

LA COLOSA: THE QUEST FOR *EL DORADO* IN CAJAMARCA, COLOMBIA



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Summary

Gold prices have surged in recent years. As a result of the 'investor friendly' climate promoted by the Colombian government's 'democratic security' policies, multinationals have been awarded mining rights to extensive areas of the country. Many of these areas cover national parks, and lands inhabited by Indigenous, Afro-Colombian and peasant communities, who will be displaced to make way for the mining companies. Not only are the environmental consequences for what is currently one of the richest countries in the world in terms of biodiversity devastating; vulnerable communities will lose their livelihoods and food security.

London listed AngloGold Ashanti, the world's third largest gold producer, is one of the major mining companies in Colombia. Enriched during the Apartheid era, it was awarded the Greenpeace Public Eye award for being *The World's Most Irresponsible Company*, following its deplorable environmental and human rights record in Ghana, a country where it has been operating for many years. AGA has also been linked to paramilitary activity in other areas of Colombia, specifically the South of Bolívar and Cauca.

La Colosa is an AngloGold Ashanti mining project in Cajamarca, Tolima, Colombia, which – unless stopped – will become the largest opencast gold mine in South America. The mine is located within an area of forest reserve with high biodiversity. Cajamarca is an important agricultural hub for the whole country, and is therefore of paramount importance for the food security of Colombians. The use of huge quantities of water in the mining operation means that less water will be available to irrigate crops, or as drinking water for the local population. The 'lixiviation' process used to extract gold from the ore employs cyanide, a highly toxic chemical that would inevitably contaminate water sources and destroy aquatic life. The area is characterised by having steep valleys and is prone to seismic and volcanic activity, as well as heavy rainfall and landslides – meaning that accidents such as tailings ponds spillages, as have happened in many such mining projects may occur, with long-term devastating consequences for local communities. In spite of all this, it has been given the go-ahead by the Colombian government.

Glossary

Campesino	member of a farming community in Colombia
CorTolima	Entity responsible for environmental issues in Tolima, autonomous from Colombia's central government
INGEOMINAS	Instituto Colombiano de Geología y Minería. Colombian entity responsible for awarding mining rights.
MAVDT	Ministerio de Ambiente, Vivienda y Desarrollo Territorial. Colombian ministry of the environment
Moz	million ounces
páramo	Highland moors; a fragile eco-system between 3500m and 4800m.

AngloGold Ashanti

The Global Context

AngloGold Ashanti (AGA) is one of the principal gold producers in the world with a production of 4.52 million ounces (Moz) of gold in 2010¹. Based in South Africa, it was formed in 2004 by the merger of AngloGold and the Ashanti Goldfields Corporation. AGA has a primary listing of ordinary shares at the Johannesburg Stock Exchange in South Africa, and subsidiary listings in London, Paris and Ghana². As at December 2010, AGA reported as having 62,046 employees and 71.2 Moz in gold reserves³. At the same date, AGA had 20 operations in four continents, with exploration being carried out in Canada, Colombia, Argentina, Egypt, Eritrea, Gabon, Ethiopia, Guinea, Gabon, Tanzania, South Africa, Democratic Republic of Congo, China, the Solomon Islands, New Zealand and Australia, as shown in Figure 1⁴.

Anglo American was AGA's parent company until it divested its stake in 2009, following criticism of corporate irresponsibility and human rights violations in the Democratic Republic of Congo, Ghana and Colombia⁵. In spite of AGA being based in South Africa, its shareholders remain predominantly from the United States (52.6%), and there is also a significant proportion from the United Kingdom (11.73%), as can be seen from Figure 2⁶. The fact that they have a subsidiary listing at the London Stock Exchange (LSE) indicates that the UK is a significant funding source for their global operations.

¹ AngloGold Ashanti, *Mineral Resource and Ore Reserve Report 2010*, page 2. Available at: <http://www.anglogold.co.za/subwebs/InformationForInvestors/Reports10/financials/files/AGA-resource-reserves-2010.pdf>

² AngloGold Ashanti, *Annual Financial Statements 2010*, page 150. Available at: <http://www.anglogold.co.za/subwebs/InformationForInvestors/Reports10/financials/files/AGA-annual-financial-statements-2010.pdf>

³ AngloGold Ashanti, *Mineral Resource and Ore Reserve Report 2010*, page 2.

⁴ AngloGold Ashanti, *Annual Financial Statements 2010*, Page 129.

⁵ See the report by War on Want, *Anglo American: The Alternative Report, 2007*, Available at: <http://www.waronwant.org/attachments/Anglo%20American%20%20The%20Alternative%20Report.pdf>, and also by Human Rights Watch, *The Curse of Gold*, 2005. Available at: <http://www.hrw.org/en/node/11733/section/1>.

⁶ *Ibid.*, page 7.

Greenfield exploration

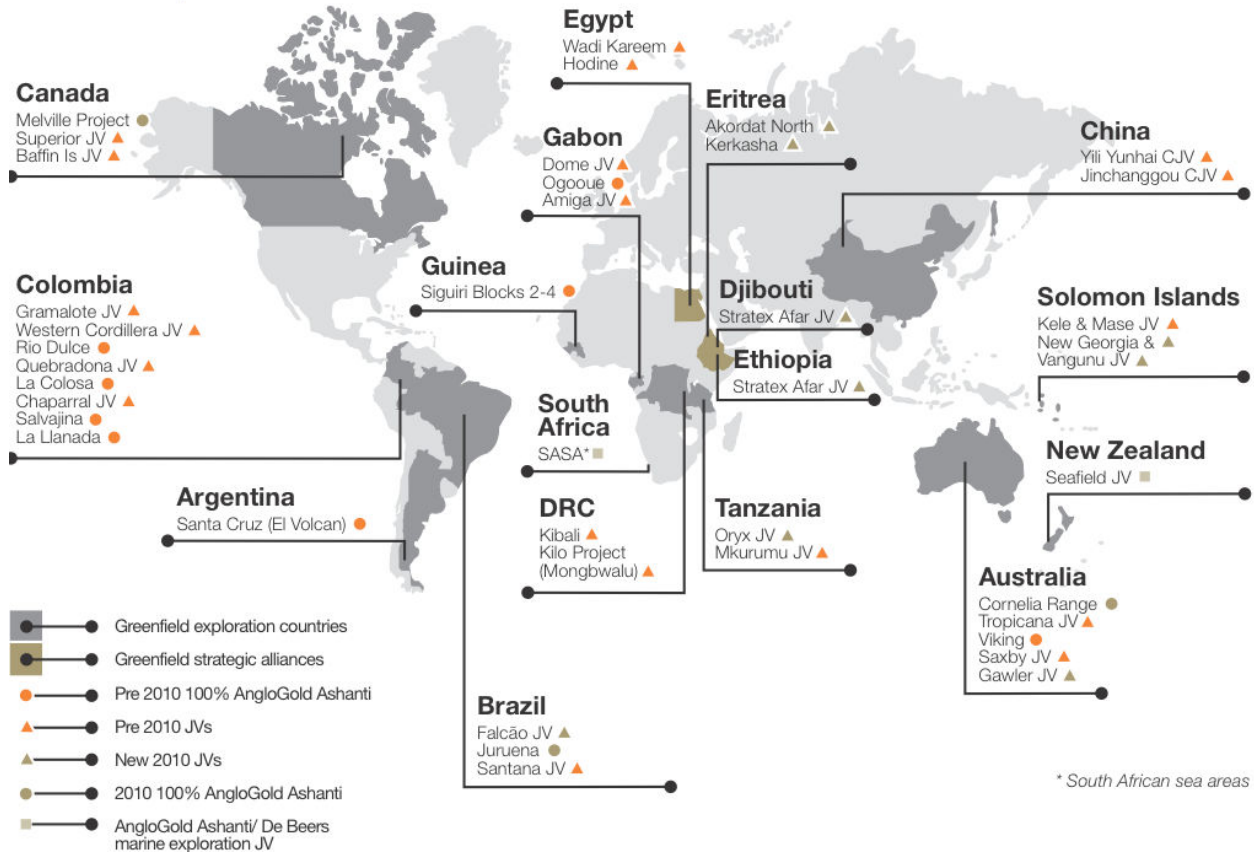


Figure 1: AGA and Partners' Greenfield Exploration in 2010. Source: AGA Annual Financial Statements 2010.

Geographic distribution of shareholders as at 31 December 2010

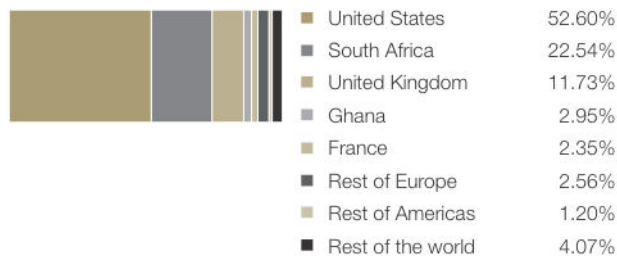


Figure 2: Geographical Distribution of AGA shareholders. Source: AGA Annual Financial Statements 2010.

