

Ore & building
materials extraction

Keywords

- > Gold mining
- > Costa Rica
- > Open pit mining
- > Environmentalists' success

Introduction

The Crucitas Project is located in the Cutris District, Canton of San Carlos, Alajuela, along the border between Costa Rica and Nicaragua.

The southern area of the district is a mountainous region from where large rivers flow towards the north of the country, creating the vast San Carlos Plains. The San Carlos River is the main waterway in the region; together with its tributaries, the Arenal and Tres Amigos Rivers, it crosses the district from south to north. The San Carlos River is in turn the main tributary of the transboundary San Juan River.

This is an environmentally sensitive area, and potential Project effects have been the key argument underlying the judicial decision to suspend the mining concession and company operations to date.

Background

The Crucitas Project changed hands several times. In 1994 it was bought by Canadian company Placer Dome, which announced the sale of the Curitas Project in 1998, following an opposition campaign by different groups and communities from the north, and a period of low gold prices. According to the Frente Nacional de Oposición a la Minería (National Front against Mining), on 4 February 1999, Placer Dome sold its shares transferred the Project to another Canadian company, Lyon Lake Mines Ltd.

Placer Dome changed its trade name on 3 March 1999 to Industrias Infinito S.A. The Geology and Mines Agency passed Resolution 698 of 7 May 1999, accepting the new company as the holder of the permits previously owned by Placer Dome. Currently, the project (now suspended) is still owned by Infinito Gold S.A. (previously Vaness Ventures Ltd.) through its' subsidiary Infinito S.A.

The project

The Project is an open pit gold mine located less than 10 kilometres (6 miles) from the San Juan River and the border



Demonstrations against the Crucitas Project
Source: Revista Amauta, 8 December 2009

with Nicaragua. Crucitas includes several exploration concessions in San Carlos. Gold has been found in two areas: next to the Crucitas community and in Conchudita.

It was the intention of Infinito Gold, S.A. to exploit nearly 800,000 ounces of gold from an open pit mine of 85 metres (278 feet) deep. A 55-hectare (135 acre) area would be affected, and close to 33 million cubic metres of materials would be removed.

The overall area occupied by the Crucitas Project is 2 square kilometres (0.8 square miles); 73 percent lies on the Infiernito River Basin, and 27 percent on the Crucita Basin. The mining project will directly or indirectly impact a drainage area that includes surface waters of the ravines and rivers that cross the Crucita area. The micro watersheds of the Descubrimiento Ravine, their confluence with Crucitas up to the San Juan River, the microbasins of the Zabayos and La Mina Ravines, their confluence with the Infiernito River and the San Juan River will all be affected.

Impacts

The affected communities state that project authorisation did not take strict measures to protect the environment. Consequently, had it been realised, the Project would have severely impacted the San Juan River area, known for its rich rainforest biodiversity. The company planned to develop the Project in a forested area where there are 130 tree species per hectare (2.5 acres) on record, which would have threatened the area's great biodiversity.





Aerial photo of Crucitas.

Source: elpais.cr/frontend/noticia_detalle/1/67787



Location of the Crucitas Project

Source: *Pioneros Magazine*, "La realidad de Crucitas (Costa Rica)", 21 July 2010.

pionerosmagazine.blogspot.de



Forbidden logging of a yellow almond tree

Source: *La Nación – El País*, 7 March 2012

During this process, there was an important moment in November 2008 when the company cleared 60 hectares (148 acres) in an area they considered already concessioned. A study assigned to Fundación Neotropica and Earth Economics by the Attorney General showed that the total cost of environmental damages and recovery in an 85-hectare (210 acre) would be at least USD 674,000 dollars per hectare (Aguilar, 2012).

Similarly, there were concerns that mining activities would have a possible direct impact on water sources. It was feared that the amount of water would decrease significantly due to being used for mineral extraction, and that the wastes generated by the extraction process would contaminate the water.

The environmental impact of this project (finally suspended) was not limited to the mentioned microbasins, but to the dredging of material from both rivers to the binational basin of the San Juan River (between Costa Rica and Nicaragua).

The people and organisations opposed to the exploitation of the mine have denounced not only environmental impacts, but direct consequences related to the right to health for the populations that live in the affected watersheds. The situation observed in the Descubrimiento Ravine, where a

family was affected due to arsenic levels—70 times higher than permitted standards—is a case in point.

