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## [Nicaragua: Australian gold mining company in the rainforest](#)

Recursos Nicaraguenses y Australianos S.A. (RENAUSTRA), financed by the Australian companies Mars Geosciences and Boss Resources Corp., is trying to develop its gold mining activities in the buffer area of the Bosawas Reserve, which is one of the largest remaining rainforests in Central America. This provoked concern among local people and environmental NGOs, which denounced that the sources of fresh water of the community of Luz de Bocay were in danger and that the company was trying to buy the favour of the population of that poor area.

As time went by problems increased and fresh water resources of the community of Ayapal, at Cua Bocay Municipality, were also menaced, which promoted social upheaval. A civic committee was formed with local people, NGOs, the Association of Women and Catholic Church representatives, with support from the Dutch Cooperation, to resist mining in the area. This activity puts at risk 36 mestizo and indigenous communities. The media has begun to be interested in the conflict and local broadcasters have even emitted communiques opposing RENAUSTRA.

The company reacted by trying to show its aim of "helping" the community, by hiring local leaders and relatives, paying them high salaries if compared with the meager incomes people have in that very poor area, and proposing to pay the salary of the only school teacher. Applying a mafia style RENAUSTRA even influenced the decision of local authorities. Cua Bocay Municipal Council had addressed a letter to the Ministry of the Environment and Natural Resources expressing their complete opposition to the concession of exploration or exploitation permits for gold mining to RENAUSTRA in that territory. Soon afterwards, under the influence of the company, the majority of the Council decided to change their mind and emitted a second communique supporting mining activities. It has also been denounced that the company is trying by all means -even violent ones- to avoid that local people are informed of cases where the disastrous environmental and social consequences of gold mining at the local level have been registered. Last but not least, the company altered the result of water analysis pretending that traces of heavy metals were detected in the water of the area before mining activities were undertaken and offering to build a new fresh water supply system. Independent analysis carried out by the environmental NGO ATDER-BL and competent public organizations showed that those results were false.

This a clear case of the social and environmental impacts resulting from the activities of a powerful foreign company, which aims to profit from the very difficult economic situation, the weak environmental legislation and the lack of implementation of adequate controls regarding natural resources conservation in a country like Nicaragua.

Source: Joshua Karliner, Corporate Watch, 9/6/99, e-mail:jkarliner@corpwatch.org, based on information provided by Jorge Ayala, ATDER-BL, 28/5/99,

