

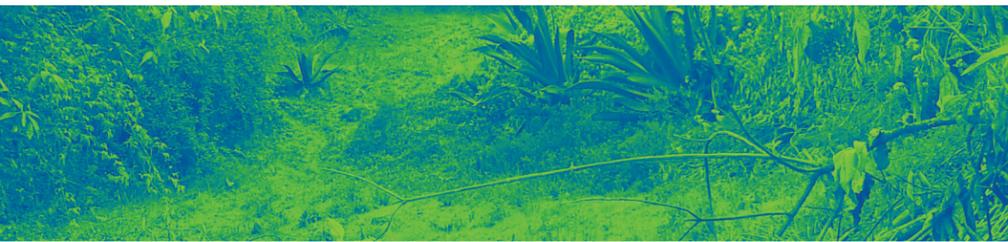


# CANADIAN MINING IN PUEBLA AND ITS HUMAN RIGHTS IMPACT

FOR THE LIFE AND FUTURE OF IXTACAMAXTILÁN AND THE APULCO RIVER BASIN



The gold and silver open pit mine **IXTACA PROJECT**, on its advanced exploration stage, is located in the *Ixtacamaxtitlán municipality*, in the **SIERRA NORTE** region of the Mexican State of **PUEBLA**. It occupies the South-Eastern portion of **Tuligtic Project**. Both concessions are properties of **ALMADEN MINERALS Ltd.** Directly or as a partner, Almaden was involved in other mining projects (like Caballo Blanco and White River) which have been cancelled because of its negative impacts on the environment and human rights. **KNIGHT PIÉSOLD ENGINEERING** was responsible for the elaboration of economic reports and environmental impact studies in Ixtaca and other projects which also had severe environmental implications (spills) against the population's health in Mount Polley, Canada, and Yanacocha, Peru.



## HRIA HUMAN RIGHTS IMPACT ASSESSMENT

### PRACTICALITIES

Identifies, gauges and seeks to prevent negative mining impacts on human rights.

Shows the discrepancy between the State's obligations and compliance.

Identifies and recognizes the company as an actor required to respect human rights and existing laws.

Generates a baseline of the actual state of the environment including water, and health conditions prior to exploitation.

Privileges the perspective of respect for and protection of the human rights of the inhabitants of Ixtacamaxtitlán who oppose the profit perspective that guides business activity.

Unlike other evaluations, such as the Social Impact Assessments conducted by companies under Mexico's energy reform laws, the Human Rights Impact Assessment (HRIA) is led by an Implementation Team comprised of IMDEC, CESDER, Consejo Tiyat Tlali, PODER, and the Unión de Ejidos y Comunidades en Defensa de la Tierra, el Agua y la Vida, Atcolhua.

Provides technically consistent information from and for the communities affected by Almaden Minerals' activities, and is based on investigations by specialists in geo-chemistry, biology, cartography, company research, health, human rights.

### TARGETS

–Learn the current state of human rights.

–Learn Almaden Minerals' business structures, decision makers, supply chain and past record in human rights matters.

–Identify adverse impacts to water, the environment and health experienced during the exploration phase (2010-2016), and the potential impacts in the event of extraction of mineral resources.

–Conduct advocacy to prevent and avoid negative mining impacts.

–Counteract inequality in access to information and the power imbalance between communities, company and authorities, thereby contributing to the empowerment of the population in decision-making.

### SOURCES

–Official information provided by the Mexican government: preventive technical reports, judicial records, access to information requests.

