THE GLOBE AND MAIL

REPORT ON BUSINESS

COLLATERAL DAMAGE

CANADIAN-OWNED MINES HAVE WREAKED HAVOC ON INDIGENOUS COMMUNITIES FOR DECADES.

FINALLY, THERE'S HOPE FOR A SOLUTION

MARCH 2019

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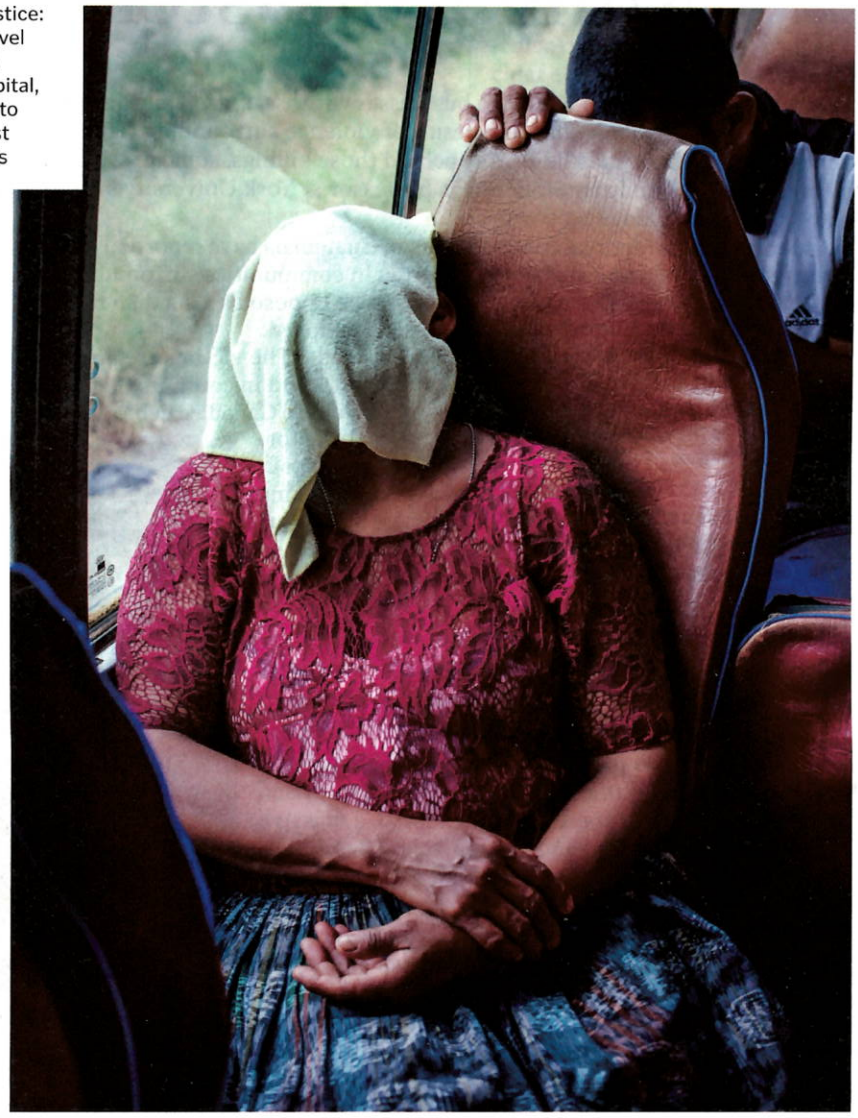
DEPARTMENTS

ON THE COVER

German Chub Choc says he was shot by security forces at a mine in Guatemala that was owned by Hudbay Minerals, leaving him unable to walk. He is one of several plaintiffs suing the company in Canada.
Photograph by Valerian Mazataud



A journey for justice: Four women travel to the airport in Guatemala's capital, bound for Toronto to testify against Hudbay Minerals

FEATURES

PHOTOGRAPHS (LEFT) DEAN CASAVECHIA; (RIGHT) VALERIAN MAZATAUD; (BOTTOM) ERIN LEYDON

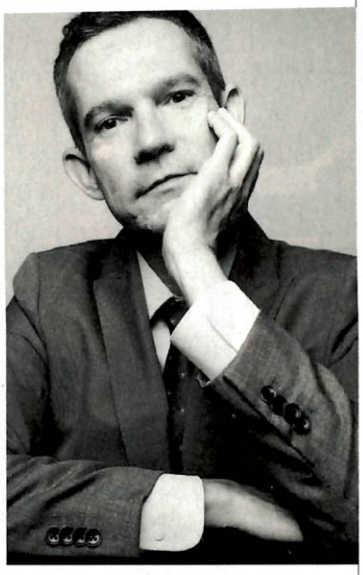
Editor's Note

Mining disaster

Most of us don't associate Canadian businesses with assault and murder. But between 2000 and 2015, 44 people died as a result of violence surrounding Canadian-owned mines in Latin America. The stories behind those killings, some of which are documented in a 2016 study by Shin Imai, a professor at York University's Osgoode Hall Law School, are harrowing.