AGA has reported to its investors that, compared to other gold mining companies, it has the lowest costs of extraction per ounce of gold (700 USD in the first semester of 2008) compared to competitors Newmont, Barrick, Goldfields, Kinross and Harmony⁷. Rivillas suggests that this reveals more than mere efficiency on AGA's part⁸. Indeed, it also suggests cost savings that could make the company more prone to environmental accidents, employee accidents and social conflicts. Its recent prize at the Public Eye Awards for being the "World's Most Irresponsible Company" for its environmental and human rights track record in Ghana supports this view.

Similarly, AGA portrays itself to its investors as being extremely efficient with regards to the payment of taxes. During the first semester of 2008, AGA reports having paid 60 USD/oz of gold produced, compared to Newmont and Goldfields who paid 100 USD/oz for the same period⁹. Rivillas observes that this suggests a tendency of AGA to exploit flexible fiscal legislation, poorly enforced environmental regulation, and weak controls for the declaration of gold production. This view is supported by a report published by the Christian Council of Tanzania and other organisations, which concludes that, due to Tanzania's generous tax concessions, AGA and other mining companies are able to avoid declaring a taxable income¹⁰. The report observes that, despite the fact that Tanzania is officially enjoying a gold mining 'boom', the ability to repatriate 100% of profits and the ability to carry forward company losses to offset these against future tax liability, indicate that benefit to the country is questionable.

In the past, open cast gold mining has had devastating impacts, both environmental and social, in countries of the North. A general trend has been identified over recent years for open cast gold mining activities to be concentrated in countries the South, which tend to have weaker governments with lax environmental and fiscal regulation¹¹. With its emphasis on cutting costs, and savings with regard to the payment of taxes, AGA appears to have been quite open to its investors that it is capitalising on this trend.

⁷ AngloGold Ashanti, *Investor Day*, 16 February 2009.

⁸ Alexander M Rivillas, *Estudio general de riesgos integrales del proyecto de exploración y explotación minera La Colosa*, Colombia. 2009. Available at: <http://sites.google.com/site/alexandermartinezrivillas/>

⁹ AngloGold Ashanti, *Investor Day*, 16 February 2009.

¹⁰ Mark Curtis, Tundu Lissu. *A Golden Opportunity? How Tanzania is Failing to Benefit from Gold Mining*. 2ed., October 2008. Available at: <http://www.pambazuka.org/images/articles/407/goldenopp.pdf>

¹¹ 'With the costs and scrutiny of mining on the rise in rich countries, where the best ores have been depleted, 70 percent of gold is now mined in developing countries like Guatemala and Ghana. It is there, miners and critics agree, that the real battle over gold's future is being waged [...] environmental groups say companies are mining in ways that would never be tolerated in wealthier nations, such as dumping tons of waste into rivers, bays and oceans. People who live closest to the mines say they see too few of mining's benefits and bear too much of its burden'. New York Times. *Behind Gold's Glitter: Torn Lands and Pointed Questions*. 14 June 2010. Available at: <http://www.nytimes.com/2005/10/24/international/24GOLD.html>

Environment and Human Rights Track Record

In Mongwalu, Democratic Republic of Congo, AGA had mining rights for approximately 10,000 km². A report by Human Rights Watch¹² revealed that the company had given 8,000 USD to the Nationalist and Integrationist Front (FNI), an illegal paramilitary group, in order to gain access to land for exploration. AGA admitted making payments to the FNI, although it stated that this payment had been made under “protest and duress”¹³.

In Mali, where the company has also been operating, the communities in areas where AGA has been operating have experienced health problems such as rising cases of HIV/AIDs, a high incidence of lung diseases, and miscarriages. There have also been reports of violations of workers’ rights¹⁴.

In Ghana, at the Obuasi and Iduapriem gold mines, AGA’s activities have led to environmental damage and human rights violations. According to a report by War on Want¹⁵, rivers have been heavily polluted affecting drinking water, fishing and land irrigation. In 2005, following heavy rains, a cyanide containment lake flooded homes and school in Abenpekrom. There have also been reports of brutality by police and company security officials against villagers, including the use of dogs to attack trespassers scavenging for gold in the mine’s waste. Many such illegal miners are farmers that have been displaced from their lands to make way for the mine, who have had to wait years to receive compensation. The community around the Obuasi mine lives in poverty, and only 20% have running water¹⁶.

In January 2011, the Public Eye Awards in Davos, Switzerland, awarded AGA the prize for being the world’s “most irresponsible company” due to “gross human rights violations and environmental problems” in Ghana¹⁷. AGA had been nominated for the prize by Ghanaian communities affected by mining. The Environmental Protection Agency in Ghana has also awarded AGA the worst possible rating for environmental and social standards¹⁸.

¹² Human Rights Watch, *The Curse of Gold*, 2005.

¹³ Ibid.

¹⁴ War on Want, *Anglo American: The Alternative Report*, 2007.

¹⁵ Ibid.

¹⁶ ‘[...] illegal miners [...] find work not inside the highly mechanized mines of Ghana’s first-world investors, but on the fringes, scavenging the waste left behind by AngloGold Ashanti, the world’s second-largest gold company, based in South Africa [...]’ “You wake up one day and you realize your farm is destroyed,” said Assembly man Benjamin Annan, a local politician. “They say they will compensate but it takes one or two years. So people are compelled to go to illegal mining, the way our ancestors did.” [...] in Obuasi, only half of the homes have an indoor bathroom, and 20 percent have running water. With the exception of the brick villas of the company executives, Obuasi today looks like a vast and squalid shanty town’. From New York Times. *Behind Gold’s Glitter: Torn Lands and Pointed Questions*. 14 June 2010.

¹⁷ Agence France-Presse, SAfrican mining firm wins ‘shame award’ at Davos, 28 January 2011.

¹⁸ Ghana News Link. *AngloGold Ashanti wins ‘2011 Public Eye Award’*. 1 Feb 2011. Available at: <http://www.ghananewslink.com/index.php?id=11810>

In March 2011, the constitutional court in South Africa ruled unanimously in favour of ex-mineworker Thembekile Mankayi against AngloGold Ashanti. This judgement has been deemed significant as it paves the way for compensation claims for ex-mineworkers suffering from lung diseases arising as a result of their work¹⁹.

Presence in Colombia

The Official Story

AGA arrived in Colombia in 1999²⁰. Three years later, in September 2003, the company *Sociedad Kedahda SA* was formed in Colombia, a wholly owned subsidiary of AGA, for the purposes of carrying out exploration activities²¹. The company carried out exploration activities throughout Colombia under the guise of Kedahda until the announcement of the discovery of La Colosa gold mine in Cajamarca in 2008, when it was renamed *AngloGold Ashanti Colombia*. During an interview in 2008 with the Colombian financial press, the vice-president of AGA in the Americas stated that Colombia is the country where AGA is investing the most²².

In its latest Annual Report, the company estimates that it has a predicted 13.53Moz of mineral resource in Colombia, of a total 43.87Moz in the Americas²³. AGA's CEO considers that they have 'an enviable position in the world's most exciting new gold district, at an entry cost of almost zero'²⁴. Over the last year, AGA claims to have decreased the area that it has mining rights over. They state: 'AngloGold Ashanti has consolidated the tenement position from roughly 100,000km² in 2009 to 15,815km² at the end of 2010 through a variety of structures, including joint ventures and the relinquishment of non- prospective areas'²⁵. However, it is not clear how much area has been 'relinquished' and how much has been passed on to joint venture partners.

¹⁹ Moneyweb. Concourt rules against AngloGold Ashanti. 3 March 2011. Available at: <http://www.moneyweb.co.za/mw/view/mw/en/page295023?oid=532599&sn=2009+Detail>

²⁰ Revista Dinero. Minería Colombiana, Diamante en Bruto. 03/14/2008. http://www.dinero.com/edicion-impresia/negocios/mineria-colombiana-diamante-bruto_45711.aspx

²¹ Prior to this, in February 2003, *Compañía Kedahda Ltd* and *Compañía Kedahda Segunda Ltd* were created in the British Virgin Islands, an off-shore financial centre in the Caribbean. It is interesting to note that the boards of these companies were constituted predominantly of AGA executives.

²² "Actualmente, toda la inversión realizada en Colombia es la más grande que está efectuando la compañía en el mundo." Revista Dinero. Minería Colombiana, Diamante en Bruto. 03/14/2008. http://www.dinero.com/edicion-impresia/negocios/mineria-colombiana-diamante-bruto_45711.aspx

²³ AngloGold Ashanti, *Mineral Resource and Ore Reserve Report 2010*, pages 10 and 13.

²⁴ AngloGold Ashanti, *Annual Review 2010*, page 18. Available at: <http://www.anglogold.co.za/subwebs/InformationForInvestors/Reports10/financials/files/AGA-annual-review-2010.pdf>

²⁵ *Ibid*, page 186.

The Untold Story

According to Ingeominas, as at February 2011, AGA was present in 20 departments in Colombia, as shown in Figure 3. Assuming an average of 20 Km² per mining right, this would indicate that they have requests pending for an estimated 26,800 Km², and are currently in possession of 9920 Km². Indeed, given that AGA has rights over such extensive areas of land, they have the potential to generate significant social, environmental and political conflicts in Colombia. Arguably, there has never been a company with a greater territorial presence in the country, and with the potential to cause harm in such a severe or widespread manner.

