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Setena gives green light to project to extract gold in San Carlos

They are expecting to exploit 650,000 ounces

Minae: we still have to wait for the judgment of the Constitutional Court to say if the mining concession is in force. Ecologist group of the area says it will impede the progress of the project

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Ciudad Quesada and San Jose. On Tuesday, the mining company Industrias Infinito obtained the environmental permit to extract 650,000 ounces of gold in Crucitas, Cutris, canton of San Carlos.

The Secretaría Técnica Nacional Ambiental (Setena), granted the environmental feasibility of the project after three and a half years of discussions and questionings on the possible risk of extracting gold with cyanide (a highly toxic substance)

The endorsement means one more step for Industrias Infinito's plan, but they have not won it all.

In December, 2004, the Constitutional Court annulled the mining concession in Crucitas because neither feasibility nor the environmental impact study had been approved for the company.

Immediately after, the mining company as well as the Ministry of Environment and Energy (Minae) filed , before the Constitutional Court, an acceptance appeal and an appeal requesting the trial judge to explain or clarify the judgment pronounced.

Both of them claimed that the mining concession did not depend on an approved Environmental Impact Study and that the company could not get a sanction for a rule that was not in force at the time the concession had been requested.

Such study was incorporated as a requirement in the reform to the Mining Code approved in June, 2001, 18 months after Infinito competed in order to obtain the license for gold extraction.

Corroboration from Constitutional Court missing. To Jesus Carvajal, manager of Industrias Infinito, the only thing missing to be able to start the project is the corroboration on the part of the Constitutional Court that the environmental impact study of the company has been approved.

On the other hand, Carlos Manuel Rodriguez, minister of the Environment, considers that the Constitutional Court could still oblige the company to request a new concession.

If that were the Court's decision, a moratorium decree signed by President Abel Pacheco and in force as of June, 2002, would be applied to the company.

This decree would suspend, indefinitely, the opencast gold exploitation in the country.

After this interpretation, Rodriguez showed caution as regards to the permit given by Setena and said that he would wait for the last ruling of the Constitutional Court.

San Carlos mayor, Alfredo Cordoba, said yesterday in Ciudad Quesada that he will promote the communal participation in the environmental programs of surveillance "to guarantee that an eventual exploitation of gold will not have negative effects on the environment and the population"

At the same time, Carlos Murillo, member of the Frente Norte de Oposicion a la Minería [North Front of Opposition to Mining], expressed that this group "is not willing to allow the company to continue with their project"; but he did not specify which were the measures to be taken.

The mine in brief

Location: the Crucitas mining project is located in Cutris, San Carlos, 95 kilometers away from Ciudad Quesada, Alajuela.

Capacity: it is a deposit of 650,000 ounces of gold valued in \$280,5 millions, according to the market price of \$431.6 per ounce

Operation: the extraction would be carried out in a 10 year period. However, the concession can be renewed under the name of the same company for other 15 years.

Context: Setena's support was given three weeks after La Nacion published the threat on the part of the mining company to sue the country for \$276 millions. Industrias Infinito continues with an international arbitration, accusing Setena of constant delays in this case.