



10 Canadian Mining Companies: Financial Details and Violations


Briefing N° 1

Tricontinental: Institute for Social Research

Introduction

Of the world's mining companies, 60% are headquartered in Canada. In February 2019, 216 companies were listed on the Toronto Stock Exchange (TSX) and 961 companies were listed on the TSX-Venture Exchange (TSXV); mining accounts for 53% of the composite index. This kind of industry dominance suggests that investors trust the stability of the mining industry and also that Canada will continuously bend to the needs of mining companies, whatever the cost.

Mining companies feel safe headquartering in Canada. After all, the country has only two laws that apply internationally to mining practices: don't bribe and don't have sex with children. But with Investor State Dispute Settlement (ISDS)—the global private court system used by corporations to bully governments—mining companies accomplish legally what a bribe would have done illegally. And mining companies continue to use political repression, which includes child rape, as well as murder and forced migration, to suppress opposition to hazardous infrastructure and disastrous circumstances. There is not a single company in this document that is guilty of just one transgression. Deforestation, water contamination, cyanide poisoning, and other environmental offenses occur simultaneously with the human rights violations. Violence enters the equation when the interests of shareholders and investors are threatened. For instance, when a company wants to build a poorly constructed dam, there is a good chance that the local community - 2 - that would be directly



threatened by the dam will speak up and protest. To ensure that their investors do not pull out, the mining companies quickly silence any opposition and they sometimes use violence to do so.

Collectively, Canadian mining companies display a depraved indifference to human life. And this indifference is considered to be just a natural or necessary side effect to economic growth. The first number that will stand out in this document will be the annual remuneration of a mining company CEOs. Their take-home reaches as high as \$6.7 million. Figures like these stand out when entry-level gold miners in South Africa have monthly compensations ranging from \$493 to \$787. In addition to these data, we have also shared both the operating cash flow as well as the earnings before interest, tax, depreciation and amortization (EBITDA). Knowing the operating cash flow can give some insight on how a company manages its short term capital, it reveals how much money a company can devote to its operations, which shapes its growth rate. And the EBITDA measures the company's operating performance, which helps evaluating the performance of a business to its peer group.

This is just the first pebble [Tricontinental: Institute for Social Research](#) is throwing into the toxic pond that is the extraction industry. We are going to return to the mining industry again and again.





Cover image I

26 March 2019: Operations at Ikwezi Mining's Newcastle Project, South Africa.
New Frame / Madelene Cronje

Legend of Symbols



Headquarters



Notable Subsidiaries



Operating Cash Flow



Earnings before
interest, taxes,
depreciation and
amortisation (EBITDA)



CEO



CEO Remuneration



Extract



Major Violation



FIRST QUANTUM

MINERALS LTD.



Vancouver, Canada



Minera Panamá, Congo
Mineral Development
(former subsidiary acquired
by ENRC in 2012 lawsuit),
Kalumbila Minerals Limited



\$1.98 Billion



\$1.72 Billion



Philip K.R. Pascall



\$1.2 Million
(base salary) vs.
monthly wage of
one of the highest
paid unionised mine
workers' in Zambia:
\$733.50



Copper, Gold, Nickel,
Zinc, Sulfuric Acid



Deforestation - The Cobre Project (Panama)

The Mesoamerican Biological Corridor has high regional biodiversity; it is also the home of the First Quantum Minerals (FQM)'s Cobre Project. In the last quarter of 2018, satellites recorded around 4,500 deforestation alerts in the area. During this time of accelerated deforestation, the Environmental Advocacy Center (CIAM) was already in court for its fight against Contract Law 9. It is because of this contract, enacted on February 25, 1997, that FQM has the legal right to develop the Cobre Project—a copper mine. In this case, ‘developing’ means exposing the area to extreme devastation. On September 24, 2018, the Supreme Court declared Contract Law 9 unconstitutional. But two days later, Panama’s government determined that the contract, as well as the 20-year renewal from December 30, 2016, will remain in effect. The Panamanian government’s vindication of FQM rested on its previous \$6,000M private investment as well as the value of the economic infrastructure—jobs, sales, and a local supply chain—that the company was continuing to generate. In other words, FQM’s promise to bring in up to \$2B annually on copper exports is enough to outweigh the regional pixbae palm that continues to lose its flowers too quickly to develop. And making purchases from Panamanian suppliers that exceeds \$1,100M seems to compensate for the polluted San Juan River that continues to be a site of fear to the several local communities it once supplied with clean water.