Department	Mining Rights Requested	Mining Rights Held	Department	Mining Rights Requested	Mining Rights Held
Antioquia	284	131	Nariño	49	20
Bolívar	42	35	Norte de Santander	10	5
Boyacá	19	0	Putumayo	3	1
Caldas	105	11	Quindío	19	29
Caquetá	8	2	Risaralda	36	7
Cauca	226	47	Santander	43	26
Cesar	28	2	Chocó	72	63
Cundinamarca	28	3	Tolima	218	99
Guajira	12	0	Valle	11	1
Huila	87	14	Total	1340	496
Magdalena	40	0			

Figure 3: Area of Mining rights, by department, held and requested by AGA in Colombia in February 2011. Source: Fuente: Catastro Minero Colombiano. Ingeominas.

The map in Figure 4 shows its main operations in the country (La Colosa, Quebradona, Gramalote and Rio Dulce), and that the focus of its exploration activity is on the *cordilleras* (mountain ranges) of the country²⁶. This is of concern given that a recent study of the effects of surface mining in the Appalachian mountains in the United States published in *Science*²⁷ concludes that despite efforts to mitigate the environmental consequences of mountaintop mining, there is inevitable contamination of water sources, destruction of forests and disappearance of headwater streams. In a vulnerable country like Colombia where environmental regulation is less likely to be strictly enforced than the United States, the reversal of the environmental effects of surface mining are arguably even less likely, especially given the company's desire to maximize cost efficiency in order to maximise dividends to shareholders.

²⁶ AngloGold Ashanti, *Annual Report 2009*, 2009. Available at: http://www.anglogold.co.za/subwebs/InformationForInvestors/Reports09/AnnualReport09/f/AGA_AR09.pdf

²⁷ M. A. Palmer, E. S. Bernhardt, W. H. Schlesinger, K. N. Eshleman, E. Foufoula-Georgiou, M. S. Hendryx, A. D. Lemly, G. E. Likens, O. L. Loucks, M. E. Power, P. S. White, P. R. Wilcock, Mountaintop Mining Consequences, 8 Jan 2010, In *Science*, Vol 237, p. 148. Available at: http://www.filonverde.org/images/Mountaintop_Mining_Consequences_Science1%5B1%5D.pdf

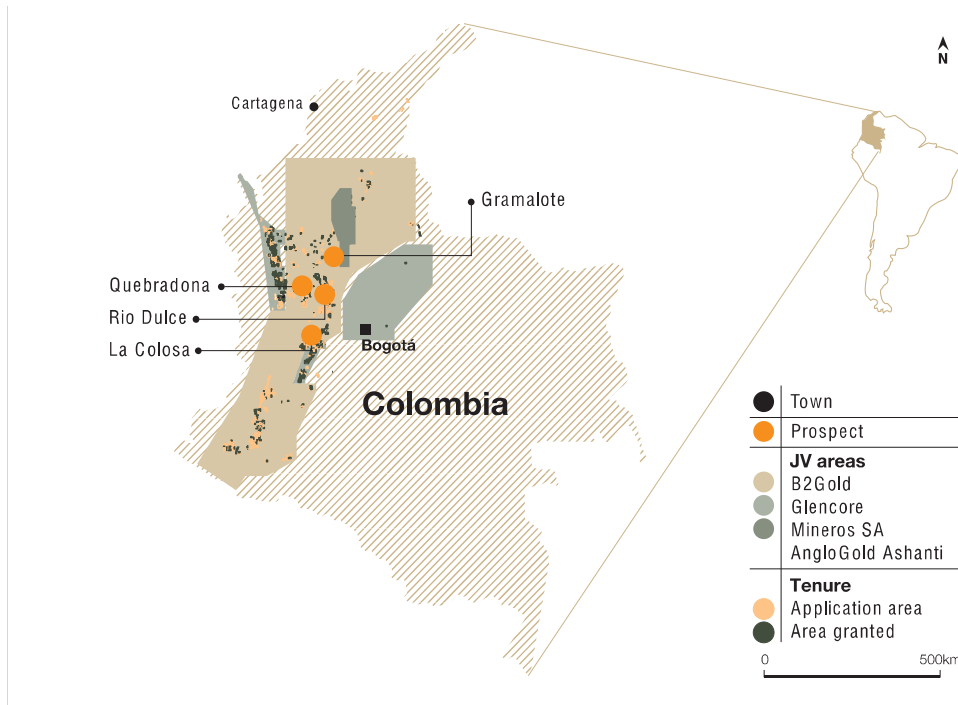


Figure 4: AGA exploration activities in Colombia, including Joint Venture Partners. Source: AGA 2009 Annual Report.

Rivillas observes that most of the areas for which AGA has mining rights are located in indigenous, afro-descendant and peasant lands, and in areas with high rates of displacement and human rights violations²⁸. Franco²⁹ identifies certain modes of operation undertaken by AGA in Colombia, including:

- The use of the Colombian military to provide security to the company
- The intimidation and displacement of leaders and members of the communities
- The adaptation of national or regional legislation to meet its own interests

In Cajamarca, an increased military presence has already been observed³⁰, and legislation has been passed to exclude the mining area from the forest reserve. In both the South of Bolívar and Cauca, there are examples of the first and second modes of operation in departments, where artisan miners were present prior to the arrival of AGA, which are described in the following paragraphs.

²⁸ Alexander M Rivillas, *Estudio general de riesgos integrales del proyecto de exploración y explotación minera La Colosa*, Colombia. 2009.

²⁹ Andrés Idárraga Franco, *AngloGold Ashanti: Caracterización de una Amenaza*. In Revista Semillas p.22, October 2010, Issue 42/43. Available at: <http://www.semillas.org.co/publicaciones/sem42-43.pdf>

³⁰ 'With AGA's arrival, troop numbers, including the High Mountain Battalion [Batallón de Alta Montaña] and police squads, have been increased in and around Cajamarca.' Op. Cit. Pax Christi. 2009.

In the South of the Bolívar department, AGA has been accused of direct links with paramilitarism in the municipalities of Buena Señá, San Martín de Loba, La Cruz, San Pedro Frío, El Paraíso, Mina Gallo and Montecristo³¹. In these areas, military and paramilitary actions appear to have been systematically directed to eliminate leaders of the *Federación AgroMinera del sur de Bolívar* (FEDEAGROMISBOL), a conglomerate of small associations of small and artisan miners³². Alejandro Uribe, one of the leaders who actively campaigned against the presence of AGA, was killed by the New Granada Battalion of the Colombian army in 2006, who accused him of being an ELN guerrilla. Teofilio Acuña, another leader of FEDEAGROMISBOL, was detained by the Colombian army, and accused of sedition. He was later released. AGA has denied that the Colombian military were acting in their interests³³.

In La Toma, in the municipality of Suárez, Cauca, artisan miners from an Afro-descendant community who have lived in the area since the 17th Century were involved in a struggle to prevent their eviction, following the award of mining rights to private individuals who, it is alleged, were acting as proxies for AGA³⁴. Following community resistance, in November 2009, it was reported that the company had decided to withdraw from the area, as the gold deposits in Cajamarca, Tolima, offered much more attractive prospects³⁵. However, despite the departure of AGA, numerous threats by paramilitaries have continued to be reported in the area. On 4 December 2009, several community leaders received text messages with death threats alluding to the departure of AGA. In April 2010 a massacre by suspected paramilitaries resulted in the murder of 8 artisan miners. However, authorities dismissed the incident as a dispute between rival artisan mining groups³⁶.

AGA and its partners also have mining rights for extensive mountainous areas of highly biodiverse Chocó department, which leads to concern that it would contaminate rivers such as the Río Atrato and Río San Juan, the two most important waterways of the area, and damage the unique ecosystem of the Chocó's rainforest. Through the company Exploraciones Chocó Colombia, AGA possesses 70 mining rights over an area of 2570 km², which encompasses 19

³¹ Alexander M Rivillas, *Estudio general de riesgos integrales del proyecto de exploración y explotación minera La Colosa*, Colombia. 2009.

³² See article by Delphine Guillemoteau, Laurie Ray and Emilio Rodriguez 'We are here to defend the interests of the multinationals' in *Frontline Latin America*, June-August 2007 edition, Available at: http://www.colombiasolidarity.org.uk/media/fla_june_2007.pdf.

³³ Andrés Idárraga Franco, *AngloGold Ashanti: Caracterización de una Amenaza*. In *Revista Semillas* p.22, October 2010, Issue 42/43. Available at: <http://www.semillas.org.co/publicaciones/sem42-43.pdf>

³⁴ New Internationalist. *Local Communities Fight Mineral Exploration and Eviction in the Andes*. 1 Nov 2009

³⁵ Mines and Communities. *AngloGold Ashanti says goodbye to Suárez, Colombia*. 31 November 2009. Available at: <http://www.minesandcommunities.org/article.php?a=9664>

³⁶ *Semana*. *Oro, violencia y muerte en Suárez, Cauca*. 8 April 2010. Available at: <http://www.semana.com/noticias-problemas-sociales/oro-violencia-muerte-suarez-cauca/137346.aspx>

indigenous reserves³⁷. Having exploration rights over indigenous territories is a clear violation of the rights of indigenous peoples, and of international treaties that demand the right to prior consent of any activity that may affect the territory or culture of indigenous peoples³⁸.