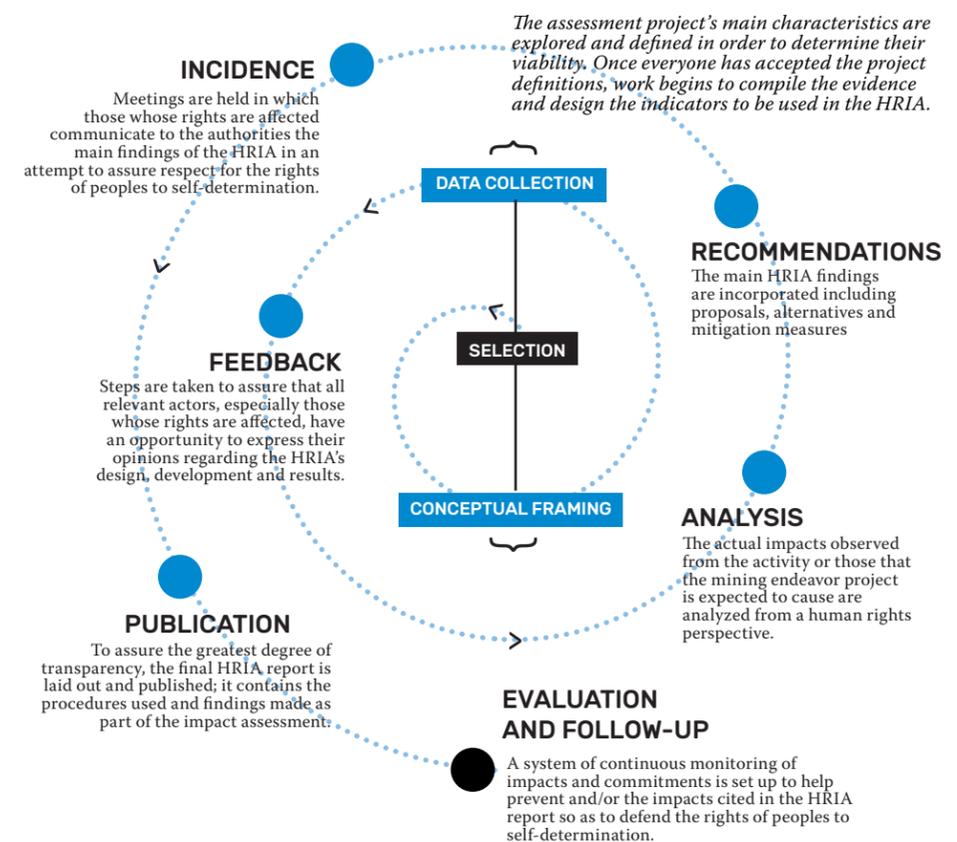
–Official information that the company provides its investors through equity markets: financial reports, economic feasibility, technical reports, press releases.

–Company interaction with the communities affected by the mining project.

–Interaction by authorities with affected communities.

–Testimonies from the inhabitants of communities affected by the project, participatory workshops, and surveys of how the affected population perceives the current state of their human rights and the negative impacts that project is likely to have.

### METHODOLOGY



### IDENTIFYING PROJECT-RELATED EFFECTS AND CONCERNS

–Concern among the communities about the impact mining will have on the environment, water and health, which became the priority issues to evaluate;

–Lack of information in the communities regarding plans to extract a common good, and the potential environmental risks posed to water and health;