1



BARRICK



Toronto, Canada



NMGML, Acacia
Mining, African
Barrick Gold



\$1.76 Billion



\$3.06 Billion



Mark Bristow
(as of 2019)



\$6.7 Million
(Total Compensation
for John Thornton in
2017)



Copper, Gold, Nickel



Rape, Violence, and Arson - Porgera Gold Mine (Papua New Guinea), North Mara Mine (Tanzania), Durban Roodepoort Deep Mine (South Africa)

The militarised approach to guarding gold mines has led to rape and sexual assault in at least three mining regions that belong to ABX. In 2013 ABX gave cash payments—or “remediation packages”—to 14 women who were sexually assaulted by police and security guards at the North Mara gold mine in Northern Tanzania. Another set of remediation packages were distributed in 2015 for rape and sexual violence reports—dating back to 2010—at the Porgera mine in Papua New Guinea. 119 women and girls in the Porgera community received the financial packages that started at 23,000 Kina (~\$10K) and maxed out at 32,740 Kina (~\$15K). But 11 girls and women—with ages ranging from 14 to 80—refused to accept the packages that ABX was offering. One of the 11 women described the amount as ‘insulting’. The impact of sexual violence has no monetary equivalent. For some of the women the result was loss of family and support, for others it was the experience of hostile education environments that drove the women away from school. Eventually, ABX reached an undisclosed settlement with the 11 women from Porgera. But even after this incident, on 20 March 2017, a police squad that was patrolling Porgera mine stripped three women naked and gang raped them in broad daylight. On 25 March 2017, after the reports for the gang rapes were made, 150 homes in the village of Wangima—located inside the mine lease area of Porgera mine—were burned down. For most killed at this Barrick mine and other mines owned by the company, their deaths go unreported. A 2016 government inquiry revealed some 335 cases of abuse by Tanzanian police, including 65 deaths and 270 injuries since 2006 at North Mara. Local human rights monitors and opposition forces have put the number of deaths much higher, claiming more than 300 violent deaths at the mine since 1999. The most recent killing (reported by Mining Watch) was August 4, 2017.



GABRIEL



United Kingdom
(but still a TSX-V-listed
resource company)



Roşia Montană Gold
Corporation (RMGC)



-\$38 Million



-\$40.4 Million



Dragos Tanase



<\$500,000
(Salary in 2018)



Gold



Cyanide Poisoning + Manipulative Use of ISDS - Rosia Montana Project (Romania)

Gabriel Resources Ltd. (GBU) is suing Romania via investor-state dispute settlement (ISDS) for \$4.4B because the country denied permits for the largest open-pit gold and silver mine in Europe. The \$4.4B (the same amount as Romania's health budget) is considered a "compensation" for the gold and silver that GBU has been unable to extract in Roșia Montană. Since Romania determined GBU's proposed project to be illegal, this suit is synonymous with GBU's infringement on national sovereignty. For the past 22 years GBU has been pressuring Romania to allow the construction of a mine that would blast away 4 mountains, destroy 3 villages, demolish 1,000 homes and churches (including 45 national heritage sites), and displace 2,000 people. Moreover, 240,000 tons of toxic cyanide would be used to carry out the gold cyanidation mining technique. That amount of cyanide is enough to give 600 billion adults a lethal dose. In other words, the amount of cyanide could kill each person on earth 80 times. On a regular operating day 130kg of cyanide would be emitted into the air. The waste lake that the mine would leave behind would be enough to cover 420 football fields. And the livelihood of 6,000 people living downstream from the waste lake would be at extreme risk.