³⁷ Alejo Pulido, *La actividad minera en el Departamento del Chocó*. 2011.

³⁸ United Nations Declaration on the Rights of Indigenous Peoples. Available at: <http://www.un.org/esa/socdev/unpfii/en/drip.html>

Mining in Colombia: Outlook for 2011 and Beyond

Mining Rights: The scramble for land

There is concern that mining rights were awarded in a profligate manner during the Uribe administration³⁹. Indeed, the area in Colombia with mining rights increased from 1.13 million Ha to 8.53 million Ha during the eight years of his presidency⁴⁰. This included areas of *páramos*, a fragile eco-system between the forest line (3800m) and the snow-line (4800m). Currently 122,000 Ha (6.3% of the area of *páramos*) have mining rights awarded, despite being illegal. The map in Figure 5, produced by the Colombian Ministry of the Environment, shows existing mining rights (in dark red) and mining rights requested (in light red) in February 2009. As can be seen, the vast majority of mining rights are concentrated over the three Andean mountain ranges of Colombia, which are some of the richest areas in terms of biodiversity. They are also areas of strategic importance with regards to the water sources and food security of Colombians. Many former employees of the Uribe Administration now work for mining companies, raising questions about whether any there were irregularities or possible vested interests in the award of mining rights. For example, Julian Villaruel was the director of Ingeominas from February 2005-March 2007, and he is now responsible for AGA's Gramalote operation in North of Santander. Liliana Alvarado, former subdirector from an Ingeominas department is now a social-economic analyst for AGA⁴¹. The same appears to have happened with other mining companies operating in Colombia, such as Medoro Resources Ltd, GranColombiaGold, Glencore International, and MPX.

³⁹ Camila Osorio Avendaño, *El Legado Minero de Uribe*, La Silla Vacía, 14 October 2010. Available at: <http://www.lasillavacia.com/historia/18648>.

⁴⁰ Ibid.

⁴¹ Camila Osorio Avendaño, La Silla Vacía. *Los expertos de la administración Uribe se cotizan en las empresas mineras*. 23 March 2011. Available at: <http://www.lasillavacia.com/historia/los-expertos-de-la-administracion-uribe-se-cotizan-en-las-empresas-mineras-22761?page=2>

MAPA DE ZONAS PROTEGIDAS, TÍTULOS Y SOLICITUDES MINERAS

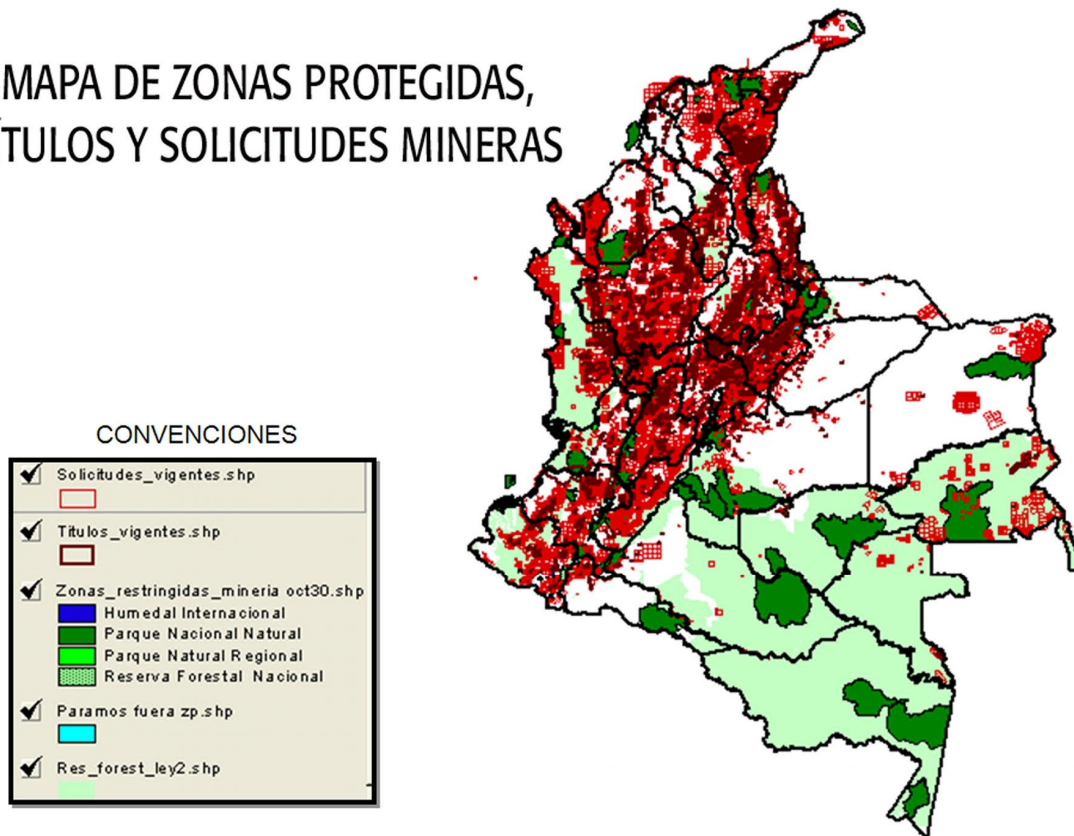


Figure 5: Map showing protected areas (in green/blue shading), existing mining rights (dark red) and applications for mining rights (red). Source: Feb 2009 from MAVDT.

National Development Plan

The current Santos administration is proposing a National Development Plan (*Plan Nacional de Desarrollo*) to give momentum to economic growth in Colombia. The Plan has five strands, referred to as *locomotoras* (engines) for economic growth: housing, infrastructure, agriculture, innovation and mining, with an especial emphasis on the latter. The plan has been heavily criticised by many for not taking the environmental dimension into account, given that Colombia has a very high degree of biodiversity compared to other countries. This mining issue has proved to be controversial among Colombians, as many feel that such wealth is an asset that presents a significant comparative advantage, and that it should be used to promote economic growth (e.g., by means of ecotourism, agriculture or carbon offsetting activities), rather than destroyed for short term financial gain⁴².

⁴² El Tiempo, *Plan de Desarrollo está 'flojo' en tema ambiental, cuestionan expertos*, 2 Jan 2011

Current Mining Legislation

The current legislation that relates to the award of mining rights is defined under Law 1382 of 2010. This law sets aside certain “special areas” where mining is to be promoted, and contracts of concession awarded by means of an “objective selection” of the company that is able to offer the best technical, economic, social and environmental conditions to exploit the resource. Other areas are deemed to be protected, and are excluded from mining due to their ecological importance. These are areas constituted as national natural parks, regional natural parks, areas of protected forest reserve and ecosystems such as *páramos* and wetlands. It is important to emphasise that such areas must be geographically demarcated by the environmental authority, using technical, social and environmental studies as a basis.

Unfortunately, Law 1382 of 2010 has a potentially disastrous loophole: It allows portions of such protected areas to be “excluded” from the protected area by the environmental authority. Once a portion of the area has been “excluded”, the mining authority may then set conditions for mining activities to take place in a restricted manner, or only by means of certain methods, in such a way that they do not affect the objectives of the protected area.

Article 13 of Law 1382 states that in order to award an environmental license for a mining project, it is necessary to undertake an environmental impact study. The environmental authority then can make a decision based on the environmental impact study which should be performed by an independent/external auditor. Law 1382 also contemplates that possibility of early exploitation/temporary authorization of mining projects.

La Colosa, Cajamarca, Tolima

Cajamarca, Colombia

Cajamarca is a municipality located in the central mountain range of the Colombian Andes, in the department of Tolima, as shown in the maps in Figure 6. As of 2007, it had a population of 19,789. The municipality has an area of approximately 51,528 Ha, of which 79% lies within the Central Forest Reserve, created by the 2nd law of 1959. Cajamarca is an important agricultural hub for the entire country, and is known as the *la despensa agrícola de Colombia* (Colombia’s agricultural larder). Its temperate climate (average temperature 19° C) is amenable to crops such as arracacha, coffee, kidney beans, peas, corn, peppers, and various fruits such as oranges, bananas and plantains⁴³. The municipality of Cajamarca also contains the sources of rivers that play a significant role in the irrigation of crops elsewhere in the Tolima department, namely the rivers Anaime and Bermellón (which subsequently combine to form the River Coello), and Toche.