According to his report, mine protesters in Guatemala have reportedly been beaten, arrested, kidnapped and shot. Women living in communities surrounding the mines have been raped. In 2009, a political activist who opposed a Canadian mine in El Salvador was found dead in a well, his fingernails removed.

These atrocities rarely make headlines in Canada. The victims are poor and live in faraway developing countries. The attacks are rooted in conflicts that existed long before the mines arrived on the scene, and the links to Canada can be circuitous.



But despite the distance, these deaths can be the unfortunate side effect of planning decisions made in Vancouver and Toronto. Not that mining executives are looking for this kind of violence—it's bad for business and it puts them in an ethical quandary. But after decades of brutality, complacency can set in. The problems seem intractable and become part of the cost of doing business.

There is cause for hope. As this issue's cover feature documents on page 22, there have recently been some major developments that could result in real change.

One is that countries like Guatemala and Chile are now doing more to protect Indigenous peoples and their land. In 2017, Guatemala's supreme court surprised many by suspending operations at Escobal, a massive silver mine built by Vancouver-based Tahoe Resources, ruling that the government did not adequately consult locals before approving the mine. Tahoe's share price plummeted by 33% in one day, and before long, the company became a takeover target for Vancouver-based Pan American Silver.

Investors were similarly shocked when Chile's environmental regulator ruled that Barrick Gold had to shutter the Chilean portion of its Pascua-Lama mine, which straddles the border between Chile and Argentina, partly because of problems with its water management system. The mine was once one of Barrick's most promising projects, and the shutdown forced the company to write down almost half a billion dollars.

More important, for the first time ever, Indigenous peoples are now suing Canadian mining companies through Canadian courts, rather than relying on the local justice system. Cases against Tahoe, Toronto-based Hudbay Minerals and Vancouver-based Nevsun Resources (which was recently acquired) are now being heard in Toronto and Vancouver. If any of those companies lose, the ramifications will be huge. It will essentially mean that Canadian operations in developing countries can be held to the same human rights standard we have here at home, rather than the weaker standard found in many Latin American, South American and African countries.

That will be hard on some mining companies. Having to meet the Canadian standard will put them at a competitive disadvantage to mining companies based in China or Russia, where the injured are unlikely to have such recourse. But there could be benefits as well. As Canada gets a reputation for operating safe, sustainable mines around the world, we may become the preferred source of minerals for more progressive manufacturers and the preferred partner for more progressive investment funds.

The world is changing. Indigenous land claims, environmental standards and protection for human rights will continue to grow stronger in Canada and overseas. Some mining companies will ignore the shift and continue to conduct business as usual. But that approach is starting to get expensive. Just ask Tahoe. **/Duncan Hood**

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PHOTOGRAPH LUIS MORA

For decades, Canadian mining operations have wreaked havoc in developing countries. Villages have been razed, water supplies poisoned and allegations of rape—even murder—have emerged. But finally there is hope for a way out. Could a new avenue for justice lead to a brighter future for all of our mines?

By Paul Christopher Webster

PHOTOGRAPHS BY
Valerian Mazataud in collaboration with Sarah R. Champagne

Rosa Elvira Coc Ich and German Chub Choc are among the Guatemalans who say they were attacked by security forces affiliated with the Fenix mine purchased by Hudbay Minerals

A LONG ROAD

WALKING AROUND IN THE VILLAGE of San Rafael Las Flores—quiet, poor and picturesque—there's little sign that, not long ago, this tranquil spot near Guatemala's Indigenous heartland hummed with one of the biggest mining booms in the Americas. The nearby Escobal mine, built by Vancouver-based Tahoe Resources, sits atop the world's third-biggest silver deposit, estimated to be worth $5 billion, and three times that at peak silver prices.

In 2016, Escobal, which is nestled in a paradisaically verdant valley, produced about $300 million worth of silver and employed more than 1,000 people. According to mine officials, it supported a further 6,000 jobs in an impoverished hinterland otherwise dependent on small-scale coffee farming.

