the monthly minimum wage, which has prompted the question: Who is paying for these legal actions?

Repressive police actions have also led to the criminalization of peaceful protest during the last year. After Tahoe's exploitation license was granted on April 3, community members from San Rafael Las Flores established a peaceful protest site on private property outside of the mine installations with permission from the property owner. On April 11, national police entered the private property, violently evicting those who had peacefully gathered. The police arrested 29 people, 26 of which were held in jail for three days in a legal process filled with irregularities.³⁸ The 26 people were absolved of all charges and freed on April 15, after having to spend the weekend in one of Guatemala City's most violent prisons.³⁹ Another 26 people were arrested during a peaceful protest in September 2012. On April 24, they were finally cleared of all charges when the judge ruled that there was insufficient evidence to charge them.⁴⁰ In total, some 67 people have been processed for crimes related to the

call-investigation-recent-violence-canadian-owned-mines-guatemala

32 Ministerio de Gobernación, "Estado de excepción restituye gobernabilidad en municipios de Jalapa" (2 May 2013) online: <http://www.mingob.gob.gt/index.php?option=com_k2&view=item&id=3538:estado-de-excepcion-restituye-gobernabilidad-en-municipios-de-jalapa-y-santa-rosa&Itemid=103>

33 Correspondence between MiningWatch Canada, NISGUA and a spokesperson for the San Rafael Committee in Defense of Life and Peace. (7 May 2013).

34 S. Menchu, O. Archila, "Gobernación continua los allanamientos en busca de líderes comunitarios" (4 Mayo 2013), elPeriodico online: <<http://www.elperiodico.com.gt/es/20130504/pais/227806/>>

35 Rafael Maldonado, Center for Environmental and Social Legal Action in Guatemala. Personal interview. (16 April 2013).

36 Ibid.

37 Frontline Defenders, "Guatemala: Repeated attempts to criminalise human rights defenders: (16 August 2012).

38 Oscar Herrera, "Capturados y heridos en desalojo frente a mine San Rafael" (12 April 2013) elPeriodico online: <<http://www.elperiodico.com.gt/es/20130412/pais/226856/>>

39 Centro de Medios Independientes, "Difamaciones a la Resistencia pacífica de El Escobal para justificar posible estado de excepción" (17 April 2013) online: <<http://cmiguatate.org/2013/04/17/difamaciones-a-la-resistencia-pacifica-de-el-escobal-para-justificar-posible-estado-de-excepcion/>>

40 Rafael Maldonado, Center for Environmental and Social Legal Action in Guatemala. Personal interview. (24 April

opposition to the mining project during the past year.⁴¹

The Inter-American Commission on Human Rights has stated that the criminalization of protest affects the individual and well as the collective; it stigmatizes and marginalizes movements and exposes them to violence, which may ultimately damage democracy and the rule of law.⁴²

Open Penal Case against Tahoe Resources for Water Contamination

While still in the exploration phase, a criminal investigation was launched against Tahoe Resources by the Guatemala's Public Prosecutors' Office for Crimes Against the Environment on charges of industrial contamination. The Center for Social Legal Action in Guatemala filed a complaint against Tahoe Resources and its subsidiary Minera San Rafael S. A. for the contamination of the Escobal Creek and the El Dorado River, located near the community of Los Planes.⁴³

The Guatemalan Ministry of Health confirmed that the discharge of water from the mine installations were contaminated with suspended solids, backing up previous reports from the population indicating that the contamination was affecting the water used for crop irrigation.⁴⁴ A conviction for industrial contamination in a populated zone could condemn those responsible to up the eight years in prison according to Guatemala environmental law.⁴⁵

Challenges to the Exploitation License

More than a year before Tahoe Resources received its license for exploitation from the Directorate General of Mining (DGM) of the Ministry of Energy and Mines of Guatemala (MEM), residents from various communities in San Rafael Las Flores filed over 200 administrative oppositions to the project, a legal right allowed within Guatemala's mining law. The oppositions were based on anticipated environmental impacts, which would violate residents' right to water and to live in a healthy environment.

In December 2011, individuals from mining-affected communities began to file their oppositions with the DGM-MEM, the administrative body responsible for mediating the resolution of each complaint. The DGM-MEM is required to call the affected individual and the mining company to a hearing in order to resolve each of the individual oppositions. On April 3, however, the same day that the exploitation license was granted, all of the objections were dismissed less than one hour before the press conference when the approval of the exploration license was announced.⁴⁶ For this reason, the mining-affected communities who oppose the project and their legal representatives at the Center for Environmental and Social Legal Action in Guatemala (CALAS) consider the decision to grant the exploitation license to be against the law and a violation of their constitutional rights.⁴⁷

2013).