Conflict and consequences

The main conflict issues in the Crucitas case have been judicial, backed by strong social pressure due to the environmental impacts of the Project.

The main activist organisations on this case have been the Unión Norte por la Vida (Northern Union for Life), the Frente Nacional de Oposición a la Minería (Mining Opposition National Front) and the Asociación Preservacionista de Flora y Fauna Silvestre (Aprefloras Association to Preserve Wild Flora and Fauna). The role that former President Oscar Arias played throughout the process must be emphasised, since he was for mining operations to begin in the country.

In 2008, the Oscar Arias administration abrogated a moratorium in force since 2002 that impeded the development of mining projects in the country. The government issued Presidential Decree 34801-MINAET that declared public interest in the Las Crucitas Mining Project in Cutris de San Carlos, and issued a permit for its execution. According to local organisations, the company proceeded immediately to cut down approximately 60 hectares (148 acres) of forest. Currently (2012), some



1994	Canadian enterprise Placer Dome Incorporated acquires a permit to explore the area
1999	Placer Dome transfers the Project to Lyon Lake Mines, then changes its trade name to Industrias Infinito S.A.
2008	Annulment of the moratorium on mining activities
2008	Executive Decree 34801-MINAET: Project Crucitas of public interest.
2008	The company immediately begins to clear the concession area.
2008	The Nicaraguan request to cancel the mining concession along the transboundary San Juan River is rejected
2008	The Supreme Court of Justice stops mine construction due to environmental damage to forested areas
2010	April, Project execution authorised
2010	July-September, Citizen protests
2011	November, Approval of ruling that suspended the concession

Chronology of major events

organisations have asked to visit the area to verify the damage caused and determine its extent.

That same year, in 2008, the President hypocritically presented its “Peace with Nature” initiative. Concurrently, the Costa Rican government “categorically” rejected Nicaragua’s request to suspend the concession contract for open pit mine exploitation a few kilometres from the San Juan River that would cause contamination and irreversible ecological damages, calling it “inappropriate”. Nicaragua had made this request on the basis that the San Juan River was transboundary in nature, and its contamination would have affected communities on the Nicaraguan side of the basin.

The Costa Rican Supreme Court of Justice ordered the suspension of the construction of the open pit mine, based on environmental groups’ claims that the project was destroying native forests.

However, in April 2010, the Fourth Tribunal of the Supreme Court of Justice authorised the company to execute the project, arguing it would not affect the environment.

Mining opponents were quick to respond. In July, they organised a 170-kilometre (105 mile) march. In October, activists from Frente Norte Contra la Minería (Northern Front against Mining) and Coordinadora Ni Una Sola Mina (Not a Single Mine Coordination Board) initiated a 14-day hunger strike, demanding Decree 34801-MINAET be annulled.

On 30 November 2011, the National Dispute Tribunal approved the prior ruling and suspended the mining company’s concession to exploit gold through an open pit mine in Crucitas. The concession was deemed invalid because it failed to comply with basic requirements of the Environmental

More on this case

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Impact Assessment (EIA) necessary for any concession's approval. The High Court upheld the decision to annul the illegally conferred permits, and former President Oscar Arias' decree that declared the Project as being public/national interest. This cleared the path for the Court to request from the Public Prosecutor to open an investigation against the former president for having signed the Executive Decree stating that the project was of public interest, and rescinding the moratorium against open pit mine operations many years later. It also ordered that affected families be paid compensation.

This ruling followed hundreds of demonstrations and protests from social and environmental organisations, and with 90 percent of Costa Ricans repudiating the earlier decision, according to the polls.

The company Infinito Gold (that also has projects in Nicaragua) has challenged the constitutionality of the High Court decision and continued to appeal to the judicial system. In October 2013, the company announced it would claim compensation from Costa Rica in international arbitration at the CIADI (World Bank) for USD 1.092 million because the concession contract had been broken. A very strong international campaign against this attack against the sovereignty of Costa Rica has been launched. In February 2014, Infinito Gold submitted a Request for Arbitration before the International Centre for Dispute Resolution claiming compensation for it USD.93.9 million investment, plus interest, without making claims for lost profits.

The organisation Union Norte Por la Vida (UNOVIDA Northern Union for Life) is on alert, keeping under surveillance the start of any activity related with this project.

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