But trouble was brewing. In an area known for rebel sympathies during the decades-long civil war that ravaged Guatemala until 1996, sensitivities to interlopers have always run high. As word travelled down the valleys that foreigners were intent on carting away a mountain of local treasure—with the blessing of a deeply distrusted federal government—skepticism soon intensified into resistance. The opposition was backed by local politicians and activist groups from as far away as Nova Scotia. They blame the government, as much as they do the mine's managers, for making many local people angry enough to gather at a protest camp that was pitched adjacent to the mine site as it was being built.

That's where farmer Adolfo Garcia and his son, Luis, a law student, were on April 27, 2013. That afternoon, a posse of armed guards appeared. The guards, allegedly acting under orders from a security manager working for a Tahoe subsidiary, opened fire. Seven protesters, including the Garcias, were wounded. The security manager, Alberto Rotondo Dall'Orso—whose phone was wiretapped by the Guatemalan government that day, as he allegedly orchestrated the violence—subsequently fled to Peru to escape trial.

Today it's painful for Adolfo to walk because of the wound in his back. Luis, whose face was grazed by a projectile, has trouble breathing and needs surgery, which he cannot afford.

Guatemala's human rights ombudsman, Jordan Rodas Andrade, described the attack as but one episode in a heavily militarized and misguided response to the protests. At one point, thousands of police and troops were mobilized and constitutional rights were suspended in the area.

In July 2017, Guatemala's supreme court, heeding an argument that the government had failed to consult Indigenous people about the mine, suspended the mine's operations. Suddenly, the roar of machinery gave way to the lilting of tropical birdsong. A year and a half later, Escobal remains shuttered pending court-mandated consultations with local Indigenous people.

It's a deadlock all too typical of Canadian mining, which has a long record of conflict with local populations in Africa, Asia and, above all, Latin America.

Only occasionally do these disputes gain the notoriety of a project like Pascua-Lama, a giant gold and silver mine on the Chile–

Argentina border that hobbled Canada's mining champion, Toronto-based Barrick Gold. But the familiar arc of these conflicts, both the infamous and the obscure, is about to change, for two reasons.

The first of these is the federal government's announcement in early 2018 that it would appoint an ombudsperson to help resolve conflicts triggered by Canadian companies abroad.

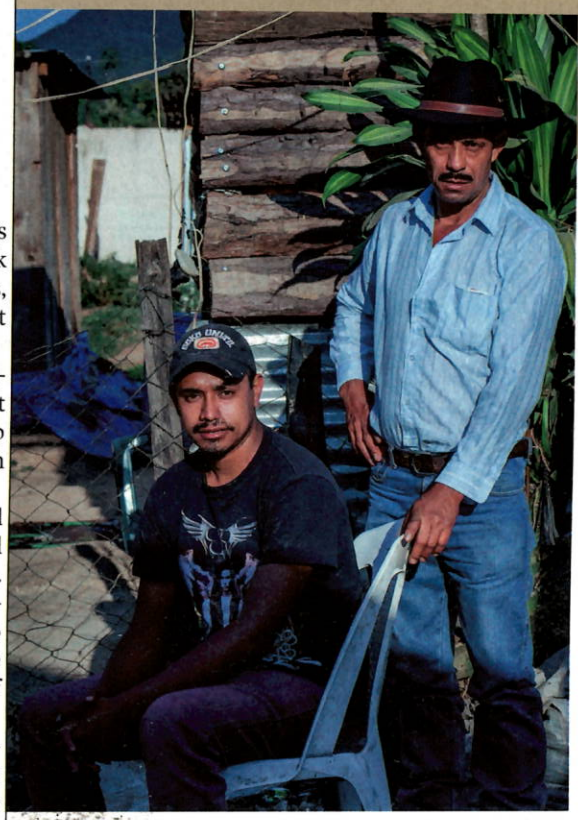
Secondly, and more important, aggrieved parties like the Garcias are being allowed to pursue their cases in Canadian courts. In 2014, the Garcias and two other protesters who were injured during Rotondo Dall'Orso's alleged assault sued Tahoe. The case is now before the Supreme Court of British Columbia.

Joe Fiorante, the Vancouver-based lawyer who filed the case, points to two more files in motion: The Ontario Superior Court of Justice is hearing another case from Guatemala involving three lawsuits that make allegations of rape and violence against Toronto-based Hudbay Minerals. And in January, the Supreme Court of Canada heard arguments in a case Fiorante is arguing against Vancouver-based Nevsun Resources, which is accused of using slave labour in Eritrea.