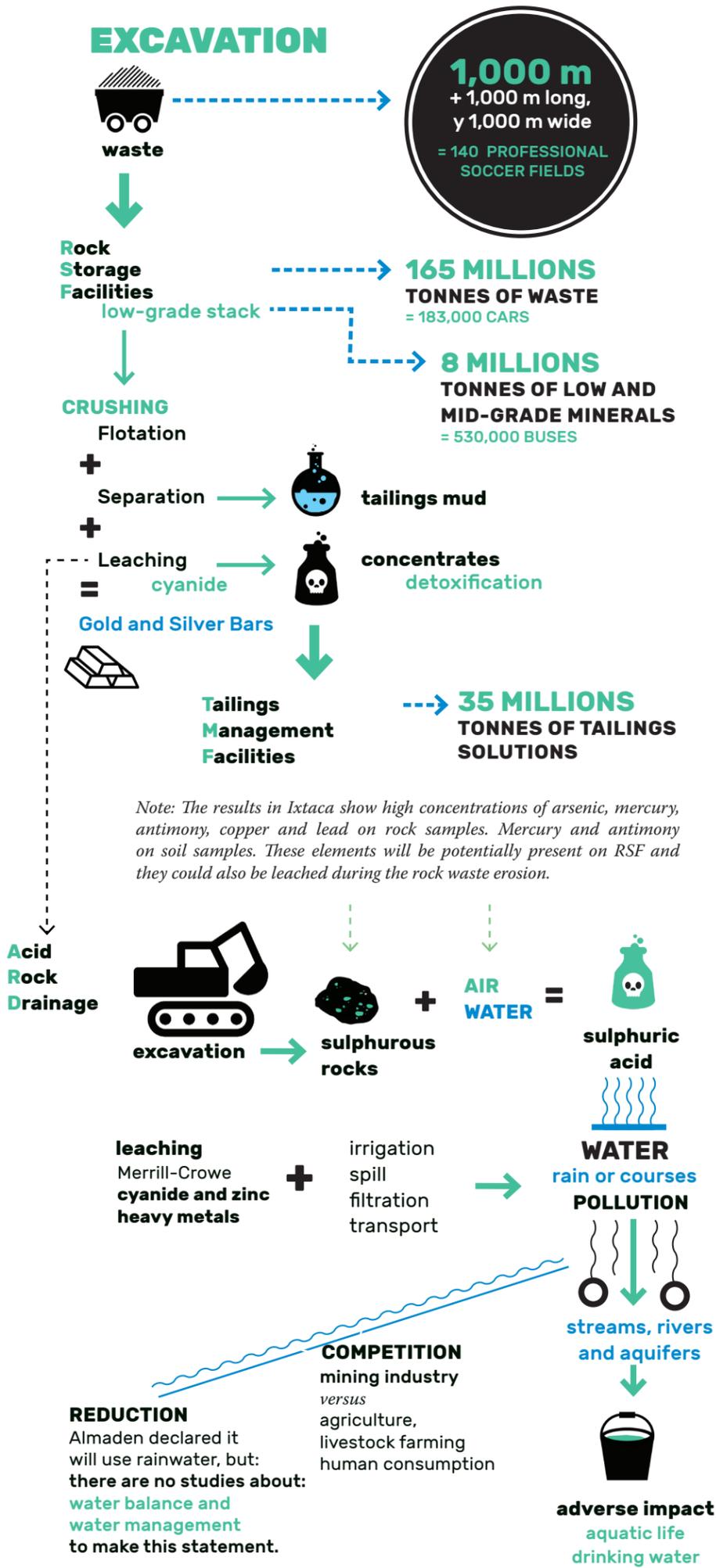
–Process of strengthening individual and collective rights in decision-making regarding common property;

–Authorities and company have done nothing to inform the affected communities about the mining project. The authorities do not monitor whether the company is respecting Mexican norms on mining activity or human rights as they are obligated to do under article 1 of the Mexican Constitution. The company establishes patronage relationships as it tries to build public support by providing economic assistance and consumer goods, but without information regarding the mining project.

# OPEN PIT MINING

# CONCLUSIONS AND RECOMMENDATIONS

1) mining processes ----> facilities which would remain



2) mining process impacts on human rights

## TO THE ENVIRONMENT

**ground, atmosphere and landscape:** soil disruption, erosion and deforestation; powder and gases; noise; landscape deterioration.

**flora, fauna and ecological balance:** vegetation clearance; habitat alteration; fauna displacement; biodiversity loss and impacts on agriculture.

## TO WATER

**pollution:** by cyanide, heavy metals and chemicals from the acid rock drainage process.

**reduction:** on water available volume.

**competition:** because of the water use change.

**depletion:** of aquifer and sediments increasing.

## TO HEALTH

**noise impacts:** auditive loss; sleep disorders; cardiovascular and physiological effects; mental health and behavior change; stress issues on children.

**gas impacts:** cardiac and respiratory tract disorders and bronchitis on asthmatic patients.

**-powder impacts:** cardiac and respiratory tract disorders and eyes diseases.

**-cyanide pollution:** affects brain and hearth; coma and death.

**-heavy metal ingestion:** brain, liver, kidneys and bones; affects nervous, digestive and skeletal systems; eyes and skin diseases; cancer high probability.

*The Ixtaca Project activities would seriously affect population's health over the impact zones because of ingestion, inhalation and direct skin contact with highly dangerous substances and the environment disruption. 70% OF THE INHABITANTS CONSIDER THIS PROJECT TO AFFECT COMMUNITIES IN THE EVENT OF ITS DEVELOPMENT. 20% OF THE INHABITANTS BELIEVE THIS PROJECT HAS ALREADY IMPACT THEIR HEALTH (PHYSICAL AND EMOTIONAL).*

