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Costa Rica and Nicaragua Dispute Gold Mining

by LADB Staff

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[The following article by Fabiola Pomareda is reprinted with the permission of Noticias Aliadas in Lima, Peru. It appeared in the Sept. 8, 2004, edition of Latinamerica Press.]

The development of gold veins in Costa Rica only 4 km from the banks of the Rio San Juan on the border with Nicaragua has sparked a dispute between the two countries because of the threat the project could pose for natural resources in the zone. The Crucitas gold project is being developed a short distance from a small community called Coopevega in the northern province of Alajuela. There, Industrias Infinito SA subsidiary of the Canadian firm Vanessa Ventures Ltd. has 10 mining concessions lasting through 2012 on 305 hectares, where it plans to extract 88,000 ounces of gold a year.

Marco Tulio Anaya, a member of the Frente Nacional de Oposicion a la Minería, said the company plans an open-pit mine using heap leaching, which employs cyanide to separate the gold from the ore. "Open-pit gold mining is a devastating activity," Anaya said. "It is necessary to clear away all the vegetation to excavate and remove earth and ore that will be dissolved using water and cyanide. Toxic heavy metals are constantly released and, once the gold is extracted, thousands of tons of polluting waste remain."

Despite the fact that the Costa Rican government issued a decree in June 2002 establishing a moratorium on new open-pit mine projects, Crucitas could not be stopped because in December 2001 the Ministry of Environment and Energy (MINAE) had already approved the mine's development. Thus, in March 2004 the company presented its environmental impact study to the Secretaria Técnica Nacional Ambiental (SETENA). As part of the process of approval of the study which should take 6 months to a year the entity held a public hearing on July 31 to find out the community's position on the issue and to listen to the company's response to arguments by the mine's opponents.

Industrias Infinito, which will only be able to extract gold once SETENA approves the study, has acknowledged the impossibility of completely eliminating the risk associated with the possible rupture of the tailings dam, which could even pollute the Rio San Juan, Anaya said. The Rio San Juan holds an important tropical wetland on its banks and species of flora and fauna threatened with extinction like the manatee, the green limpnet, and the mountain almond tree. The concerns also have to do with the felling of trees for mineral extraction, since, with the strong and constant rains in the zone, there will likely be flooding and currents that will contaminate water sources like the Infiernillo River, an affluent of the San Juan that runs through the area of the project.

"We are concerned about possible earthquakes or some accident that could provoke a catastrophe of unimaginable consequences in the San Juan and all the richness that exists in the Barra del Colorado [Wildlife Refuge] and the Tortuguero [National Park] and in the Atlantic itself," said Anaya. "Who

can assure us that this will not happen?" But Jesus Carvajal Jimenez, general manager of Industrias Infinito, said there is no danger of pollution of the Rio San Juan. He said the firm would use a technology called INCO, which will be totally safe for the environment as it guarantees destruction of cyanide molecules before the waste material is released to the environment.

"All of the cyanide that will be used to separate the gold from the clay will be recycled in closed tanks, for this reason it will not be necessary to build leaching pools nor oxidation lakes," said Carvajal Jimenez. He added that 21 ha annually of felled forests would be recovered and that a total of 336 ha would be reforested.

Meanwhile, in Nicaragua, Antonio Ruiz, director of the nongovernmental River Foundation, said that the biggest concern would be the possible loss of many species as a result of poisoning and the danger to the local populations of both countries. Among the places that could be in danger on the Nicaraguan side are the biological reserve Indio Maiz, route of migratory birds and one of the few virgin rain forests in Central America, and the Rio San Juan Wildlife Refuge, a very fragile zone that is included in the Ramsar Convention an agreement that supports the world's major wetland areas.

The last week in August, three officials from Nicaragua's Office of the Public Defender for the Environment, who met with the manager of Industrias Infinito, said that they could not give an opinion and that they would analyze the project with the information obtained on their trip. But Cost Rican Minister of Environment Carlos Manuel Rodriguez has already acknowledged that, although he knows open-pit mining produces ecological damage, the concession was granted during the previous government of former President Miguel Angel Rodriguez (1998-2002) current secretary-general of the Organization of American States (OAS) and if the contract were rescinded the state would have to compensate the firm for millions of dollars. "By no means does the Costa Rican government promote or support open-pit mining," Carlos Manuel Rodriguez said. "Unfortunately, the decree signed by this government in 2002 does not cover this project, which is backed up by a contract."

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