

The Bellavista Mine



Photo illustration by Ronald Reyes

Mine Disaster at Miramar: A Story Foretold

Experts & opponents say, 'We told you so,' as mine and government officials say threat is contained

By Dave Sherwood
Tico Times Staff

MIRAMAR DE MONTES DE ORO, Puntarenas – The call came one dreary morning last October.

"The mine is falling, the mine is falling!" said a frantic voice over the phone line.

Despite the steady rain pattering on her tin roof, Sonia Torres bolted out the door and past the church, then scrambled uphill through mud that tugged at her knee-high

rubber boots.

When she reached her lookout – a farmer's field on a knoll high above town, Torres, an outspoken critic of the Bellavista Mine, was shocked at what she saw.

A landslide had ripped pinstripes across the face of the mine site, sweeping downhill and uprooting trees and roads in its wake.

A million-dollar processing plant had been destroyed, the integrity of the mine's environmental safeguards jeopardized.

Teetering in the balance, say experts, were the future of Miramar's water supply, just two kilometers below, and the integrity of the Gulf of Nicoya, a short distance farther.

Despite a 2002 ban on open-pit mining in Costa Rica, the mine, whose concessions had been granted decades before, began operation in December 2005 amid fierce resistance from local activists and international environmental groups.

"This was a no-brainer. Anybody who'd looked closely at this should have known better."

–Anna Cederstav
The Inter-American Association for Environmental Defense and Earthjustice

In July, mine officials, concerned by the effects of heavy rains and the seemingly imminent possibility of a landslide, shut the mine down and began to rinse cyanide, used to extract gold from ore, from the site.

Now it was largely in ruins. "I sent pictures everywhere I could,"

recalls a defiant Sonia Torres three months later. "To Canada, to Europe, to the United States. I wanted everyone to see what had happened."

As impressive as the landslides and destruction they caused – which would eventually total millions of dollars, shut down the mine permanently and leave 350 residents in Miramar unemployed – was the degree of accuracy with which Torres and others had predicted it all.

Divining Trouble

When disaster strikes at a gold mine and the companies that operate them grope with what is to be an enormous financial loss for shareholders, officials often blame God.

"We had hired some of the best international geo-technical consulting firms in the world to do a complete evaluation. If we had

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A Shotgun Approach to Criminals

Lawmakers drop partisan bickering to take on bad guys

By Gillian Gillers
Tico Times Staff

In a rare moment of consensus fueled by surging crime rates, lawmakers from the four main political parties agreed this week to prioritize crime bills.

They created a nine-member security committee to debate bills that would impose stricter sentences, protect victims, regulate arms purchases and fight organized crime.

The move marks a shift by the government's National Liberation Party (PLN), which blocked an attempt to form a committee in See 'Crime' on Page 10 ▶

Government proposes a multi-pronged plan to thwart bandits and drug traffickers

By John McPhaul
Special to The Tico Times

Crime has shot to the top of the government's agenda as public outcry grows over the numbers of break-ins, car-jackings and assaults in Costa Rica.

According to the most recent numbers from the government, the homicide rate has jumped 50% since 1990, and violence doubled. Crimes per 100,000 inhabitants between 1990 and 2006 jumped from 135 to 295, more than double. Robberies increased 700%, and drug-related crimes 280%.

President Oscar Arias met with top government ministers, and court officials have arranged a series of actions aimed at bring-

ing the problem under control, including an increase in the budget of the Judicial Investigation Police (OIJ) by €7 billion (about \$14 million).

The additional money will increase the OIJ's budget to \$68 million and enable it to employ 500 additional agents.

The announcement prompted OIJ chief Jorge Rojas, who had threatened to quit for lack of resources, to remain on board.

The government officials also agreed to assign additional judges to a criminal court that will operate 24 hours a day to process suspects charged with stealing items valued at less than €250,000 colones (about \$500).

Currently, because of the wording of the See 'Three' on Page 10 ▶



Risky Business: A security guard works outside a jewelry store. As crime rises, security bites into businesses' bottom line.

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NEWS

Drowning at Tamarindo Beach Renews Safety Concerns

The drowning last week of a tourist in the popular northwestern beach town has renewed attention to safety issues, such as lack of lifeguards and warning signs.

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BUSINESS

New Tech Firms Bringing Millions in Investment

According to the Costa Rican Investment Promotion Agency, 27 new firms brought \$421 million in investments and created thousands of skilled jobs here last year.

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WEEKEND

Handicraft Market Offers Haven for Shoppers

A street lined with colorful stalls off Parque de la Democracia offers some of the best shopping in San José.

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THE NICA TIMES

Judicial Reform Urged

With public confidence in the courts at a low, reformers are urging for a new law to professionalize the judicial system.