THE IXTACA PROJECT, IN ITS CURRENT FORM AS AN EXPLORATION UNDERTAKING, HAS GRAVELY AFFECTED THE LIVES OF THE PEOPLE OF THE MUNICIPALITY OF IXTACAMAXTITLÁN, PUEBLA. SHOULD THE IXTACA GOLD-SILVER SURFACE MINING PROJECT PROCEED TO THE EXPLOITATION PHASE IT WOULD POSE GRAVE RISKS TO HEALTH, WATER AND THE ENVIRONMENT FROM POLLUTION, LAND DESTRUCTION, AND DEGRADATION OF VITAL RESOURCES SUCH AS SOIL AND WATER. IT DOES NOT SEEK TO COEXIST WITH THE LOCAL POPULATION, BUT INSTEAD SEEKS TO EXTRACT SUBSOIL RESOURCES TO MARKET THEM IN INTERNATIONAL MARKETS. THE COMMUNITIES OF IXTACAMAXTITLÁN, LIKE MANY OTHERS IN MEXICO, BECAME AWARE OF THE SUBSOIL WEALTH OF THEIR LAND TERRITORY AND OF THE PRESENCE OF ENTITIES AND PEOPLE SEEKING TO PRIVATIZE THEM ONLY AFTER CONCESSIONS HAVE BEEN AWARDED AND DECISIONS MADE.

Motivated by profit and private benefit, the company conducted a study of the region where it holds the concession and the broader Sierra Madre Oriental or Trans-Mexican Volcanic Belt region, but has never shared its findings with the people of Ixtacamaxtitlán, thereby depriving them of the opportunity to make informed decisions regarding the natural resources beneath their lands.

Almaden Minerals is not an exception, but rather one of numerous companies from Canada, Mexico and other countries in the world that take advantage of the facilities Mexico affords for mining speculation or exploitation under more favorable economic conditions than they can find in other countries.

The HRIA has focused on just the main project Ixtaca, where 72 percent of the mining concessions of the region are concentrated by Almaden Minerals in the Sierra Norte de Puebla. This seemingly small project, which if implemented would have devastating consequences for the population of Ixtacamaxtitlán, is part of a broader model of land occupation and dispossession by means of privatizing community property, in this case subsoil resources, but the model is accompanied by renewable energy projects entailing privatization of water, solar energy and the air.

## ALMADEN MUST:

—Remediate the damage caused to the human rights of the people of Ixtacamaxtitlán municipality, and violations of environmental regulations.

—Inform Conagua that it has perforated the aquifer, and remediate the damage it has caused by potentially redirecting watercourses and contaminating the groundwater.

—Inform the affected communities about the project it intends to implement and about which it has only reported to its investors. It should tell its investors about the diverse risks to its investments posed by complaints to the CNDH about human rights violations, and to the Profepa about environmental damage as well as legal proceedings that have halted exploration activities. They must tell them of the existence of sectors opposed to the project because of the proven damages that its implementation would entail.

—Respect, protect and guarantee human rights, and otherwise respond to human rights violations in regard with the mandate of article 1 of the Mexican Constitution.

## THE MEXICAN STATE MUST:

—Conduct rigorous investigations into the companies that it awards mining concessions and promote projects that privilege the wellbeing of the general population and rural communities over profits.

—We especially recommend the Profepa, Semarnat, Conagua, CNDH, and Ministry of Economy thoroughly investigate the irregularities and human rights violations documented in this report. The files from the authorities' investigations should be made available to the communities affected by the activities of Almaden Minerals and made public.

—As responsibility of municipal, state and federal authorities to supervise and establish procedures for monitoring investment projects from the earliest stage of exploration. Public officials should impose sanctions for the company having withheld information from the authorities, conducting unauthorized activities and human rights violations.

—Projects should be subjected to public consultations based on truthful and verifiable information with which the citizenry can decide whether the project is viable before the Ministry of Economy issues a concession, and it should do the same in all other processes in which it is to issue permits for conducting mining activities. Semarnat and other government agencies should conduct Preventive Reports, Environmental Impact Studies, and Social Impact Evaluations.

—Municipal, state and federal authorities must halt exploration activities and guarantee restitution for the damages incurred that have been documented in this investigation as well as other possible damages.