Tahoe, Hudbay and Nevsun all vigorously deny the accusations against them. But no miner can ignore the growing impact of Indigenous opposition to large-scale, environmentally sensitive projects. The shutdown of the Escobal mine, Tahoe's most important project, placed the company in dire straits, turning it into an inviting takeover target for Vancouver-based Pan American Silver.

No matter how the legal cases are resolved, they are historically important, says Shin Imai, a professor at York University's Osgoode Hall Law School. "The onus is now on Canadian companies to prove that complainants from foreign countries can get a fair trial in their courts in their home countries," he says. "Because if they can't prove that, they can now be sued in the Canadian courts."

The ground under the Canadian mining industry has dramatically shifted in recent years, Imai muses. And oddly enough, it seems, many of the answers to the industry's southern dilemmas are jelling in the Canadian north.



Tahoe Resources' Escobal mine (far left) is located in an area of Guatemala known for agriculture—and pushback against outside interests. Local residents Luis and Adolfo Garcia (near left) claim they were shot by mine security.

ining is one of corporate Canada's main games. So whether Canada plays the role of rogue or reformer matters a lot, both for our economy and for our standing among nations.

About half of the world's public mining companies are listed on the TSX and TSX Venture Exchange. It's the top place in the world to raise mining money, accounting for 49% of financings in 2018. Mining employs more than 400,000 Canadians directly and more than 200,000 indirectly. In 2017, the sector contributed $72 billion to Canada's GDP and accounted for 19.4% of the value of goods exports.

Truly Canadian miners may be an endangered species, however. Last year, Barrick Gold, the country's largest gold miner, agreed to buy Randgold Resources Ltd., but the combined company is being run by executives at Randgold, which is based in the Channel Islands. Another major, Goldcorp, was acquired by Colorado-based Newmont Mining in January. And Nevsun Resources, the mid-tier miner accused of using slave labour in Eritrea, is being acquired by China's Zijin Mining Group. That leaves potash giant Nutrien as the sole Canadian miner rubbing shoulders with the industry's multinational behemoths: Rio Tinto, Glencore and BHP. Other senior Canadian names include Teck, Kinross, First Quantum and Agnico Eagle. The Canadian middle tier is populated by scores of companies; the junior tier, by thousands. Many of these companies have projects in Canada as well as in poorer countries. Between them, Tahoe and Pan American Silver have mines in Ontario as well as in five Latin American nations.

If any company personifies the sector's contradictions, it's Barrick, which was built into a colossus by Peter Munk, a sophisticate who endowed one of the world's leading human rights research centres, the Munk School at the University of Toronto, even while Barrick was embroiled in human rights and environmental conflicts in Chile, Papua New Guinea and Tanzania.

Left to right: German Chub Choc, Angelica Choc and Angelica's son, in Toronto to be questioned by Hudbay's lawyers, are followed by their lawyer, Cory Wanless, and a translator.

That Latin America has been a hot spot for miners was confirmed by a 2018 report published by University of Ottawa political scientists. It found that of 634 properties at the advanced exploration phase or beyond in five Latin American countries in 2012, 128 were associated with conflicts. About a third of these mines were Canadian-owned, the report noted. Yet it also concluded that Canadian-owned firms may be more socially responsible than other foreign-owned firms operating in Latin America.

A 2016 study led by Osgoode Hall's Shin Imai linked 28 Canadian miners to violence in Latin America between 2000 and 2015. These episodes entailed at least 709 "cases of criminalization" and 44 deaths, of which 30 were "targeted."

This is not the sort of thing that shows up on miners' websites, which tend to trumpet their social credentials. "There's deep irony in the mining companies claiming to bring Canadian values to Latin America," says Imai. "One of the biggest threats to Indigenous people in Latin American comes from Canadian mining companies."

Imai has had a hand in the seismic change now rumbling through the sector: A 2014 study he co-authored, along with work by other legal scholars such as former Supreme Court of Canada judge Ian Binnie, helped trial lawyers persuade judges to hear the Tahoe, Hudbay and Nevsun cases. Now, Imai believes, it's only going to take one court decision to transform the industry. "The companies really only care about their shareholders and their ability to raise funds," he argues. "That's why it's so important that Canadian judges have now begun to take some of these cases of conflict in foreign countries seriously. We've made a very significant breakthrough in the law."

On the government—as distinct from the judicial—side, Canada's efforts to contend with the issue date back to 2000, when, as a member of the Organisation for Economic Cooperation and Development, the country was required to establish a "national contact point" for complaints about Canadian companies overseas. At around the same time, many Canadian companies began establishing corporate social responsibility (CSR) teams tasked with fostering good relations in communities where they operate.