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Mining Firm Says It's Committed to Cleanup



Ronald Reyes | Tico Times

Mine Critic: *Sonia Torres, an outspoken critic of the Bellavista Mine, says, "No amount of gold was worth this kind of suffering."*

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understood there was any risk, we wouldn't have taken the chance. The land movement was an act of God," says Central Sun chief executive officer Peter Tagliamonte.

God, in this case, had employed heavy rains, loose soils and bad timing, he said.

But environmentalists and independent experts who'd reviewed the plan in its initial stages had already divined some of the consequences – five years before.

Anna Cederstav, a Yale- and Berkeley-educated chemist who works for the Inter-American Association for Environmental Defense and Earthjustice, said this in 2001: "Putting an open-pit gold mine in a mountainous, tropical region prone to landslides and torrential rainfall is a disaster waiting to happen."

"This was a no-brainer," she said later. "Anybody who'd looked closely at this should have known better."

She backed up her claims with a 21-page technical review of the mine site, in which she predicted many of the consequences long before the mine's opening.

Some examples from her analysis: "potential landslides," "erosion and sedimentation of rivers," and "the creation of a boom-and-bust economy."

All of it has come to pass.

Another dire prediction: Acid mine drainage, said Cederstav, could seep from rocks exposed by the mining process – a chronic problem she still believes could someday haunt the town of Miramar.

To date, officials insist, drainage from the site has yet to contaminate any water source.

But Cederstav says sometimes these problems can take a decade or more to develop.

"And guess who will get stuck dealing with the environmental and economic fallout? The people of Costa Rica," she says.

Her conclusion, then, as now: The mine should never have happened.

But it did.

Golden Opportunity

It was a familiar script, with the characters tidily assembled: the humble local village, with ailing infrastructure, scant jobs, rising crime. An anxious mayor, scrambling to live up to campaign promises of a better life. A people, if not quite desperate, hardly thriving.

Enter the brawny transnational corporation, flashing foreign money, with its promises of new jobs, untold riches, better lives, a future for the village's children.

The company, then called Glencairn Gold Co. (now Central Sun Mining, Inc.), launched a public relations campaign.

It provided a waterworks system to ensure safe drinking water, a new garbage truck, a tourist office, a backhoe for repairing roads, kilometers of new pavement, a bigger and better municipal building, a scholarship fund for the town's students.

The company held art contests in schools, encouraging paintings of the mine, then hung them around town beside signs that read: "Our Animals and Water Are Worth Gold," and "Good Neighbors for Human Development."

The mine courted. The town swooned.

But not everyone was convinced.

Torres and friends from Miramar, members of the Gulf of Nicoya Environmental Communities Association (CEUS), buzzed about the mine and the municipality the next two years – raising questions, demanding answers.

Open-pit mining, which extracts gold from the surface with machinery rather than via traditional tunnels, suffers from a design flaw not even the savviest public relations firm can gloss over: Everyone can see it.

Torres knew this, and by teaching herself to navigate the Internet, use a digital camera



Ronald Reyes | Tico Times

Scoping It Out: *Madison Boniche, 7, surveys the mine area from a nearby hillside. After the mine closed in July 2007, hundreds in Miramar and the surrounding area lost their jobs. Mine officials say it is unlikely it will reopen in the near future, if ever.*

and take advantage of a growing community-action movement in Costa Rica, she spread the word.

Irregularities, she alleges, were everywhere. She took pictures, but proof, she said, was almost impossible to gather through the fine mist of goodwill that had settled on the town. Government officials seemed disinterested – or misinformed.

"They just weren't capable of handling this. They just weren't prepared," she says.

Torres wasn't the only one noticing strange occurrences – a pipe washing "goo" into the river below the mine's lagoons, a stream that once ran clear now colored like milk, a rip in the black tarp material that isolates the earth from the cyanide, used in extracting gold from ore (a technique known as heap-leach processing).

"We used to see irregularities all the time. Everybody knew it," says Edison Estrada, a Miramar resident who worked in the mine for two years as a truck driver and safety inspector. "But they paid so well, nobody was going to say anything."

Torres consolidated her concerns – and those of others in town – into a list of 163



Roy Arguedas Arias | Tico Times

pointed questions, each with citations, often from the company's environmental impact

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Tale of Two Brooks: *These streams, just a short distance from the entrance to the Bellavista gold mine and less than 100 meters apart, both ran clear years ago, say local residents, who bathed and swam in both for decades. Now, the stream at right runs a milky color. José Francisco Castro, mining director for the Environment Ministry, insists no contamination has been detected in any waters around the mine.*



Dave Sherwood | Tico Times

Activists: Gold Mine Reveals Warts in System

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statement, to back her up.

To date, she has received no answers.

Slip-Slidin' Away

After two years of operation, mine officials announced last July 25 that the Bellavista gold mine was closing.

The town was devastated, shareholders shocked.

Two months later, the Glencairn Gold Corp. issued a press release to calm its investors, who had seen stocks plummet 70% (a net loss of \$150 million) since the announcement.