# HRIA's RESULTS

THE CURRENT STATE OF RIGHTS TO WATER, THE ENVIRONMENT AND HEALTH ARE PARTIALLY GUARANTEED. THE PRESENCE OF ALMADEN MINERALS CONSTITUTES A RISK TO FULL ENJOYMENT OF RIGHTS TO A HEALTHY ENVIRONMENT AND HUMAN HEALTH AS IT IMPLIES AN INCREASE IN COMPETITION FOR LAND AND WATER. SURFACE MINING WILL GENERATE IRREVERSIBLE DAMAGES TO HEALTH, WATER AND THE ENVIRONMENT.

THE PROJECT THAT ALMADEN PRESENTED TO ITS INVESTORS, HAS NOT BEEN HANDED OVER TO THE RESPONSIBLE AUTHORITIES IN MEXICO NEITHER THE RESIDENTS OF IXTACAMAXTITLÁN. IT WAS ANALYZED BY A SPECIALIZED TECHNICAL-SCIENTIFIC TEAM WHICH IDENTIFIED A SERIES OF IRREGULARITIES IN THE EXPLORATION PHASE, ENVIRONMENTAL DAMAGES, AND ADVERSE EFFECTS ON WATER AND THE HEALTH OF THE POPULATION, AS WELL AS POTENTIAL NEGATIVE IMPACTS IN THE EVENT THAT THE PROJECT'S EXPLOITATION PHASE GETS UNDERWAY.

## CURRENT STATE OF HUMAN RIGHTS

**WATER:** Scientific studies analyzed in an international laboratory determined that water throughout the region is of good quality. However, water is scarce, and not all inhabitants can satisfy their needs. A study by the 2014-2018 municipal government administration calls for “undertaking actions to strengthen the countryside through water storage,...[and] the need to upgrade housing and basic services such as sanitation and potable water”.

**ENVIRONMENT:** There is enough land for both crops and conservation areas. It is adequate but the ecosystem is vulnerable to the arrival of economic activities previously unknown to the region, especially industrial activity. A study by the 2014-2018 municipal administration concluded that “conditions exist for productive sector growth, but based on the principle of caring for the environment”. The region is home to threatened and endangered species. Semarnat, Mexico's Ministry of Environment and Natural Resources, has designated it a high-priority conservation region.

**HEALTH:** The main diseases are respiratory illnesses and the amount of dust and dirt in the air will increase were the project to be implemented. The population is exposed to risks due to the long distances separating the area from the public-health infrastructure that provides access to specialists in mining related illnesses. 57% of the population lacks any medical insurance, according to a study by the 2014-2018 municipal administration.

## ACTIONS AND OMISSIONS BY THE FEDERAL, STATE AND MUNICIPAL AUTHORITIES

—The authorities at all three levels of government have provided no information and have not consulted the population about the project and appear to be unfamiliar with it. Ninety percent of the residents of Ixtacamaxtitlán surveyed indicated they have not been informed about any positive effects the mining project might bring, and more than half indicated that they had not been informed of any potential negative effects to the environment, water and health. The authorities do not protect human rights or bother to get informed about the opinion of the people living within their jurisdictions.

—Semarnat failed to notify the National Human Rights Commission (CNDH) of the preventive reports it authorized after the inhabitants of Ixtacamaxtitlán began to complain about violations of the right to a healthy environment, water and health.

—The CNDH has decided not to issue a recommendation after concluding there are no deeming that there are no serious violations, and that it involves a matter for the environmental authorities (Profepa) to whom it turned over the case.

—Government agencies indicated that the matter is not within their purview despite the competent authorities having received copies of the HRIA, which documented a series of irregularities:

*The company violated environmental regulations by conducting 236 more blasts than authorized and at a greater density and depth than permitted under Official Mexican Standards (NOM), and exceeded the time authorized by the Semarnat for conducting exploratory activities.*

*According to Almaden Minerals' own information, the company drilled into the aquifer located 158 meters below the surface, yet it had indicated to Semarnat that it would not drill more than 150 meters deep. Almaden Minerals reports it has conducted blasts at depths of up to 700 meters.*

*The company informed its investors that it had drilled water wells for monitoring and hydrological studies. The Ixtacamaxtitlán Water Committee has complained that the company is measuring and extracting water from existing wells. Conagua reports that the company is not authorized to drill water wells, but that regulatory authority has only conducted a single on-site inspection, which concluded that “no well was reported”, according to Julio Fierro Cauffman, Conagua's officer for inspections and surveillance for Puebla. This region, where local water resources are mainly used for human consumption and agricultural activities has not previously experienced its exploitation for industrial activities without prior Conagua authorization or proper management, and such a situation would pose grave risks to the inhabitants of Santa María Zotoltepec.*