YAMANAGOLD



Toronto, Canada



Jacobina Mineração e
Comércio



\$404.2 Million



\$6.87 Million



Daniel Racine



\$2.2 Million
(Total compensation
in 2017)



Gold



Upstream Tailings Dam Construction / Investing in Disaster Capitalism - Jacobina Mine (Brazil)

In the Jacobina mine area, Yamana Gold (AUY) is currently exposing 14,000 to a potential dam failure disaster similar to the Brumadinho dam collapse in 2019. The upstream tailing construction is the cheapest dam option for storing toxic and radioactive tailings waste. However, the construction is exceptionally risky as there is no separate concrete or metal wall. Instead it depends on the build-up of solid tailings—compact dirt—and the hope that too much liquid does not seep into any of the dikes that get built up on one another. For the people living downstream of the Brumadinho dam, the liquefaction of the tailings dam had three definite results: the first was death by drowning in toxic waste, the second is a polluted ecosystem that will impact the community for generations, and the third is sudden economic devastation. The 14,000 people near Jacobina mine could experience these three things and more. Currently, they are considered to be in a high-risk zone for two reasons: one, they live downhill from an upstream tailings dam; and two, they live within eight kilometres of the dam, which is the distance the toxic mud flowed—reaching as high as 26ft in some areas—after the Brumadinho collapse. AUY has remained silent on the potential disasters near two of the largest gold mines in Brazil: Jacobina and Chapada. In the immediate aftermath of the Brumadinho disaster, the upstream tailing construction method was banned throughout Brazil. The existing upstream tailings dams (there are more than 80 that made the National Mining Agency list) must be decommissioned or removed by August 2021. 2021 will seem too late if these dams that could fail at any time do in fact fail. AUY has made zero effort towards policy compliance.



OCEANAGOLD



Melbourne, Australia
and an office in
Vancouver, Canada—
listed on TSX and ASX



OceanaGold
(Philippines), Inc.
("OGPI")



\$346.2 Million



\$5.64 Million



Mick Wilkes



\$3 Million
(Total compensation
in 2017)
\$608,000
(Salary in 2017)



Gold, Silver, Copper,
Chalcopyrite (sulphide
mineral of copper and
iron)



Operating Without Consent or License, Disregarding Mining Permit, and Continuing to Cause Environmental Disaster - Didipio Mine (Philippines)

In 2017 the Department of Environment and Natural Resources (DENR) issued a suspension order to OceanaGold Corporation (OCANF). The company is guilty of failing to adhere to its current mining permit and breaking various Philippine laws. In disregarding Philippine mining regulations, OCANF has caused a direct threat to agriculture in the Philippine province of Nueva Vizcaya, where the Didipio mine is located. David Way, general manager of the mine, alleges that OCANF, immediately after receiving the order, filed an appeal directly with the office of President Rodrigo Duterte. OCANF and Duterte have a history: on 18 November 2016, Duterte awarded OceanaGold's Didipio mine as the best mining operation in the country at the Philippine Mine Safety and Environment Association's 63rd Annual Ceremony. But this award did not stop DENR from responding to two urgent environmental offenses committed by OCANF: one, the failure to meet obligations around reforestation (violating Revised Forestry Code of the Philippines); and two, the depletion and contamination of water supply with copper levels at eight times the maximum level for the survival of organisms (violating the Philippine Clean Water Act of 2004). OCANF's accumulation of environmental offenses supports a suspension order to be enforced immediately. OCANF's extraction permit expires in June 2019.



eldorado gold



Vancouver, Canada



Hellas Gold, Unamgen
Mineracao e Metalurgia
S/A, TUPRAG Metal
Madencilik San. ve Tic. A.S.



\$66.32 Million



\$82.53 Million



Robert R. Gilmore and
George R. Burns



\$5.4 Million
(George R. Burns'
Total Compensation in
2017)



Gold, Iron



Arsenic Poisoning and Social Death - Olympia Mine (Greece)

More than 1,000 beekeepers represent a major component of the local economy in Halkidiki. In addition to honey, feta cheese and olive oil are key products from the area. But beekeepers and producers of olive oil are unable to invest in their businesses due to the looming arsenic threat created by Eldorado Gold (EGO). The mining company has a plan to implement flash-smelting in order to process Skouries ore together with that of the nearby Olympias mine, which is very rich in the poisonous substance products. So, while beekeepers and oil makers are worried about the potential of having unmarketable products contaminated with toxic dust and polluted water, EGO is pushing an agenda that will produce more than 20,000 tons of arsenic every year. In other words, EGO wants to unearth enough poison to kill every single human on earth—beekeepers and businessman alike. Already EGO is guilty of hiding the fact that the Skouries ore contains high amounts of asbestos. And they seem to want people to overlook the fact that the waste dams for the mine that are currently under construction are above a highly active fault line. EGO's hazardous activity (and capital gains) is a direct result of the reduction in environmental permits and the dissolution of environmental protection infrastructure that was introduced to 'facilitate investment' with the IMF Extended Fund Facility arrangements at the end of 2013.