Safeguard measures implemented since the mine's closure in July 2007, assured the press release, had "successfully reduced cyanide concentrations," and "any potential impacts on the environment had been reduced."

But the land was still creeping – at about a centimeter a day, and the release, picked up by news media worldwide, was practically devoid of specifics necessary to calm the now panicked population of Miramar.

Skeptics and experts worldwide balked.

"No information about what they have done, what the problem is, what the long-term environmental impact is, what it will cost to clean up the mess: polluted groundwater, impacted surface water, failed masses of cyanide-saturated rock, and so on," says Jack Caldwell, a now-retired civil engineer and mining expert born in South Africa who has spent a lifetime in the "pits."

Mine CEO Tagliamonte, who took over in 2006 and was not involved in the original review process, said he'd been proactive in shutting down the mine back in July – before the latest round of landslides in October.

"It was a difficult decision, one that was certain to cause great financial hardship for our company. But it was the right thing to do," he says.

Two years after government agencies and consultant groups gave the mine the enthusiastic green light, mine officials now con-

cede environmental limitations will likely prevent it from ever operating again in its current state – despite the fact that an estimated 350,000 ounces of gold, currently fetching a near record high of \$900 per ounce, remain on site.

The company has presented a restoration plan to Costa Rican government officials in which it proposes to backfill the mine and plant trees and grasses.

"In as little as one year, you will look up and see nothing but green pastures and forests," says Tagliamonte.

Costa Rican officials also deny contamination, wrongdoing or irregularities.

"To the best of our knowledge, there has been no contamination to date," says José Francisco Castro, director of mining and geology for the Environment Ministry.

According to Castro, the mine submits monthly environmental impact reports, and government inspectors visit the site every 15 days. The most recent report, he says, indicates that land creeping has stopped, thanks in part to the onset of the country's December to May dry season.

SETENA, the environmental regulatory agency that initially granted permits, is now in charge of mine supervision. But its director, Tatiana Cruz, did not respond to repeated requests for information from The Tico Times.

Regardless, the Environment Ministry is not quite prepared to issue the mine a free pass.

"We are not allowing the company to remove any equipment from the site until the remediation process is complete," says Castro, who values the equipment at between \$4 million and \$10 million.

The company had posted a \$250,000 bond intended to aid with mine cleanup, a sum that Castro says was not "nearly enough," that Cederstav called "laughable," and that even company CEO Tagliamonte acknowledged was insufficient.

But Tagliamonte insists his company will do the right thing.

"We take reclamation very seriously."

But that's beside the point, say experts and others. The mine, they say, should never have been opened to begin with.



Ronald Reyes | Tico Times

Eye Sore No More? Closed in July, the geologically challenged Bellavista Gold Mine sprawls near the town of Miramar de Montes de Oro in the northern Pacific coast province of Puntarenas. Its owner, Central Sun, promises to restore the land to forest and pastures.

All That Glitters...

So what happened? No one knows for sure.

Caldwell, who has kept tabs on the issue via his blog, ithinkmining.blog.infomine.com, has this to say: "Clearly the Costa Rican people and their government have only themselves to blame if they are ultimately saddled with this mess, the impact, and the cleanup expenses. After all, they approved the mine, enjoyed the attention and income while the going was good, and failed utterly to regulate the mine properly."

Five years later, Cederstav, who predicted these events, points to a flawed system.

Consultants who review the potential environmental impact of mine sites should report directly to the government, like they

do in the United States, she says.

In Costa Rica and most other Latin American countries, such consultants report to private companies.

"They are biased towards not finding problems. If they find issues, they are less likely to get hired the next time," she says.

Tagliamonte, when asked how such a mine could have been approved, despite so many warnings to the contrary, says: "We are looking at the legal aspects, and whether there may have been negligence or liability. It's part of our due diligence as a company."

Torres, after a decade fighting the mine, says "no amount of gold was worth this kind of suffering."

The people of the town, many of whom had family laid off when the mine shut down six months ago, are now left with just a scar on the hillside where they once picnicked.

After reviewing the facts of the case, Caldwell determined that the remnants of the mine, despite company assurances, were "waiting to be swept off the site by the next good rainfall," which, if all goes according to Costa Rica's typical weather schedule, should arrive around May.

"That won't be an act of God," he wrote in his blog last November. "That will be a conscious act of omission in the face of the obvious." ■

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The list of articles will be available during the exhibition, Friday, Jan. 25, from 1-5 pm and Saturday, Jan. 26, from 8 am to 2 pm, at CENTRO ATTICA, located in Guachipelin, Escazu; from Multiplaza highway roundabout 500 meters North, Winmovers bodega #10.

Offers will be received in a sealed envelope on the days of the exhibition at CENTRO ATTICA or, at the latest the following Monday, January 28 before 4 pm, at the Canadian Embassy, located in Sabana Sur; Oficentro Ejecutivo La Sabana (behind Contraloría General de la República), Building 5, Floor 3.

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