*Given the region's indigenous population, Semarnat required the company to consult with local residents before beginning its activities, but the company took the government to court to overturn that decision; a ruling is pending, but the company continues with its activities in the region.*

—The National Water Commission (Conagua), Profepa, Semarnat, the Ministry of Economy, and the CNDH fail to monitor mining activity as mandated under Mexican law and thereby allow the company to conduct activities that result in violations of regulations and human rights.

—By failing to assume their responsibilities and attributions, the authorities make it easy for companies to conduct mining activities and hinder citizen participation and decision-making regarding projects that affect the population.

—The Ministry of Economy said that when granting mining concessions it is not authorized to verify whether the area land is inhabited, and human rights are not taken into account unless the land coordinates of a concession overlaps that of another company.

—Semarnat said that should exploitation activities be undertaken where the company projects that it would be violating regulations on the use of explosives because such blasting would take place within 3 km. of the town of Santa María Zotoltepec.

—After analyzing the report, Conagua said that it is not within its power to attend to the issues addressed in the document despite the facts that one of its central issues is the right to water and the company publicly recognizes that it is monitoring water by drilling wells, and that the drilling has extended below the aquifer.

—The head of the municipal government insists that the municipality will not issue a change of land use permit, but has not agreed to hold a meeting of the governing council open to the public for purposes of declaring Ixtacamaxtitlán a mining-free area.

—The authorities are more concerned about guaranteeing the companies' businesses than the wellbeing of the original inhabitants of the area.

## ACTIONS AND OMISSIONS BY ALMADEN MINERALS

—The mining project, located at the headwaters of the Apulco river basin, just meters from the people of Santa María, would affect the farmlands of the people of Loma Larga. If a spill were to occur, it would affect a 200 km stretch of watercourse extending from the tailings pond to the Gulf of Mexico, inflicting permanent, irreversible damage.

—It has yet to get underway and Morgan Poliquin, CEO and president of Almaden Minerals Ltd. stated that “the veins recently uncovered show the potential for expanding the project”, raising the possibility that a greater area will be affected than previously projected.

—Almaden Minerals insists that the Ixtacamaxtitlán municipality of 20,000 inhabitants, who are engaged in productive activities, is “empty”, and that there is zero land use. Moreover, the spot where it plans to build a dam is a hawk nesting area.

—The company lies to its investors regarding the potential investment risks, indicating that it only employs harvested rainwater. Profepa, Mexico's environmental authority says that out of 1,250 mining operations, none operate using rainwater.

—It omitted information in its reports to investors: it failed to indicate that the writ of amparo case 445/2015 before the Puebla State District Court for civil amparos in administrative, labor and federal cases is an active one in which the judge issued the restraining order unconditionally because the matter was deemed to affect an agrarian community and lands belonging to the Nahuatl indigenous people of Ixtacamaxtitlán.

—The company lied to the residents of Ixtacamaxtitlán when it indicated that the cyanide to be used in the leaching process would have no adverse health implications and that it would be safely stored in the dam once the mine closes.

—It has coopted some local authorities, such as those of Santa María Zotoltepec, which has allowed the mining firm to set up an office there, displacing a preschool in the process.

—Although the company told the HRIA implementation team it had no intention of exploiting the mine, it has undertaken the acquisition of a “Rock Creek Mill” mill that it intends to bring from Canada, and Almaden Minerals has transferred all of its projects other than Ixtaca to Almadex, another privately owned company in which Morgan Poliquin serves as CEO, a move that suggests Almaden hopes to transform itself into an exploitation company.

—Almaden does not know the people of Ixtacamaxtitlán, refuses to meet them to learn of the HRIA results, and says that it has acquired a copy of the assessment although it has yet to be made public.

—Almaden sued the government of Mexico to avoid paying taxes on mining activity and does not want to consult the affected population about its activities in Ixtacamaxtitlán.

—PROFEPA fined Almaden in 2009 for irregularities during the exploration process.