⁴³ Municipality of Cajamarca website. <http://www.cajamarca-tolima.gov.co/>

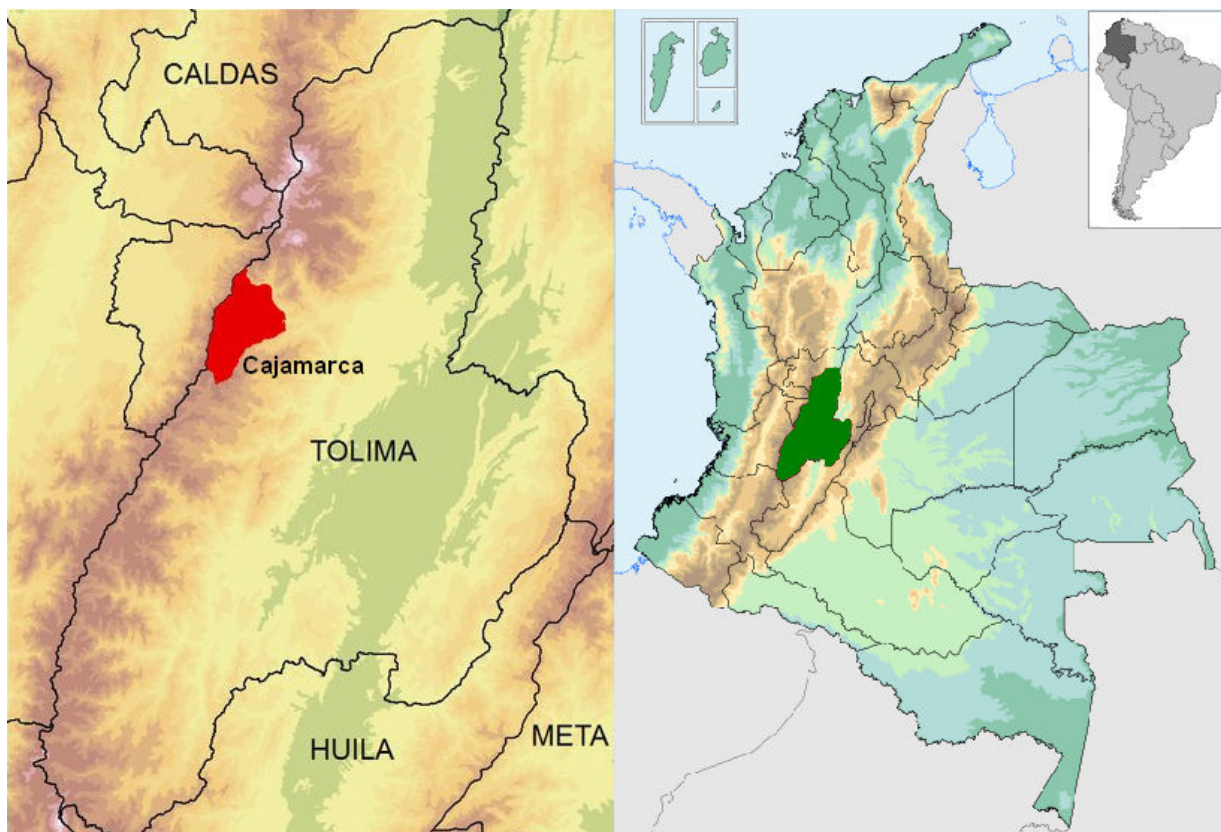


Figure 6: Municipality of Cajamarca within Tolima (left) and Department of Tolima within Colombia (right).

As at 26 October 2010, mining rights had been awarded for 85.9% of the area of the municipality as shown in Figure 7. This area has a total of 31 mining rights held by 9 entities for the extraction of minerals including zinc, gold, platinum, molybdenum, copper, silver, iron, chromium, titanium, lead and nickel. AngloGold Ashanti holds the rights to 68.8% of the area of Cajamarca for which mining rights have been awarded, indicated in red on the map in Figure 7⁴⁴. The orange shading indicates the area that AGA managed to have “excluded” from the National Forest Reserve for the exploration activities of La Colosa mining project.

La Colosa Mine

The Colosa mine has been described by AGA as “gold industry’s most significant virgin discovery of recent times”⁴⁵. AGA is currently undertaking the exploration phase, a bankable feasibility study is planned for 2014/2015⁴⁶, and it is expected to initiate exploitation in

⁴⁴ Cofradía, *Cajamarca lucha contra la destrucción minera*. Volume 2, Issue 14, December 2010.

⁴⁵ AngloGold Ashanti, *Annual Review 2010*, page 33.

⁴⁶ AngloGold Ashanti, *Annual Financial Statements 2010*, page 123.

2016/2017⁴⁷. The mining rights held by AGA cover the hamlets of La Luisa, La Paloma, La Bolívar and El Diamante, in the municipality of Cajamarca, totalling an area of 515.75 Ha. In its latest annual report, AGA has promised its shareholders and potential investors an inferred 12.44 Moz of gold (up from 12.32 Moz the previous year), and an expected yield of 0.99 grams of gold per tonne of rock processed⁴⁸.

The gold discovered in the area has been found to be relatively close to the surface and sparsely distributed, meaning that it would be necessary to extract the gold by means of an open cast mine⁴⁹. This process will imply the use of lixiviation with cyanide to treat the gold ore. This involves digging craters with a diameter of up to 1km and depth of 600 meters. To do this, it would be necessary to destroy the existing forest, remove the soil in order to reach the rock which would be subsequently dynamited. The use of large quantities of water with cyanide would then be required to extract the gold from the pulverized rock⁵⁰.

A timeline of events relating to this mining project is presented in **Figure 8**. Sociedad Kedahda S.A., a wholly-owned subsidiary of AngloGold Ashanti Limited, started prospecting in the area in 2000, without knowledge of local communities⁵¹. Kedahda obtained mining rights, and officially started exploration in 2007. In February 2008, CORTOLIMA stopped the exploration due to the fact that company lacked the necessary environmental licenses.

Later on in 2008, the Kedahda changed its name to AngloGold Ashanti Colombia S.A. It was at this point that local communities begin to realise that one of the largest gold mining multinationals in the world had been operating at their doorstep for last 8 years, and that one of the greatest reserves of gold in South America was under their soil. Parra⁵² observes that, at this point, AGA had been planning their business strategy, studying Colombian mining legislation and identifying their objectives for almost a decade (which involved an investment of 195 million USD). This gave AGA a significant head start over local communities, who only in 2008 were able to assimilate and react to what was going on. The Colombian Government also did not comply with one of its basic duties, enshrined in Article 2 of the constitution, stating that the state should “facilitate participation of all in decisions that affect [local communities], and the economic, political, administrative and cultural life of the Nation”.

⁴⁷ Diana Delgado. *UPDATE 2-AngloGold eyes up to \$3 bln to build Colombia mine*. 19 April 2010. Available at: <http://www.reuters.com/article/2010/04/20/colombia-anglogold-idUSN1922924220100420>

⁴⁸ AngloGold Ashanti, *Mineral Resource and Ore Reserve Report 2010*.

⁴⁹ IKV Pax Christi, *Report on the AGA mining project in Cajamarca*. 12 May 2009. Available at: <http://www.ikvpaxchristi.nl/files/Documenten/LA%20Colombia/Cajamarca%20rapport%20Engels.pdf>

⁵⁰ Renzo Alexander García Parra. *Acciones sociales frente a la minería: La Colosa, proyecto de minería a cielo abierto de lixivación con cianuro*. In Revista Semillas p.59, October 2010, Issue 42/43

⁵¹ Néstor Ocampo Giraldo. *Nuestro verdadero tesoro: el suelo, el agua, la vida... no el oro*. In Revista Semillas p.64, October 2010, Issue 42/43. Available at: <http://www.semillas.org.co/publicaciones/sem42-43.pdf>

⁵² Renzo Alexander García Parra. *Acciones sociales frente a la minería: La Colosa, proyecto de minería a cielo abierto de lixivación con cianuro*. In Revista Semillas p.59, October 2010, Issue 42/43