HUDBAY



Toronto, Canada



HMI Nickel Inc (formerly
Skye Resources Inc.),
Hudbay Perú S.A.C.



\$479.55 Million



\$630.21 Million



Alan T. C. Hair



\$4.2 Million
(Total Compensation
in 2017)



Zinc, Copper, Silver
and Gold



Political Repression of Maya Q'eqchi' Community - Fenix Mine (Guatemala)

In the detailed accounts of 11 Maya Q'eqchi' women, hundreds of police, military, and private security personnel swarmed them and gang raped them in 2007. The rapes took place during the forced evictions of members of the Mayan Q'eqchi' community living in El Estor, where the Hudbay Minerals (HBMS)'s Fenix Project—a nickel mine—is located. Then, two years later, HBMS security personnel targeted two men on 27 September 2009. First, they assassinated Adolfo Ich Chamán, a prominent environmental and indigenous people's rights defender from the El Estor region of Guatemala and a Mayan Q'eqchi' community leader. Adolfo Ich was beaten, hacked with machetes, and then shot to death by private security guards of the Fenix mine. On the same day, the security guards also shot German Chub. He was left paralyzed. After lawsuits were brought to HBMS for each of these violent offenses and were, as of July 2013, allowed to go to trial in Canada, the violence continued. In 2016, shots were fired at the home of Angélica Choc, the widow of Adolfo Ich. In March 2018, the 18-year-old nephew of Adolfo Ich, Héctor Manuel Choc Cuz. was beaten to death with rocks. The Ich family suspects that Adolfo's son, Ich, was the intended target as he was also a witness to his father's death. Moreover, witnesses (who asked for anonymity due to fear) explained that one of the assassins said: 'It's not Ich, let's go.'



NEVSUN
RESOURCES LTD.



Vancouver, Canada



Bisha Mining Share
Company, Rakita
Exploration



\$20.45 Million



\$36.25 Million



Peter G. Kukielski



Gold, Copper, Zinc,
and (as of 2018)
experimental Diamond
Drilling at Bisha



Slavery, Torture, Inhumane & Degrading Treatment - Bisha Mine (Eritrea)

Gize Yebeyo Araya, Kesete Tekle Fshazion, and Mihretab Yemane Tekle filed a lawsuit against Nevsun Resources Ltd. (NSU) in November 2014. The three Eritreans were forced to work at the Bisha mine in Eritrea against their will. And during their time there, the three of them were subject to cruel, inhuman, and degrading treatment. In addition to being forced to work long hours, they each lived in constant fear of arrest, torture, and intimidation at Bisha mine. These crimes—a violation to international law—were brought to the attention of NSU executives at least a decade ago. An email from CEO Cliff Davis dating to 4 March 2009 proves that NSU was acutely aware of the involuntary labour issues in Eritrea and that partnering with the government of Eritrea through the Bisha Mining Share Company (BMSC) was extremely risky. In the email Davis writes: ‘we are in the process of determining whether the terms of employment would constitute forced labour.’ In another email dating to 2009, to then Nevsun vice-president Trevor Moss, it was confirmed that the forced labour ‘permeates the whole country [Eritrea] with nearly everyone in some way associated with the program.’ In other words, NSU was aware that subcontractors would use forced labour. Yet NSU maintains it did not ‘directly’ know about the human rights violations. On 23 January 2019, two weeks after NSU became a subsidiary of Zijin, the Supreme Court of Canada heard arguments in a case against NSU, a publicly-held British Columbia corporation. NSU is now denying that the fact that the Eritrean refugees experienced the human rights violations.



FORTUNA

SILVER MINES INC.



