

## **BARRICK GOLD FAILS TO OBTAIN FINANCING FOR PASCUA LAMA**

*In 2010, Barrick Gold requested financing for the Pascua Lama mine from a public financing agency in the United States (Ex-Im Bank) and months later, from Export Development Canada (EDC). Communities affected by the gold megaproject sent information to both public institutions regarding the company's operations and requested that the financing be denied. Two years later, Barrick has withdrawn its requests.*

In 2010, Canadian organizations alerted Chilean communities in the Huasco Valley about a request for financing for the Pascua Lama project by Barrick Gold before the U.S. government agency, Ex-Im Bank. The communities, who seek to defend their water resources and way of life, immediately prepared a [letter](#), signed by more than 20 organizations, identifying a number of serious problems associated with the company's operations, beginning in 2001. Problems include: outstanding lawsuits before national and international fora, the death of 15 mine workers, irreparable damage to glaciers, state sanctions against the company, and on-going problems regarding water quality and quantity experienced by Chilean and Argentine farmers.

Ex-Im responded favourably to the letter, although contact was not re-established with the bank until valley residents reported being contacted by a consultant representing both Ex-Im and the Canadian agency, EDC. According to affected communities, the consultant behaved suspiciously, undertaking interviews with local residents in the mining company's office. In some cases, the company facilitated contact between the consultant and local residents, and arranged for translation. Affected communities questioned Ex-Im's approach and publicly discredited both agencies' on-the-ground operations.

The agencies acknowledged the community complaint and explained that their evaluation of the company was on-going. On March 1, 2012, Ex-Im published a note on its [web site](#) revealing that Barrick Gold had withdrawn its request for financing. Days later, EDC confirmed that Barrick had also withdrawn its request from that agency. Before releasing this statement, the signatories formally verified that the company had withdrawn its requests from both agencies.

Lucio Cuenca, director of the Latin American Observatory of Environmental Conflicts (OLCA), who facilitated community engagement with the public financiers, emphasized that "the company's decision to withdraw its application is good news for local communities. Not only does it reflect the strength of community arguments, it reveals that Barrick is unable to provide its shareholders with the assurance that comes with the backing of Canadian and American public financial institutions."

Organizations involved in the engagements with Ex-Im and EDC:

**Chile:** Observatorio Latinoamericano de Conflictos Ambientales (OLCA) / Agrupación Ecológica Atacama Limpio - Vallenar, Región de Atacama / Alianza por una Mejor Calidad de Vida RAP-AL / Centro Cultural Social y del Medio Ambiente Ceibo – Maipú, RM / Centro Ecoceanos / Consejo de Defensa del Valle del Huasco- Región de Atacama / Corporación de Defensa y Promoción de los Derechos del Pueblo, CODEPU-Chile / Acción por los Cisnes -

Valdivia - Región de los Ríos / Liga Ciudadana de Consumidores / Mapuexpress / Radio del Mar / La Coalición Ecuménica por el Cuidado de la Creación / Centro Ecuménico Diego de Medellín / Departamento de Paz Justicia e Integridad de la Creación, CONFERRE-Chile / El Comité de Defensa y Recuperación del Cobre / ONG Recuperemos el Cobre de Chile / Feministas Autónomas – Memoria Feminista / Organización Ciudadana Ambiental de Salamanca, OCAS – Región de Coquimbo / Oficina de Justicia, Paz e Integridad de la Creación. Sociedad Misionera de San Columbano / Pastoral Salvaguarda de la Creación – Alto del Carmen, Valle del Huasco / Red Ciudadana por la Defensa de la Precordillera de Santiago, RM Chile

**Argentina:** Frente Cívico por la Vida - San Juan / Inti Chuteh - San Juan / Conciencia Solidaria - Buenos Aires.

**United States:** Columban Center for Advocacy and Outreach / Foreign Policy in Focus

**OLCA Communications**

Santiago – Huasco Valley, March 15, 2012