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Gold giant faces Honduras inquiry into alleged heavy metal pollution

Villagers and NGOs have accused Goldcorp of poisoning people and livestock by contaminating the Siria valley

Rory Carroll in Palo Ralo

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A family carries laundry to a stream that has allegedly been contaminated by the San Martin mine owned by Goldcorp in the Valle de Siria, Honduras. Photograph: James Rodriguez/MiMundo.org

Authorities in <u>Honduras</u> are investigating claims that one of the world's biggest <u>gold</u> mining corporations has contaminated a valley with toxic heavy metals. Villagers and non-governmental organisations have accused Goldcorp of killing livestock and making people sick by polluting land and rivers in the Siria valley.

The environmental prosecutor is undertaking an investigation after being presented with evidence that the <u>Canadian corporation's San Martin opencast mine</u> discharged highly acidic and metal-rich water in 2008. The company has denied wrongdoing.

The inquiry comes at a critical time when <u>record gold prices</u> are encouraging other mining corporations to explore fresh sites in Honduras. Environmentalists fear the impoverished central American country will lift a moratorium on new mining after a new government takes office in January.

Goldcorp is shutting the decade-old San Martin mine after extracting nearly 12,000 tonnes of ore from its forested slopes. The dynamite explosions have stopped and there are no more ore-laden trucks rattling down rutted, dusty roads.

People in villages bordering the site say the damage is done and the fields and streams are poisoned. "The water tastes like acid, like something out of a car battery," said Roger Abraham, vice-president of the Siria Valley Environmental Committee, an activist group. "It would have been better if the mine never came. It has done more harm than good."

He said the damage to the valley would galvanise campaigns against other mines. "We will use peaceful, social actions to block access. We can't allow this to be repeated."

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The community's complaints have been backed by two studies, commissioned by the UK-based advocacy group <u>Cafod</u>. The studies detected high acidity which could be linked to cyanide "heap-leaching" methods to <u>extract gold from low-grade deposits</u>. They describe how the process soaks piles of crushed gold ore in a cyanide solution which filters down, leaching out the precious metal from the rock but also releasing other toxic heavy metals such as arsenic, mercury and lead. Without careful management it can contaminate streams and groundwater.

The first study, by Paul Younger, a <u>Newcastle university hydro-geochemical engineering</u> professor and expert on mine water management, detected acidic mine drainage, whereby sulphides in the rock are exposed to oxygen and water and produce sulphuric acid. Younger said this can have devastating effects on animals and plants.

A follow-up study by Adam Jarvis and Jaime Amezaga, also of Newcastle University, found evidence of "severe" contamination in the form of highly acidic and metal-rich water from the mine site flowing into a stream used by villagers for agriculture and domestic purposes. The data was in a previously undisclosed 2008 report by <u>Defomin</u>, Honduras's mining regulatory authority.

"This new information provides concrete evidence that the San Martin mine has caused <u>pollution</u> in Honduras," said Sonya Maldar of Cafod. "Goldcorp must clean up its act so that the people of Siria Valley are not left with a toxic legacy."

The environmental prosecutor is reviewing the information and is expected to decide soon whether to prosecute. Goldcorp did not respond to interview requests for this article. But in previous public statements, the company denied wrongdoing and said its mining operation and clean-up met the highest international environmental standards and had been vetted by authorities. The company said Defomin reported in September 2008 that water flowing from Palo Alto pit had been treated to international standards.

"The presence of the mine has had no impact on the quantity or quality of the water in the areas of the San Martin mine," Goldcorp said in May last year. In a televised debate in November two senior managers said there was no problem with the discharge of acidic waters. Honduran authorities, the company said, took water samples during three visits in 2008 and all pH measurements were normal. They also reviewed and approved the mine closure plan.

A skeleton crew is now cleaning up the area. "As the site becomes rehabilitated, Goldcorp will cede the land to the San Martin Foundation for commercial agricultural projects," said the company's website.

The mine is visible from miles away: an orange-coloured gash from which vegetation and clay have been stripped from the hillside, an incongruous sight in a landscape of meadows and sun-crinkled villagers on horse-back.

A Nevada-based company, Glamis Gold, started mining in 2000 after relocating the village of Palo Ralo. Entre Mares, a Honduran subsidiary owned by Goldcorp, took over the concession in 2005.

Initally the project had local support. As a rural backwater in the western hemisphere's third poorest country the prospect of good jobs and new houses was welcome, said Rudolfo Arteaga, a Palo Ralo farmer and community activist. Brick homes were an improvement on adobe and 400 people got temporary work – but the price was too high, he said.

Of 18 riverbeds, 15 were now parched, the alleged result of the mine using up to 220 gallons a minute during operations, according to Cafod. Crops had withered and, while

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drought currently afflicts much of central America, Siria's troubles, said Arteaga, arrived with the mine.

Water was not only scarce, it was contaminated, he said. Cattle had died – this year 24 carcasses were found on grazing land near the mine – and people suffered respiratory, skin and gastro-intestinal diseases.

Woods had been felled, leaving the area vulnerable to mudslides during tropical storms. Goldcorp had planted thousands of trees but often used alien species such as eucalyptus, Arteaga said, which sucked up more water.

Concern about environmental damage in Honduras prompted a moratorium on new mining in 2004 but the ban may not survive a political crisis which has left Honduras broke, starved of investment and short of economic options.

Campaigners fear <u>Honduras's new government</u>, which is due to be sworn in on 27 January, will bow to pressure from the national assembly and mining corporations to permit new explorations.

"In this climate it's difficult to be optimistic," said Pedro Landa, executive director of campaign group <u>Caritas</u> in Tegucigalpa. "There is a lot of pressure for mining to resume."

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