Five separate United Nations bodies have called on the federal government to hold Canadian companies accountable for their operations overseas, Imai notes. Echoing the demand, the human rights arm of the Organization of American States has said that its members, "such as Canada," should adopt measures to prevent "multiple human rights violations."

In 2009, the federal government released a policy paper, "Building the Canadian Advantage: A CSR Strategy for the International Extractive Sector," that established an Office of the Extractive Sector Corporate Social Responsibility Counsellor. But that office, once operational, was widely criticized for being ineffective by social

Three cases and one turning point

Until recently, when people in developing countries like Guatemala and Eritrea were displaced or assaulted due to Canadian mining operations, their only recourse was the local court system, where fair treatment isn't assured. Since 2013, however, Canadian judges have begun to allow a handful of cases to be heard in Canada, on the basis that Canadian courts may be fairer and more experienced. Below are the three cases currently before Canadian courts.

ESCOBAL
Tahoe Resources
San Rafael Las Flores, Guatemala
Tahoe is alleged to be responsible for violence against protesters
Status Case is before the Supreme Court of British Columbia

FENIX (pictured right)
Hudbay Minerals
El Estor, Guatemala
Hudbay is alleged to be liable for rapes in 2007 and murder and violence in 2009 at the mine
Status Ontario Superior Court of Justice is hearing the three cases

BISHA
Nevsun Resources
Western Eritrea
Nevsun is alleged to be complicit in slavery
Status In January, the Supreme Court of Canada heard arguments about whether the case should proceed

MAPS NOT TO SCALE

justice advocates, and Ottawa responded last year with the decision to establish an ombudsperson, equipped with "all the tools required to ensure compliance with information requests, including the compelling of witnesses and documents, in the hopefully very rare circumstances where a company is not fully and appropriately cooperating."

The new ombudsperson, once appointed, is to focus on human rights in the garment, mining, and oil and gas sectors and will be able to recommend sanctions, including the withdrawal of government services such as trade advocacy and future Export Development Canada support. "Any evidence of Canadian criminal wrongdoing will be provided to the appropriate law enforcement authority," the government promises.

The Mining Association of Canada, the industry lobby, has urged caution. Prior to the announcement of the new ombudsperson's office, association president Pierre Gratton said he opposed any "mechanism that is quasi-judicial with far-reaching, unworkable investigatory powers." He warned that an overly intrusive approach "is in fact more likely to exacerbate tensions to the detriment of all, including local communities."

Since 2006, the association has required its members to satisfy its "Towards Sustainable Mining" checklist. Ben Chalmers, the association's senior vice-president for sustainable development, says that while the majority of Canadian miners have implemented the checklist domestically, it remains voluntary for them to do so internationally. So far, only six companies (Hudbay, Agnico Eagle, First Quantum, Iamgold, New Gold and Excellon) have done so. More promisingly, however, mining associations in five countries—Argentina, Botswana, Finland, the Philippines and Spain—are adopting the Canadian standards.

There are other pressure points. In January 2015, Norway's Government Pension Fund Global announced it would exclude Tahoe from its investments "due to an unacceptable risk that the company, through its operations in Guatemala, contributes to serious human rights violations." Meanwhile, some leading purchasers of metal and minerals, including BMW, Tesla and Apple, are pressing their suppliers for information about community conflicts.

Canadian miners are reading the signals from all quarters, Chalmers believes. "The evidence is very clear that community conflict is very expensive. It represents a competitive advantage for companies that are able to avoid it."

Good intentions like those of the Mining Association of Canada often fare badly in countries such as Guatemala, whose recent history is marred by dictatorship, war and endemic corruption. On the UN's Human Development Index, the country lags every Latin American and Caribbean nation besides Haiti and Honduras, the original "banana republic."

The Hudbay case involves three lawsuits accusing the company of being liable for rapes and murders at the Fenix nickel mine it formerly owned near Lake Izabal in eastern Guatemala.

As has happened often in such disputes, issues of accountability are blurred by changes in ownership—of mines, of companies or of both. When Canadian mining giant Inco developed the mine in the 1960s, thousands of Mayan people were evicted from their lands. The more immediate roots of the conflict are in 2007, when Toronto-based Skye Resources owned the mine. According to documents that Toronto lawyer Cory Wanless filed in court last summer, that's when CGN, Skye's Guatemalan subsidiary, paid more than $100,000 (U.S.) to go-betweens, who channelled the money to police and the Guatemalan military to forcibly evict Mayan Q'eqchi' people from their villages.