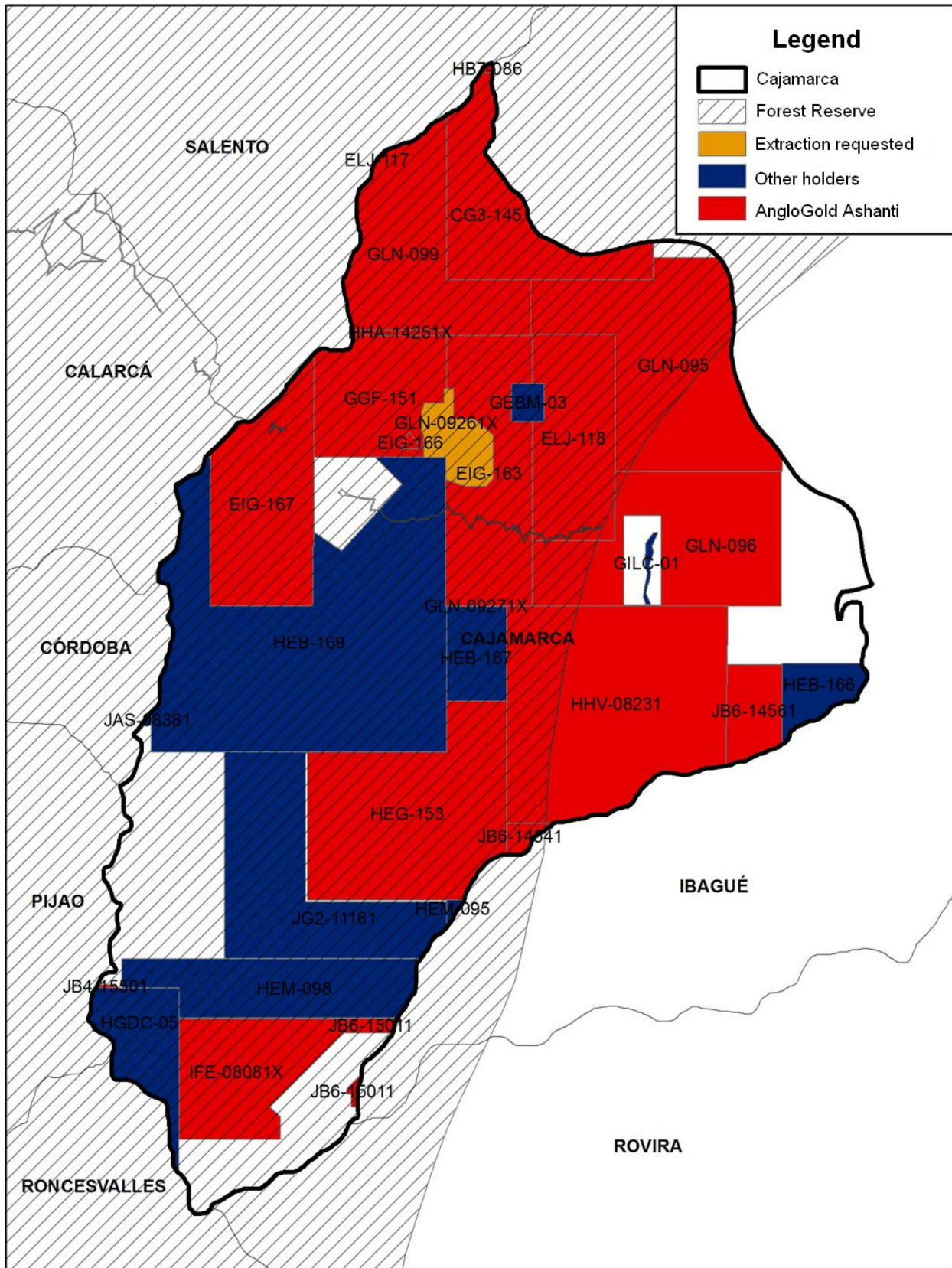


Figure 7: Mining Rights held in the Municipality of Cajamarca

TIMELINE

- **2000** AGA starts prospecting in the area without the knowledge of local communities
- **2006** Mining rights awarded by Ingeominas to *Sociedad Kedahda SA*
- **2007** AGA officially starts exploration
- **2008** Announcement of La Colosa discovery
- **21 Feb 2008** CORTOLIMA stops exploration due to lack of environmental licenses
- **Mid 2008** Company changes its name to AngloGold Ashanti Colombia.
- **Nov 2008** Colombia Attorney General expresses opposition to project
- **29 April 2009** Ministry of Environment presses charges against AGA for exploring without required environmental permit
- **4 May 2009** Ministry of Environment issues resolution to remove 6.39 Ha from the Central Forest Reserve for AGA to continue exploration
- **30 July 2010** AGA fined 74,000 USD by the Ministry of Environment due to lack of necessary environmental permit. AGA appeals.
- **Jun 2010** AGA reports that they have permission to start drilling in La Colosa again, and that it is scheduled to start in August [AGA10a]
- **Aug 2010** Exploration resumes [AGA10]
- **Jan 2011** Attempt to sign environmental monitoring research agreement with University of Tolima fails.
- **Jan 2011** Liquidation of CORTOLIMA, one of La Colosa's main opponents, announced by Colombian Government
- **Feb 2011** AGA meeting in Anaimé to present project *Colosa Regional* to local communities
- **2016/2017** Current estimate for exploitation as an open cast mine to start

Figure 8: Timeline of events in La Colosa project

On 29 April 2009, the Ministry of the Environment in Colombia, through Resolution 0785 of 2009, initiated legal proceedings against AGA for violation of environmental regulation, as AGA had been carrying out exploration activities in an area of legally designated forest reserve. However, it is worrying that on 4 May 2009 (i.e., two working days later), the Ministry of the Environment issued Resolution 0814 of 2009, in which it stipulated that 6.39 Ha the Central Forest Reserve should be “exclude” from reserve, so that mining exploration could proceed. The Ministry of the Environment therefore effectively adapted legislation to suit the interests of AGA. This is despite that fact that, on 21 November 2008, the Colombian Attorney General's office made an explicit request to the Ministry of the Environment to reject the application to remove a portion of the Central Forest Reserve, citing concerns about the irreversible environmental impact on the surrounding area⁵³. The Tolima Comptroller, the Legal Department of the Municipality of Ibagué (Personería Municipal de Ibagué), and CORTOLIMA have also opposed the mining project.

⁵³ Procuraduría General de la Nación, *Report by Colombia Attorney General's Office on Environmental Impact of La Colosa Mining Project*. 21 November 2008.

Delays to exploration have also been caused by the fact that neither the Management Plan of the Coello River Basin⁵⁴ nor the Territorial Planning Scheme of the Municipality of Cajamarca⁵⁵ envisage mining as a possible land use. A drought caused by *El Niño* resulted in water shortages, which also prompted CORTOLIMA to postpone the issuance of environmental permits until a normal degree of rainfall resumed.

On 30 July 2010, under Ruling 14/81 AGA were fined the sum of 76,500 USD for having violated environmental regulation by carrying out exploration activities without a required license. AGA is currently appealing. However, it was allowed to resume drilling in August 2010, given that the relevant area had been excluded from the Central Forest Reserve, and that there were no longer any water shortages.

In December 2010, AngloGold Ashanti proposed a research agreement with the University of Tolima to carry out the environmental monitoring of the project. This agreement was deemed unacceptable by many lecturers, students and members of the community, as it contained a non-disclosure clause. There was also concern that this would make it appear that the University of Tolima supported the mining project⁵⁶. Following active campaigning from several groups, and also international pressure, the University of Tolima declined to sign the agreement in January 2011⁵⁷. It now seems likely that the University of Caldas will perform the environmental monitoring.

In January 2011, the Colombian Government announced that CORTOLIMA would be merged with the environmental authorities from neighbouring departments, and that it would lose a degree of its autonomy⁵⁸. This is of significant concern given that CORTOLIMA has consistently voiced its opposition to *La Colosa*.

The latest development, from 5 February 2011, relates to Anaime, a small village near the town of Cajamarca, where AGA presented to the local community a project referred to *La Colosa Proyecto Regional*. This project involves extending the exploration activity to the area of the *Cañon de Anaime*, specifically the hamlets La Plata, Montebello and La Hormas. It is reported

⁵⁴ CORTOLIMA, *Plan de Ordenamiento de la Cuenca Mayor del Río Coello (POMCA)*. Available from: <http://www.CORTOLIMA.gov.co/index.php/centro-de-documentacion/estudios>

⁵⁵ [MC00] Municipality of Cajamarca. *Esquema de Ordenamiento Territorial (EOT) del Municipio de Cajamarca*. 2000. Available from: http://cajamarca-tolima.gov.co/apc-aa-files/37376235303133626638663865643366/Esquema_de_Ordenamiento_Territorial.pdf

⁵⁶ Colombia Solidarity Campaign. *Stop AngloGold Ashanti's unfair contract!* 7 January 2010. Available at: <http://www.colombiasolidarity.org.uk/urgent-actions/527-stop-anglogold-ashantis-unfair-contract>

⁵⁷ London Mining Network. *Small Victory over AngloGold Ashanti in Colombia*. 26 January 2011. Available at: <http://londonminingnetwork.org/2011/01/small-victory-over-anglogold-ashanti-in-colombia/>

⁵⁸ Ministerio de Ambiente, Vivienda y Desarrollo Territorial. *Decreto Número 141 de 2011*. Available at: <http://wsp.presidencia.gov.co/Normativa/Decretos/2011/Documents/Enero/21/dec14121012011.pdf>

that the 150 people present reacted indignantly to the proposal, and that the representatives of AGA left without being able to complete their presentation⁵⁹.

Concerns over the Impacts of *La Colosa*

This mining project, which may result in the largest gold mine in South America, has potential to cause severe damage, both environmentally and socially. The environmental concerns include:

- The tremendous quantity of water required by the mine;
- The use of cyanide to extract the gold from the ore (and the risk of accidents);
- The long-term contamination of water sources with heavy metals;
- The loss of biodiversity and ability to capture carbon;

From a social perspective, concerns are:

- The loss of livelihoods due to displacements and environmental damage, and alternatives to generate wealth;
- Increased militarisation of the area and other social problems.

These are discussed in more detail below.

Water Consumption of the Mine

The water consumption used at *La Colosa* has been estimated by AGA as being 1 cubic metre for each tonne of rock to be processed⁶⁰. This implies that annually 31.5 million cubic metres of water will be needed, and therefore has potential to cause disputes with other users of water located downstream⁶¹. The main rivers of the area, the Bermellón and Coello, provide water to the settlements of Cajamarca, Ibagué, Coello, Espinal, San Luís and Chicoral, and the rice growers of Tolima. The Usocoello irrigation system is a network of 388 km of canals, which has a total area of influence of 63,200 Ha and directly benefits 2,400 families⁶². It is considered essential infrastructure for the agricultural activity of Tolima and vital for the food security of the whole nation^{63 64}.

