



Rainforest Action Group

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Rinehart vs Chilean Government over spoils for Potential Ecuadorian Copper Mine

Ecuadorian investigation shows a conflict between Codelco and a subsidiary of Australia's Hancock Prospecting, Hanrine, over control of the Llurimagua copper mine.

Information revealed on August 3, in the Periodismo de Investigación article [The war for Llurimagua](#), sheds light on the activities of a subsidiary company owned by Gina Rinehart, Australia's wealthiest person, as she tries to gain influence and inroads into the global copper supply.

'The unstable situation in Ecuador has meant that the planned influence, has definitely not gone to plan. Some would say it's been an unmitigated disaster and could undermine confidence in the entire Ecuadorian mining industry,' says Anthony Amis, a researcher for the Rainforest Action Group, an organisation investigating the actions of Australian mining companies in Ecuador.

'The Llurimagua concession is located in the north west of the country and has been the source of [conflict](#) between communities in the Intag Valley and the Ecuadorian State since 1995. For instance, 389 troops and elite police were used against the community who opposed the mine in 1994, with a community leader jailed for 10 months on false charges,' Mr Amis says.

In recent years, the Ecuadorian Government Mining Agency (ENAMI) joined up with the Chilean Government's Copper Arm (Codelco) to jointly develop the Llurimagua mine. Codelco is the world's largest copper miner.

'The Llurimagua region lies under primary cloud forests, and is included as a Tropical Andes Biodiversity Hotspot, one of the most biodiverse regions of earth. Mining would cause massive deforestation and pollution of rivers and streams across a vast area. Hundreds of animals and plants would face extinction if mining was approved,' Mr Amis says.

The War for Llurimagua article reveals significant details about the fight for control over the copper mine – slated to become one of Ecuador's largest.

'The article reveals conflict between Codelco and a subsidiary of Australia's Hancock Prospecting, Hanrine, over who would control the development of Llurimagua,' Mr Amis says.

'The conflict was recently highlighted by the arrest of Hanrine's manager, Carlos de Miguel for illegal possession of firearms and ammunition. Miguel argued in the press that he was innocent and that the Minister Maria Paula Roma was targeting him over other issues.'

Apparently, Hanrine and Codelco had been in dispute over Llurimagua since 2017, with Hanrine offering up to \$400m for access to the Llurimgua concession. Codelco were more or less granted the concession for “free” by the support of past Ecuadorian President Rafael Correa.

‘Hanrine was granted access to 6 mining concessions by Lenin Moreno’s Government in January 2018, but a public relations calamity unfolded at the same time, with 10,000 illegal miners starting a gold rush on one of those concessions, Imba 2. The Government sent in 2000 soldiers to clear out the concession in July 2019 due to murders, violence and influence of mafia cartels. It is unclear if Hanrine has gained back control of the concession and who pays for the massive remediation costs due to environmental damage. Welcome to Ecuador,’ Mr Amis says.

Hanrine apparently wrote dozens of letters to the Ecuadorian Government requesting that the Llurimagua concession be opened up to an auctioning process. In response to this pressure, Codelco’s Attorney General recently wrote to Hancock’s Executive General Manager in Perth, more or less saying “Stop interfering in our business”.

Furthermore, *‘...any subsequent action by Hancock will undoubtedly constitute conscious and intentional interference that could be extremely detrimental to Codelco's contractual rights.’*

*“In light of the foregoing, Codelco requests that Hancock and any of its subsidiaries and / or affiliated entities immediately desist from any conduct that may interfere, directly or indirectly, with Codelco's contractual relationships related to the Llurimagua Project. Additionally, Codelco reserves all of its rights against Hancock with respect to any past or ongoing conduct that interferes with its contractual relationships as set forth above, including its right to request injunctive relief, damages and any other order deemed appropriate in light of the circumstances ”.*¹

Carlos Miguel has had apparent influence with both the Correa and Moreno Governments. He was also obviously influential in Hanrine getting the 6 concessions near Buenos Aires under the Moreno Government and had developed a close friendship with Correa’s Minister of Mines, Javier Cordova. Furthermore, Miguel had also formed a relationship with ex-Enami manager Stevie Gamboa, who on leaving Enami became the legal advisor for Hanrine. Miguel also ran a private security company and has a detailed past linking him with privileged information regarding a number of infrastructure developments in Ecuador.

‘If Miguel’s recent brush with the law is a payback of some kind from the Ecuadorian Government, one has to wonder what else he has done to obviously upset the Ecuadorian State. One also has to wonder what the response will be from Miguel and Hanrine?,’ Mr Amis says.

The world’s resource companies continue to target South America for raw resources, including resources for renewable technology. Copper is being marketed as a requirement for electric cars, batteries and the like. If markets are denied by Governments, industrialists can

¹ As quoted in the Periodismo de Investigación article: <https://periodismodeinvestigacion.com/2020/08/03/la-guerra-por-llurimagua/>

mount all forms of pressure on non-compliant Governments. This has recently been [highlighted](#) in a number of publications concerning Elon Musk and lithium in Bolivia.

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Contamination from mining exploration at Junin community reserve. Image credit: Carlos Zorrilla