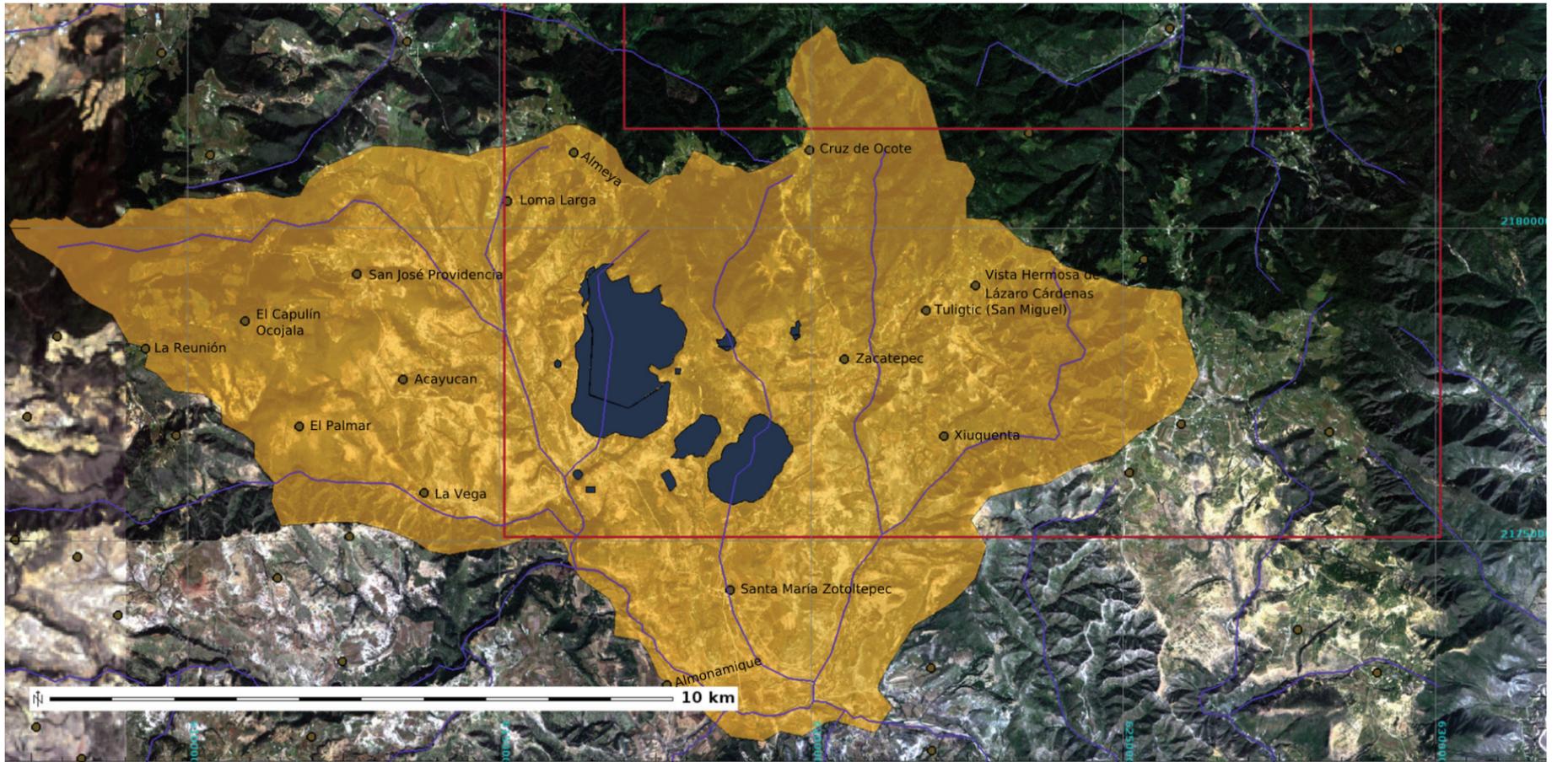
—Almaden Minerals has a record of human rights violations from previous exploration projects, as do the companies it has contracted (Knight Piésold and Moose Mountain) to undertake its economic feasibility and environmental impact assessment studies.

—In a written response to the implementation team, Almaden insisted that it has provided credible information to Almaden investors, an affirmation that raises doubts regarding the company's fulfillment of its ethical and economic responsibilities to its investors.