In 2008, Hudbay bought Skye Resources and, with it, the conflict,

A lawsuit alleging sexual assault by security personnel at the Fenix mine brought another set of plaintiffs from rural Guatemala to Toronto to be questioned by Hudbay's lawyers. At right, Margarita Caal Caal (blue); far right, Rosa Elvira Coc Ich; above, a lunch break en route.

which turned fatal during protests in September of the following year.

Last summer, Wanless brought two of the plaintiffs in the resulting lawsuit to Toronto to be questioned by Hudbay's lawyers. According to Angelica Choc, her husband, Adolfo Ich Chaman, a community leader, was killed during the protests; German Chub Choc (no relation), who uses a wheelchair, says his paralysis resulted from injuries sustained at the same time.

"It was a gruelling and saddening week," Angelica reflected as she rested after the questionings last summer at the Toronto home of a supporter. "I felt destroyed and saddened sitting before the representatives of this company that killed my husband."

The lawsuit alleges that a Hudbay subsidiary employed security personnel who assaulted Ich Chaman with machete blows before shooting him in the head at close range. Another seven members of the community were allegedly wounded by mine security, including German Chub Choc. Hudbay refutes the accusations. It does not, however, still own the mine—it sold it in 2011 to Swiss-headquartered Solway Investment Group.

Angelica, though petite, projects implacable resolve in her effort to seek justice for the father of her five children. She says the Q'eqchi' have never accepted the legality of the mining concession on land they claim as their own. "These crimes could all have been avoided if the Canadian businesspeople involved had respected our basic human rights, and sat down with us and consulted with us about their plans, even if they were told by our government that they didn't have to."

Indigenous consultations, or the lack thereof, also figure in the Guatemalan travails of Tahoe.

The San Rafael silver deposit, which has been mined since 1694, was acquired in 1998 by Nevada-based Glamis Gold; it established the true extent of the deposit in 2006. Goldcorp bought Glamis that year. In 2010, Goldcorp sold the property to Tahoe, which paid $505 million (U.S.) in cash and shares. (Tahoe's founding CEO, Kevin

McArthur, was formerly CEO of both Glamis and Goldcorp.)

The Escobal mine was built in 2013 after the Guatemalan government issued a mining licence despite fierce local opposition. Escobal went into production in 2014, and the next year, Goldcorp sold its Tahoe shares for approximately $1 billion.

A local non-Mayan Indigenous people—the Xinka—objected to the project in Guatemalan courts. Their lawyer, Kelvin Jiminez, argued that the mining licence contravened an international agreement that required Guatemala to consult affected Indigenous people in resource development. The country's ministry of energy and mines maintains that in this case there are no Indigenous people to consult. (The ministry agreed to answer written questions for this article, but ultimately did not.)

When the country's supreme court, heeding Jiminez's arguments, shut down Escobal in 2017, Tahoe's bonanza became a burden. Its shares, already battered, plummeted 33% in a day, and Tahoe was saddled with millions in monthly costs just to keep the mine stable. The devaluation inspired November's proposal by Pan American Silver to purchase Tahoe for roughly $1.1 billion (U.S.), a valuation described by Tahoe shareholder John Tumazos as "25 cents on the dollar." At press time, the deal was expected to close on February 26.

In March 2018, Guatemala's Constitutional Court asked for several independent reviews—of the mine's environmental impacts, of the consultation process that led to the mine being licensed and of its impacts on the Xinka. Last September, the court instructed the ministry of energy and mines to consult with the Xinka. Tahoe officials said they were confident this edict opened a path to reopen the mine.

The project has many supporters in Guatemala. "We've defended the mine on the principle that the company cannot be held responsible for something the government is accused of not doing," says Juan Carlos Tefel, president of the Guatemalan Chamber of Commerce. The dispute has dampened investment in Guatemala, he adds. "What happens to the thousands of people who lost their jobs in San Rafael, many of whom are now considering illegal migration to the U.S.?" Tefel asks. "What about *their* human rights?"

At the local level, however, opinion is divided. "The conflict has been devastating," says Amelia Matthias, a former farmer who built a business that employed 25 local women making soaps used in the mine—while it was open. "The protesters make some good points. But almost everyone here suffered when the mine closed. And it all could have been avoided."

Hugo Manfredo Loy, the mayor of Mataquescuintla, a village north of San Rafael, complains that neither Tahoe nor the Guatemalan government respected the results of a 2011 plebiscite that indicated 98% of his constituents opposed the mine. But the vote did ultimately make an impression on the Supreme Court. "The company officials and their government cronies acted as if we don't matter when they came here," Loy says, adding that the mine has a future only if its owner "admits its errors and asks for forgiveness, and if the community is properly consulted and agrees to let the mine reopen." While Matthias supports the mine, she calls it a mixed blessing. "The company brought jobs, but it did a very poor job of distributing them evenly. There are too many communities that were left out."