Vancouver, Canada



Cuzcatlán mining
company



\$108.17 Million



\$156 Million



Jorge A. Ganoza
Durant



\$2.42 Million
(Total Compensation
in 2017)



Silver



Water Contamination and Operating Without Consent of Indigenous Community, Violating UN Code - San Jose Mine (Mexico)

After a decade of demanding the cancellation of concessions to Fortuna Silver Mines Inc. (FSM)'s San José mining project because of water pollution, the Indigenous community of Magdalena Ocotlán in Oaxaca continues to speak up in defence of their water supply. This time the Zapotec community strategically chose to speak up on the 100th anniversary of revolutionary hero Emiliano Zapata's assassination—10 April 2019—to align with the Zapatista movement. On 7 October 2018, the Zapotec community's only source of water was severely contaminated. Heavy rains caused the tailings dam of FSM's mine to overflow into the tributary of Coyote Creek, 5 kilometres downriver. This toxic overflow follows several confrontations between FSM and the local community. In March 2009, a three-month roadblock into the mine began by local opposition; the fear then was of cyanide, mercury, and heavy metal poisoning. Then, in January 2012, it was discovered that FSM was laying pipe from the dam to a reservoir and diverting drinking and irrigation water to the mine. Over the past decade, local activists with the goal of protecting their water sources have been shot at and a few have been killed. In the latest demands, the local community has cited the disregard of Convention 169 of the International Labor Organization (ILO) since they were never consulted regarding the Mexican government's concession of their land to FSM. Currently, FSM controls 800 square kilometres in the Central Valleys of Oaxaca, Mexico (this is the same size as Oaxaca City). Without consent of Indigenous peoples regarding projects that may affect their communities, Canada and Mexico—both member states of the ILO—are in violation of the community's rights.

KINROSS



Toronto, Canada



Compañía Minera
Maricunga, Rio
Paracatu Mineração



\$5.04 Billion



\$6.28 Billion



J. Paul Rollinson



\$6.7 Million
(Total Compensation
in 2017)



Gold, Silver, and
Copper



Forced Migration & Erasure of Indigenous Community - Maricunga Mine (Chile)

On 13 December 2018, Kinross Gold (KGC) filed for restitution, claiming that the Indigenous Community Colla del Río Jorquera and its Tributaries acted in 'bad faith'. On 26 February 2019 the Indigenous Community Colla del Río Jorquera and its tributaries submitted a response to KGC's restitution claim that was filed on 13 December 2018 in the amount of \$0.5 million USD. The statement begins with a reminder of the oil spill in Rancho del Gallo Camp on 20 May 2017. They say that the 50,000 litres of oil that spilled forced community members to migrate and that the oil permanently damaged the Colla Ancestral Territory. But the impact on the territory, they specify, dates back to 1994. In this time, from 1994 to the present, KGC and the Colla community have never been able to build a mutually beneficial relationship. Some of the major headlines in their conflict include: one, KGC's subsidiary (Compañía Minera Maricunga) usurping land in 2006; two, ownership disputes over Maricunga that reached resulted in KGC needing to pay damages 2011; and three, conflict over the widening of Route C-611 as it would impact the local community. The Colla Community has yet to receive the payments (in the same amount that KGC started claiming in 2018) from KGC. And since KGC never followed through with the damage payments, the Colla community believes that any 'Good Faith' agreement that KGC is invoking for their 2018 restitution claim was already deemed null with KGC's initial failure.

Resources

MiningWatch Canada | www.miningwatch.ca

Mining Injustice Solidarity Network | www.mininginjustice.org

Mining Justice | www.twitter.com/MiningJustice

Centre for Research on Multinational Corporations | www.somo.nl

Protest Barrick | www.protestbarrick.org

Indigenous Rising | www.indigenoustrising.org

Eco Justice | www.ecojustice.ca

Articulação dos Povos Indígenas do Brasil |
www.facebook.com/apiboficial

Movimento Pela Soberania Popular na Mineração |
www.facebook.com/MAMNacional

Alternative Mining Indaba | www.altminingindaba.co.za

Western People's Council (CPO) | www.nisgua.org

The K'iche Peoples Council

Rights Action | www.rightsaction.org

Soshalkidiki | www.soshalkidiki.wordpress.com

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