41 Yuri Melini, Center for Environmental and Social Legal Action in Guatemala. Personal interview. (16 April 2013)

42 Comisión Interamericana de Derechos Humanos, "Segundo informe sobre la situación de las defensoras y los defensores de derechos humanos en las Américas," (31 de diciembre de, 2011).

43 Siglo21, "Tribunal Canadiense inicia juicio contra Hudbay" (5 March 2013), online:

<<http://www.s21.com.gt/nacionales/2013/03/05/tribunal-canadiense-inicia-juicio-contra-minera-hudbay>>

44 Rafael Maldonado, Center for Environmental and Social Legal Action in Guatemala. Personal interview. (16 April 2013).

45 Ibid.

46 Prensa Libre, "MEM inválida oposiciones en Santa Rosa" (5 April 2013), online:

<http://www.prensalibre.com/noticias/Guatemala-Ministerio_de_Energia_y_Minas-mineria-licencias_0_895110718.html>

47 La Hora, "Tensión por proyecto minero en San Rafael Las Flores" (10 April 2013), online:

As a result, mine-affected individuals and CALAS have presented legal actions asking for the revocation of MEM's decision.⁴⁸ The resolution of these appeals could take at least 18 months and a favourable resolution could both reverse MEM's dismissal of the administrative oppositions and also lead to the suspension of Tahoe's exploitation license.⁴⁹

The Danger of Following in Goldcorp's Steps

There is a disconcerting pattern with the way that Tahoe and Goldcorp have established mining activities in Guatemala, including lack of prior consultation and respect for the right of indigenous communities to free, prior and informed consent,⁵⁰ the decision to construct a mining project amidst protests and violent repression by state armed forces,⁵¹ and the use of the legal system to try to stifle protest and undermine the legitimacy of peaceful resistance.⁵² Just as the Marlin Mine has become a project widely known for human rights violations, and subject to numerous pronouncements including for the mine's suspension on the part of such prestigious human rights bodies as the Inter American Commission on Human Rights,⁵³ the Committee of Experts of the International Labour Organization⁵⁴ and the UN Rapporteur on the Rights of Indigenous Peoples,⁵⁵ the Escobal project is following the same trajectory. As such, it has quickly gained notoriety and is likely to be the object of continuing protest in Guatemala and beyond.

<http://www.lahora.com.gt/index.php/nacional/guatemala/actualidad/176076-tension-por-proyecto-minero-en-san-rafael-las-flores>

⁴⁸ El Periodico, "Despues de recibir ataques, CALAS anuncia acciones legales contra mina" (4 April 2013), online: <<http://elperiodico.com.gt/es/20130405/pais/226633/>>

⁴⁹ Yuri Melini, Center for Environmental and Social Legal Action in Guatemala. Personal interview. (16 April 2013).

⁵⁰ MiningWatch Canada, "Internal Review Slams World Bank over Lapses at Guatemala Mine – Backgrounder." (22 August 2005)

⁵¹ Ibid.

⁵² On Common Ground Consultants Inc. "Human Rights Assessment of Goldcorp's Marlin Mine," (May 2010), p 187-189, online: http://www.hria-guatemala.com/en/docs/Human%20Rights/OCG_HRA_exec_summary.pdf.

⁵³ Inter-American Commission on Human Rights, Precautionary Measures Granted by the Commission during 2010 - PM 260-07 Communities of the Maya People (Sipakenpense and Mam) of the Sipacapa and San Miguel Ixtahuacan Municipalities in the Department of San Marcos, Guatemala (<http://www.cidh.oas.org/medidas/2010.eng.htm>)

⁵⁴ OXFAM America, "International Labour Organization urges suspension of mining operations in Guatemala," (7 April 2010), online: <http://www.oxfamamerica.org/articles/international-labour-organization-urges-suspension-of-mining-operations-in-guatemala>

⁵⁵ James Anaya, Special Rapporteur on Indigenous Peoples for the United Nations, "Observations about the situation of the rights of indigenous peoples in Guatemala in relation to extractive projects, and other forms of projects, on their traditional lands," (4 March 2010)

APPENDIX A

DECLARATION OF COCODES FROM SAN RAFAEL LAS FLORES, SANTA ROSA⁵⁶

San Rafael las Flores, Santa Rosa. December 6, 2012.