⁵⁹ El Salmon Urbano. *El pueblo de Anaime dice: "Fuera Anglogold Ashanti"*. February 2011. Available at: <http://elsalmonurbano.blogspot.com/2011/02/colombia-el-pueblo-de-anaime-dice-fuera.html>

⁶⁰ IKV Pax Christi, *Report on the AGA mining project in Cajamarca*. 12 May 2009.

⁶¹ Ibid.

⁶² Procuraduría General de la Nación, *Report by Colombia Attorney General's Office on Environmental Impact of La Colosa Mining Project*. 21 November 2008.

⁶³ Renzo Alexander García Parra. *Acciones sociales frente a la minería: La Colosa, proyecto de minería a cielo abierto de lixiviación con cianuro*. In *Revista Semillas* p.59, October 2010, Issue 42/43

⁶⁴ Indeed, Rivillas [Riv09] estimates that the water consumption of the mining operation would lead to a reduction in the flow of the Bermellón and Coello rivers of 11.38%, causing 2,913 Ha less of land to be irrigated, and

The Use of Cyanide

La Colosa would use a cyanide solution to extract the gold from the ore. A report by IKV Pax Christi⁶⁵ notes that the presence of steep cliffs and narrow valleys mean that it will be difficult to find stable locations for tailings lakes and other rock waste. The nearby Machín volcano, located 8 km away from the site of *La Colosa*, also poses a significant risk⁶⁶. In event of flooding, a volcanic eruption or an earthquake, it is feared that a cyanide containment lake could overflow (as happened at the AGA mine in Abenpeprom, Ghana, following heavy rains) causing an economic and ecological disaster for the region. Even if an accident as such does not occur, 'chronic releases' of cyanide to the surrounding ecosystem can lead to widespread contamination⁶⁷.

The use of cyanide in mining is banned in several parts of the world (including the Czech Republic, Hungary, the US states of Montana and Wisconsin, and the Argentine state of Río Negro), due to accidents resulting from bursting of dams, leaks and transport accidents. One of the most serious accidents took place at the *Baia Mare* gold mine in Romania in 2000. Heavy snow caused a tailings dam to break, resulting in cyanide and tailings flowing to the Danube river, where 1,200 tonnes of fish were killed⁶⁸. This and other accidents led to the 2000 Berlin Declaration⁶⁹, calling for an end to cyanide-based gold mining, citing that technologies to guarantee safe gold mining do not exist and that gold mining companies tend to lack due care, and concentrate their activities in poor countries with weaker controls and legislation. The declaration also states that benefits such as increased employment are always short-term, and

consequently, the loss of 22,000 jobs in the agricultural sector (of the current 200,000) and a reduction of 1,700 tonnes of rice production (of the current 15,000).

⁶⁵ IKV Pax Christi, *Report on the AGA mining project in Cajamarca*. 12 May 2009.

⁶⁶ Rivillas points out that the Machín volcano is the most dangerous volcano in Colombia according to the Colombian Agustin Codazzi Geographic Institute (IGAC). It is estimated that it poses a risk to 334,201 Ha of the surrounding area, and could severely impact Ibagué, Coello and Cajamarca. It could also impact, to a lesser degree, the municipalities of Flandes, Espinal, Guamo, San Luis, Valle de San Juan and Suárez in Tolima, as well as 11 municipalities of the Quindío department. To put this into perspective, the Volcán Nevado del Ruiz, whose eruption in 1985 led to the lahar (mud and debris flows) which engulfed the town of Armero in which an estimated 23,000 people died, is thought to pose a risk to a significantly smaller area of 162,990 Ha.

⁶⁷ Robert Moran, in his paper *Cyanide In Mining: Some Observations On The Chemistry, Toxicity And Analysis Of Mining-Related Waters* notes that 'While it is reasonable to be concerned about the acute poisoning of humans and other organisms from mining-related accidents, the more common environmental problems are likely to result from the chronic contamination of surface and ground waters by lower concentrations of cyanides and related breakdown compounds. Such chronic releases are much more difficult to notice and evaluate than are acute, high concentration spills that are often associated with rapid, observable deaths of aquatic organisms. Also, because mining-related waste waters are usually complex mixes of cyanides, metals, organic reagents and other anions, it is difficult to determine which chemical constituents are causing the toxicity problems'.

⁶⁸ Greenpeace. *Cyanide: gold mining's devastating killer*. 2006. Available at: <http://www.greenpeace.org/seasia/ph/press/reports/cyanide-gold-mining-s-devasta/>

⁶⁹ F. Korte and F. Coulston. *The Berlin Declaration on Gold Mining*. 2001. Available at: <http://korte-goldmining.infu.uni-dortmund.de/berldeclit.html>

have no positive effects in the long term. The declaration calls on governments to stop promoting such projects by providing financial support. More recently, on 5 May 2010, the European Parliament adopted a non-legislative resolution⁷⁰ on a general ban on the use of cyanide mining technologies in the European Union by 488 votes to 48, with 57 abstentions.

Contamination of Water Sources with Heavy Metals

The mine would generate tremendous quantities of waste which, despite its short existence (estimated at 15-20 years), will remain in the area forever⁷¹. It is estimated that approximately 1-2 grams of gold will be obtained from each tonne of pulverized rock⁷². The waste rock will be stacked in huge piles which may be several hundred metres high, without any liners below. Rainfall on these piles of rock may cause chemical reactions which will dissolve heavy metals into the surrounding environment, causing environmentally devastating long-term effects for the region⁷³.

The Loss of Biodiversity and Ability to Capture Carbon

In terms of biodiversity, Colombia has the highest number of species of birds and amphibians in the world, the second highest number of species of flora, the third highest number of species of reptiles, and the fourth highest number of species of mammals. In the 515,75 Ha of possible exploration, a study commissioned by AGA found over 34 species of trees, over 10 species of mammals, 31 species of birds, 27 species of amphibians and 24 species of reptiles. Many of these species are protected, including oak, wax palm, lichens, orchids, kinkajou, spotted paca (*Agouti Paca*), *Leptostraca Branickii* and the Herveo Plump Toad (*Osornophryne percrassa*)⁷⁴. Furthermore, it is estimated that the existing forest has the ability to capture 5,470,000 tonnes of CO₂ per year, which helps to mitigate climate change and ensure a long term policy of greenhouse emission control at national and worldwide level⁷⁵.

The Loss of Livelihoods and Alternative Means to Generate Wealth

⁷⁰ European Parliament, April 2010. Available at: <http://www.europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B7-2010-0240&language=EN>

⁷¹ 'Some metal mines, including gold mines, have become the near-equivalent of nuclear waste dumps that must be tended in perpetuity. Hard-rock mining generates more toxic waste than any other industry in the United States, according to the Environmental Protection Agency.' From New York Times. *Behind Gold's Glitter: Torn Lands and Pointed Questions*. 14 June 2010.

⁷² "You can mine gold ore at a lower grade than any other metal," said Mike Wireman, a mine specialist at the Denver office of the E.P.A. "That means big open pits. But it must also be easy and cheap to be profitable, and that means cyanide." Ibid.

⁷³ IKV Pax Christi, *Report on the AGA mining project in Cajamarca*. 12 May 2009.

⁷⁴ Alexander Martínez Rivillas, *Estudio general de riesgos integrales del proyecto de exploración y explotación minera La Colosa*, Colombia. 2009.

⁷⁵ Ibid.

Farmers will have to be displaced from their lands in order to carry out the mining project. It is feared that the inevitable contamination of water sources will lead to loss of aquatic life in rivers, and decrease in agricultural output, leading to job losses in these sectors, and increased poverty. The loss of biodiversity, an asset that provides a competitive advantage with regards to the development of sustainable economic projects, will also preclude the possibility of developing activities such as eco-tourism in the region, which has a rich heritage in terms of culture and landscape. Opponents to the project feel that such mining projects will only generate wealth for the short/medium term and only for a minority of Colombians, will lead to greater poverty and thereby worsen the conflict in the country, and that consequently, they are not the way forward to develop sustainably as a nation in the long term.

Increased militarisation of the region and other social problems

The arrival of AGA has already led to increased militarisation of the area. Given the human rights track record of AGA in other regions of Colombia, and African countries such as Ghana and Democratic Republic of the Congo, there is concern that the company's presence will lead to increased paramilitary activity in the area. Furthermore, there is concern that the mining project will lead to increased social problems, such as crime and prostitution, as is common in mining areas.

AGA: Divide and Conquer

The stakeholders in favour of the Colosa mining project have powerful economic interests. Those who have voiced support for the mining project include the president of the Tolima Assembly, some Cajamarca councillors, some MPs of Tolima, the Camara de Asomineros de la ANDI (Asociación Nacional de Empresarios de Colombia), FENALCO Tolima, Fundación BioTolima, Corporación Incubar Quindío, and some community leaders in Cajamarca. Those who have voiced their opposition to the project include several ecological NGOs in Tolima, CORTOLIMA (the government entity responsible for the environment in Tolima), FEDEARROZ (the rice growers guild), groups of *campesinos* in Cajamarca, and various students and lecturers from local universities⁷⁶. Others had not expressed a clear position until recently, e.g., the mayor of Cajamarca, who now appears to be backing the mining project⁷⁷.

