



Embassy of the Bolivarian Republic of Venezuela to the United States

Fact Sheet:

Open-Pit Mine in the Imataca Forest Reserve: The Case of Las Cristinas

The Ministry of People's Power for the Environment (MinAmb), in its capacity for guiding environmental policy, is **requiring mining companies to abide by the law to guarantee the rational use of the country's natural resources**. This means using natural resources in a way that minimizes environmental and socio-cultural impact, keeping in mind that the goal is the well-being of Venezuelans, confirming the people's sovereign right over their natural resources for their well-being.

MinAmb is currently in the process of revising all concessions granted for mining, as well as timber, in the Imataca Forest Reserve, which forms part of the Guayana region of Venezuela. **MinAmb has taken decisions to ensure that firms operating in this area conform to current law.**

The first decision was revoking the environmental permits for the "Las Brisas" project of Gold Reserve, Inc, after verifying the environmental damage caused by the project. The second was denying a natural resource extraction permit (AARN) to the Crystallex firm for the extraction of gold from the "Las Cristinas" deposit following an environmental, socioeconomic and cultural impact study which noted the possibility of irreversible damage to the ecosystem and culture of the area.

Las Cristinas and the Crystallex Open-Pit Mine Project

Las Cristinas is located in the Imataca Forest Reserve of the Guayana region of Venezuela. It is known for its complex ecological mosaic, and it is one of the last freshwater and forest reserves in the world. Furthermore, it plays an important role in balancing the world's climate system.

It has the biggest gold deposits in Latin America and is fifth in the world, with proven reserves of 16.9 million ounces of gold. In September of 2002, Venezuelan Corporation of Guayana (CVG) announced the selection of Crystallex as a partner to develop concessions 4, 5, 6, and 7 of Las Cristinas. This contract gave the firm the exclusive right to develop and extract these rich gold deposits. The project had a length of 34 years with a daily production of 20,000 tons of gold per day with a possible expansion to 40,000 tons per day.

The extraction of the mineral would involve an open-pit mine, using a gravity-based and carbon leaching conventional circuit process. This process would result in the removal of vegetation and in water pollution.





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Environmental Permits:

In the Bolivarian Republic of Venezuela, every natural resource extraction project must comply with and adjust to the law. The first phase requires environmental and socio-cultural impact studies, which are designed to detect potential threats to the environment as well as to local communities.

“No environmental permits for open-pit mines will be issued as these cause environmental degradation.”

The impact study for the Las Cristinas mine project concluded that the project would have a negative impact on the environment and local communities. The development of this activity within the Imataca Forest Reserve is limited by current environmental regulations, and is subject to environmental impact studies, to strict operating rules, and to environmental supervision, all of which seek to regulate activities which have the capacity to harm the environment.

The key requirements are: obtaining authorization for occupying territory (AOT), and a natural resource extraction permit (AARN) as established by the Organic Law of Land Zoning of 1983. **In the Crystallex case, the MinAmb did not grant the AARN due to the negative socioeconomic, environmental and socio-cultural impact that the project would have had given that it is an open-pit mine, which is an environmentally degrading method that is not compatible with the MinAmb’s forestry obligations.**

In a recent declaration, Venezuela’s Minister of the Environment warned that “no environmental permits for open-pit mines will be issued,” making sub-surface mining a more viable option.¹

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¹ http://noticias.aol.com.mx/articulos/_a/gobierno-venezolano-controlara-la/n20080621194409990010