Office of the Minister of Energy and Mines
Mr. Erick Archilla

The signatories of this letter, all community mayors and presidents of local development committees (COCODES) from the municipality of San Rafael Las Flores, [in the department of] Santa Rosa write to you in legitimate representation of our communities.

Since the arrival of the San Rafael mine, subsidiary of Tahoe Resources, we have witnessed the weakening and tearing apart of the peace and social fabric of our municipalities. As you may have seen in the media, social conflict has become a reality for us thanks to this foreign company.

One can see the evidence of pollution in the area. There is also pollution from dust that is generated by the machinery, and sound pollution that affected the homes closest to the mine, which is currently only in exploration. What are we to expect if you issue an exploitation license?

We are aware that a complaint has been filed for industrial contamination of the water in the Escobal River. We are witnesses to this extractive project going forward without our communities being consulted. Our right to be consulted has been denied for more than three years, and we have requested this on a number of occasions to two municipalities. The last community consultation was obstructed by individuals who work for the company and/or who have a business relationship with the mine.

We are aware that the Environmental Impact Assessment, which was approved by the Ministry of the Environment and Natural Resources, has at least 12 inconsistencies, and as such should not have been approved. Moreover, the content of the study was never shared in our municipality. The likelihood of pollution due to mining activities is high, and this renders our social and ecological environment more vulnerable. These worrisome risks have been previously brought to your attention.

We do not agree to the granting of an exploitation license to a foreign company for our non-renewable natural resources. These resources belong to the State of Guatemala, and therefore, to us.

Mr. Minister Erick Archila, in the interest of sowing social peace, justice and rights that allow us to live in a healthy and dignified environment and without fear, we ask you **NOT TO GRANT THE EXPLOITATION LICENSE TO MINERA SAN RAFAEL FOR THE OASIS PROJECT.**

TODAY WE MAKE THIS DECLARATION IN ORDER TO OFFICIALLY RECORD OUR REJECTION OF THIS DEVELOPMENT MODEL FOR OUR COMMUNITY, AND THAT WE HOLD RESPONSIBLE THOSE WHO ARE PUSHING FORWARD THE AUTHORIZATION OF THIS PROJECT IN THE COMMUNITIES WHERE OUR FAMILIES LIVE.

PLEASE, WE WANT TO LEAVE IN PEACE, IT IS OUR RIGHT.

⁵⁶ Translation to English of “Pronunciamiento COCODES de San Rafael Las Flores, Santa Rosa” (6 December 2012)

APPENDIX B

PUBLIC DECLARATION OF THE COMMITTEES FOR COMMUNITY DEVELOPMENT FROM SAN RAFAEL LAS FLORES, SANTA ROSA, GUATEMALA⁵⁷

As representatives gathered in the City of Guatemala on Sunday April 7, 2013, we declare:

1. Our total rejection of the mining license granted April 3, 2013, which authorizes the exploitation of metals in 19.99 square kilometers, equal to 23.79% of the territory of the municipality of San Rafael Las Flores. We were not consulted and we never gave our free consent for the approval in the Environmental Impact Study. Citizen participation [in the study] is a requirement for the approval of a project that will significantly affect the natural environment (particularly the water), as well as the way of life, culture, health and human rights.
2. Our right to understand and make a free, peaceful and democratic decision was violated when the municipal consultation, guaranteed within municipal code, was denied. For this reason, the license lacks social approval, making it illegal, immoral and illegitimate. It foments local conflict, breaks the social peace and irreversibly fractures the social fabric of the communities. Additionally, the license has been rejected by the majority of the population in the community consultations, during which the people are legitimately carrying out their constitutional right to peacefully resist and manifest their inconformity.
3. The granting of the mining license violates our human rights, our constitutional guarantees and national laws. The license was approved in a process of legal fraud because the 200 individually presented complaints were rejected in an illegal and arbitrary way, rendering the license null and void. This license contravenes Guatemalan law, violating the principles of the Peace Accords by not fulfilling the obligations of the State of Guatemala as ratified by international human rights instruments and national and international legal norms.
4. We demand that the President of the Republic immediately cancel this license on our territory.

COCODES IN PEACEFUL RESISTANCE

⁵⁷ Translation to English of “Declaración Pública de los Consejos Comunitarios de Desarrollo de San Rafael Las Flores, Santa Rosa, Guatemala” (7 April 2013)