Employment and Prosperity

Many inhabitants in the region are hoping for improved prospects or employment opportunities that have been promised as a result of the mining project. For example, the *jornalero* (day labourer) rate in Cajamarca is 8-11 USD, whereas already, AGA is paying upwards of 22 USD, inevitably causing a dilemma for peasants in the area who need to fulfil short-term economic needs. However, open cast mining is a highly mechanized process, and a mine of this nature is

⁷⁶ Ibid.

⁷⁷ El Salmon Urbano. *El pueblo de Anaimé dice: "Fuera Anglogold Ashanti"*. February 2011. Available at: <http://elsalmonurbano.blogspot.com/2011/02/colombia-el-pueblo-de-anaimé-dice-fuera.html>

unlikely to employ more than 500 workers, except during the construction phase, which will only last 3-4 years⁷⁸. To date, Cajamarca has been a wholly agricultural area, given that its inhabitants are experienced farmers, so these jobs may be taken by people from other areas of Colombia who already have the necessary training. The Cajamarunos may be employed on an indirect basis, e.g., as taxi-drivers, or even prostitutes, given the high incidence of prostitution that tends to be associated with mining towns⁷⁹.

Organised, Responsible Mining vs. Illegal, Disorganized Mining

AGA has worked hard to reduce the perception of risk associated with the project, and promote an image of clean, safe and responsible mining, with improved employment prospects for all, and promises of great social investment. The only alternative has been portrayed as having informal, illegal mining that employs excessive amounts of mercury, causes environmental chaos, and in which rival mining groups are engaged in turf battles. This scaremongering has been strongly reinforced by the national media. While the impact of having small scale artisan mining is debatable, the possibility of alternative economic activities to generate wealth, such as agriculture and ecotourism, do not seem to be presented as possible alternatives.

Greenwash Everywhere

Apparently ecological groups such as BioTolima (<http://www.biotolima.org/>) and Aprominca (*Asociación para la Promoción de la Minería Responsable en Cajamarca*) are acting as proxies for AGA to promote the image that sustainable mining is possible, and in particular, that the water supply will not be reduced or contaminated. They produced a documentary of an AGA gold mine *Mina Corrego do Sitio* in Minas Gerais, Brazil, in order to portray what the mine in Cajamarca would be like. They describe a process of “ecological restoration” in which they claim that the effects on the ecosystem are reversed. However, a study by scientists in the US, when discussing reclamation and mitigation approaches for surface mining, considers that “scientific evidence [demonstrates that] impacts are pervasive and irreversible and that mitigation cannot compensate for losses”⁸⁰. In the documentary, AGA also omit the fact that the mine in Brasil is significantly smaller than what *La Colosa* would be, that it is not in an area of forest reserve with rich biodiversity, strategic water sources, steep mountains and possible seismic/volcanic activity.

To address the issue of shortages of water in the Tolima region, AGA have signed an agreement with the *Fondo Para La Acción Ambiental*, with the purported aim of examining

⁷⁸ Alexander Martínez Rivillas, *Estudio general de riesgos integrales del proyecto de exploración y explotación minera La Colosa*, Colombia. 2009.

⁷⁹ Julia Ann Laite. *Historical Perspectives On Industrial Development, Mining, And Prostitution*. The Historical Journal, 52, pp 739-761, 2009. Available at: <http://journals.cambridge.org/action/displayAbstract?aid=6009324>

⁸⁰ M. A. Palmer, E. S. Bernhardt, W. H. Schlesinger, *et al.* Mountaintop Mining Consequences, 8 Jan 2010, In Science, Vol 237, p. 148.

ways that water can be managed more efficiently. Reference is made to this in the 2010 annual report⁸¹, in which they state:

AngloGold Ashanti engaged actively in the creation of the 'Water Roundtable' in Tolima to discuss and implement possible solutions to water management issues. In addition, the company has initiated several biodiversity campaigns in the region, with the support of non-governmental organisations, aimed at protecting certain species indigenous to the Tolima region.

Such initiatives are of concern to *genuine* environmental groups or NGOs, who feel that it may appear that AGA have their support to carry out the mining project. The 2010 Annual Report continues:

Multi-partite social programmes and projects accompany the exploration phase and are based on long-term sustainability considerations for the region, which include improvements in agricultural productivity, the elimination of sicknesses currently affecting cattle in the region and several educational programmes.

A monitoring programme, undertaken in conjunction with local universities, will accompany the exploration phase of the project and be designed to provide data on the potential impact of mining activities on the region's flora, fauna and water resources. The company is working with Conservation International and a number of other NGOs to address biodiversity issues.

The monitoring will not be carried out by the University of Tolima, as originally proposed, due to campaigns by students and lecturers opposing the signing of agreement. At present, it seems likely that the monitoring programme will be carried out by the University of Caldas in Manizales, located over 100Km away, making it unlikely to be considered a "local" university.

Sponsoring Carnivals, Football and offering Freebies

AGA has also won local favour by sponsoring the carnival in Ibagué (*fiestas foclóricas de Ibagué*) and the departmental football team, *Deportes Tolima*. In December 2010, they offered free tickets for football matches to campesinos from Cajamarca. Some had never been to a football stadium before, and were subsequently interviewed by local radio, giving AGA the opportunity to be perceived as generous and benevolent. They have also in the past given free lunch boxes to children.

The Media

In spite of the favourable image that AGA has attempted to project to many people in Tolima, arguably most of the population have little or no knowledge of implications of the project. This is partly due to the absence of proper debate about the Cajamarca mine in the local and national media. There are indications that the media are being restrained by mining interests: the

⁸¹ AngloGold Ashanti, *Annual Financial Statements 2010*, page 125.

Federación Colombiana de Periodistas reported in 2009 that Alma Liliana Sánchez, a journalist from *El Nuevo Día*, the local newspaper in Ibagué, received an intimidating phone call from an AGA subcontractor following publication of an article giving negative coverage of the company⁸². Clearly, the media can play a vital role in moulding the public's perception of the project, and the current lack of objectivity will hamper the ability of local communities to have an informed opinion.

⁸² *Federación Colombiana de Periodistas. Amenazadas periodistas en Huila y Tolima por paramilitares y contratista de multinacional.* 18 April 2009. Available at: <http://www.prensarural.org/spip/spip.php?article2199>

Conclusion

La Colosa would result in the largest open-cast gold mine in South America in an area of high biodiversity and ecological value. Despite being deemed unconstitutional and illegal according to Colombian laws, AGA has managed to plough ahead so far with relatively few impediments. It is noteworthy that AGA's operations in the North tend to be located in areas of low biodiversity, without strategic water sources and well insulated from existing settlements, something which is not the case in countries of the South, notably in Africa and Latin America⁸³.

This is an emblematic project, in the sense that that if it goes ahead, is likely to open the floodgates in Colombia to many other such mining projects by AGA and other companies. Another controversial mining project (currently halted due to local resistance) is in the *Páramo de Santurbán* which provides water for 3 million people in the department of Santander, and is under the auspices of the Canadian multinational GreyStar Resources. It is worrying that large areas of Chocó and Cauca are also in the eye of AGA and other large mining corporations. The current situation, which sees Colombia's invaluable ecosystems under siege, stems from the profligate award of mining rights during the Uribe administration. It therefore must be stressed that stopping a single mining project will not stop the mining issue which has become pervasive throughout the country, as companies will simply be displaced to another area. For a definitive solution, it is therefore necessary to address this problem at the root, by legally challenging the mining rights that have been awarded in an unacceptable manner.

Many would agree that Colombia's wealth lies in its biodiversity, landscapes and cultures, and not in its mineral resources. However, in a country where poverty is rife (In 2009, it had a GINI coefficient of 58.5, making it the most unequal country in Latin America, and the eighth most unequal country in the world⁸⁴), it is a common misconception that any kind of foreign investment will bring economic benefits, and it is essential to provide alternatives to people in order to dispel this myth.

Rafael Herz, the president of AGA in Colombia, considers that Colombia is "the final frontier in South America". The magnitude of the investment by AGA to promote an image of corporate responsibility in Tolima demonstrates that they are aware that they will not be able to carry out this project without winning over the hearts and minds of the people in Tolima. It is therefore vital, in order to prevent this and other disastrous mining projects from going ahead, to demonstrate the reality of their track record as a company, and the devastating social and environmental problems that have resulted from open cast mining in other parts of the world, so that Colombians can make an objective and informed choice about their future.

⁸³ Alexander Martínez Rivillas, *Estudio general de riesgos integrales del proyecto de exploración y explotación minera La Colosa*, Colombia. 2009.

⁸⁴ CIA, *The World Factbook*. Accessed 11 Feb 2011. <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html>

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[AGA09a] AngloGold Ashanti, *Investor Day*, 16 February 2009.

[AGA09b] AngloGold Ashanti, *Macquarie Gold Rush Conference*, Sydney, 2 June 2009.

[AGA09c] AngloGold Ashanti, *Greenfields Exploration*, 2009.

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