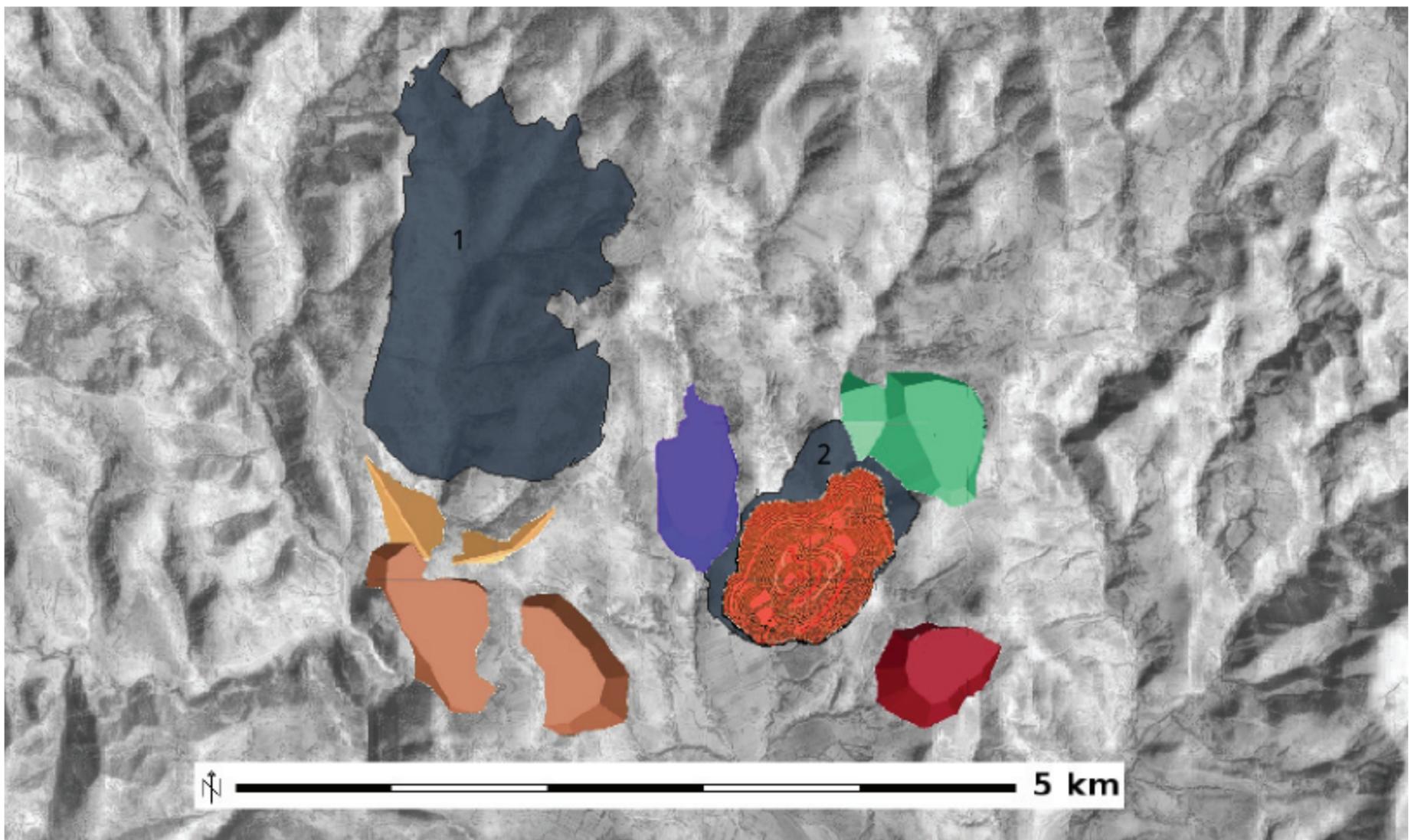




**POLYGON AND IMPACT AREA IN THE EVENT OF EXPLOITATION**



**PROJECT SUBMITTED BY ALMADEN MINERALS TO ITS INVESTORS**



**TECHNICAL REPORT NI-43-101**

january 2016

- tailings pond dyke:
- open pit mine zone:
- rock storage facilities:

may, 2014

- MINING PROJECT:
- tailings pond:  1
- open pit mine zone:  2