When it comes to Tahoe's community relations, Matthias can barely contain her exasperation. Some of the efforts were half-hearted, she says, describing an infant nutrition program run from a primitive shed at the edge of town. As for the public proceeds from the mine (Tahoe remitted about 5.5% of its revenues from the mine in royalties and another 7% in taxes), she acidly observes that some of the money was used by local politicians to build a luxurious town hall, a police station and—to the amusement of local cynics—a massive new cemetery. According to Matthias, "at the very least, Tahoe needs to contribute to community schools and health care on a much bigger scale. After all, isn't that what happens when Canadian companies like Tahoe build mines back home in Canada?"

Kelvin Jiminez, the Indigenous lawyer who helped persuade the Guatemalan Supreme Court to suspend operations at Tahoe's mine,

Jason Batise has negotiated agreements with Tahoe and many other miners in Northern Ontario on behalf of the Wabun Tribal Council. "We're not going anywhere, and we remember what they do."

sees a disparity that even improved CSR programs won't address. "We heard about a case in Canada of a mine that was closed because it was hurting salmon in a river, which hurt the local Indigenous people," Jiminez says. "That really made us think. But when we discussed that contradiction with an official at the Canadian embassy here, he told us, 'We're sorry, but we have our laws in Canada, and you have your laws in Guatemala. And we're here to help Canadian companies do business.' "

Tahoe officials say they're undertaking a broad review of the company's community relations efforts. The aim, says Alexandra Barrows, Tahoe's vice-president of investor relations, is to ensure the benefits flowing from the mine are shared as broadly in the community as possible. "Sometimes our execution of those values has been lacking," she says. "We're working on getting a better understanding of where we have made mistakes. We need to achieve more regional economic impact. We want to act as a catalyst, for example, in helping to revitalize the local coffee-growing industry."

As for the question Matthias posed regarding the startling disparity between Tahoe's Canadian and Guatemalan royalty and tax payments, Barrows notes that "Canada is much more advanced than Guatemala" in its approach to resource extraction and royalties. Under Guatemalan law, Tahoe is expected to pay only 1% of its revenues in royalties. The company instead voluntarily paid 5.5%, Barrows emphasizes. "These dollar figures come at the end of very long algebraic equations, although we do feel that there's always room for improvement."

That sentiment is endorsed by Jordan Rodas Andrade, Guatemala's human rights ombudsperson. "The economic model for mining in this country has to be revised," he says. "Everyone knows the low royalties are a source of conflict, and it looks as though the transnational companies come here to prey upon us. If this sort of behaviour is frowned on in Canada, why should we accept it in Guatemala?"

A light snow is falling outside the office of the Wabun Tribal Council in Timmins, Ontario, when Jason Batise, the council's executive director, arrives at work on an overcast morning. Standing at his office window, Batise points across the road to a giant berm. "That's a Goldcorp mine, right here in downtown Timmins." Batise taps his foot on the carpet. "Down below here is the old Hollinger mine. Underneath, this whole town is honeycombed with old mining shafts."

Since 2006, on behalf of the Wabun Tribal Council, which represents five Ojibwe First Nations, Batise has negotiated more than 90 agreements with mining companies active on Indigenous lands in northern Ontario, which is in one of the world's most intensively mined regions. Batise also helped reach a deal with the province of Ontario whereby 40% of mining royalties earned on Indigenous lands go to First Nations.

"Our lands are almost entirely covered by mining claims," Batise explains. "But up until just a few years ago, the majority of our people couldn't find work, and many survived on welfare. That's changing fast now."

Two of the agreements Batise negotiated are with Tahoe, which operates two mines near Timmins. Other than a laconic "as in all marriages, there are ups and downs," Batise has little to say about Tahoe. No matter which company he's dealing with, Batise's aim is to wring concessions that deliver revenues to First Nations, as well as business, training and employment opportunities, alongside environmental guarantees.

"These agreements ensure the community's commitment to work with the mine," he says. "We're in the game, working with them throughout the mine development cycle. We follow the projects through every stage. We're not going anywhere, and we remember what they do."

Over the past decade, Batise argues, signing a contract with First Nations in the region has gone from being discretionary to compulsory. It's a nationwide development propelled by a series of landmark Supreme Court of Canada decisions that affirmed the duty of companies and governments to consult with and accommodate First Nations whenever their interests are affected by resource developments. "Do we trust them? Only as far as we can throw them," Batise says with a chuckle.

While stressing that CSR programs can be important, Batise is not interested in handouts. "We take a rights-based position. It's our territory, and these are wealthy lands. And that's why we want Impact and Benefit Agreements that guarantee we don't have to rely on government subsidies anymore. You take a look around our communities, and you can see all kinds of evidence of the prosperity we're achieving."

At Tahoe's Bell Creek mine site, Tom Laughren, who was Timmins's mayor before joining Tahoe as its director of corporate and social responsibility for Canada, speaks proudly of the projects he's working on with local partners to help restock local lakes and rivers and to train Indigenous women for mining jobs. In a community that also hosts operations by the likes of De Beers, Glencore and Goldcorp, Laughren says Tahoe has played a leading CSR role.

But, like Batise, Laughren says the advent of Impact and Benefit Agreements over the past decade has dramatically altered the landscape for miners. "It's become unthinkable not to have one," he asserts. "That partnership is critical."

Should the model be followed in Guatemala? "You need a receptive jurisdiction," Laughren says. "In Canada we have it. But could you look at some of our successes here in Canada and replicate them down there? Sure."

LAUGHREN'S ATTITUDE is widely held in the industry, judging by proceedings at the Prospectors and Developers Association of Canada's annual conference last March. The association describes the Toronto gathering as the world's premier mining event. It can marshal some striking numbers to prove this claim: The gathering drew more than 25,000 delegates from 135 countries, including 3,495 investors, 68 government delegations, 26 mining ministers and 525 "self-identified Aboriginal attendees."

Human rights and sustainability featured significantly in the conference program, which included a series of well-attended Corporate Social Responsibility events. Numerous senior industry figures, including executives from Rio Tinto, Teck, Newmont Mining, Goldcorp and Glencore, spoke during these sessions, and in satellite gatherings, with candour and urgency about the industry's desire to put environmental and human rights scandals behind it. Sustainable mining, everyone agreed at a panel on the topic, is good for business. It's also an inevitability, warned Tom Albanese, a former CEO of Rio Tinto. "People affected by mining have acquired a growing voice over the past 20 years," he said. "Sensitivities around sustainability have increased at least tenfold over the past decade."

Elaine Dorward-King, head of sustainability and external relations at Newmont, echoed the message that external pressures are propelling rapid change in the industry. "Supply-chain auditing for human rights has become ubiquitous. The best way to generate good perceptions is to do the right thing." The Canadian government's decision to create an ombudsperson "could be a good thing," Dorward-King added. Scott Yarrow, her counterpart at Glencore, firmly concurred. "It *is* a good thing."

Also speaking at the conference was Ginger Gibson, a director of the Firelight Group, a Western Canadian consultancy that helps First Nations negotiate with resource companies. She advocates for made-in-Canada solutions that have been forged in decades of litigation, negotiation and consultation. The pivot began in the 1970s, Gibson notes, with a court decision that forced the Quebec government to partner with the Cree people affected by the James Bay hydroelectric project.

As controversial energy projects ranging from the Trans Mountain Pipeline in the West to the Muskrat Falls hydro project in Labrador illustrate, the made-in-Canada approach is still a work in progress. Disputes develop, Gibson says, when companies "fail to build deep relationships. The onus shouldn't be on the communities to build those relationships. It should be on the companies."

For Tahoe Resources, community conflict has proven catastrophic. Investors in numerous other companies have been similarly punished—perhaps none more so than in the case of Barrick, which was compelled to write off close to half a billion dollars last winter after a Chilean judge sided with environmentalists opposed to the Pascua-Lama project.

These situations are only going to increase in number, putting billions in shareholders' money in jeopardy as more cases are heard in Canadian courts, Gibson says. "Companies that do a poor job of consulting with Indigenous communities are going to be held to account. There are numerous avenues of recourse for Indigenous complaint, and big projects can be shuttered. Community conflicts are expensive in both financial and reputational terms."

But for the companies willing to spend money and time engaging with local Indigenous nations, the benefits can be massive, Gibson argues. "There are numerous examples of well-led projects across Canada where resource companies are prospering in close collaboration with First Nations and other local communities," she says. "I have gold stars on the names of many companies. It's all about their senior managers instructing their staff that Indigenous rights should be a top priority."

The formula for mining and other resource companies to avoid conflicts in places like Guatemala is right at hand, Gibson insists. "I wouldn't want to be arrogant about our ability to solve problems in other countries. But even so, I suggest we look to our own north to find the solutions to the conflicts in the south." RR