

International Investment Complaint Filed Against Canadian Mining Company

Canadian and Ecuadorian Organizations Allege Vancouver-based Ascendant Copper Breached International Corporate Responsibility Standards in Biodiversity Hotspot

(May 18, 2005 – Ottawa - for immediate release) Ecuadorian citizens' group leader Carlos Zorrilla arrived in Ottawa today to file a formal complaint with Canada's Department of International Trade against Ascendant Copper Corporation (ACC). Mr. Zorrilla and others are calling for an investigation into alleged breaches by ACC of the Organisation for Economic Cooperation and Development's (OECD) *Guidelines for Multinational Enterprises*.

Mr. Zorrilla, representing *Defensa y Conservación Ecológica de Intag* (DECOIN) stated, "I'm here because Canadians need to understand the real risk of violence that is emerging as a result of this company's activities." He went on to observe, "It is time for this country's authorities to stop pretending they have no influence over this kind of corporate behaviour. The Canadian government must take action to curb the excesses of Canadian mining companies operating and exploring overseas."

The OECD Guidelines are a set of corporate responsibility principles and standards the Canadian government is a signatory to and is obligated to promote.

Friends of the Earth Canada and MiningWatch Canada have joined with DECOIN in calling attention to ACC's project in the cloud forests of Ecuador. Communities and local elected officials in the area are united to protect their livelihoods and the ecosystems upon which they depend.

ACC's Junín project is located in the Toisan Range of north-west Ecuador (150 km from Quito), an area that is part of two of the world's 34 Biodiversity "Hotspots". In 1996, a preliminary environmental impact assessment carried out by Mitsubishi concluded that mining at Junín would result in massive deforestation, local climate change leading to desertification, contamination of rivers with toxic metals, and harm to dozens of endangered mammal and bird species.

The OECD complaint states that Ascendant Copper has not disclosed material information to the public and potential shareholders concerning its Junín project, including information on:

- *pending legal actions by the Cotacachi County government challenging the legality of the Junín concessions;*
- *a land ownership dispute that could lead to militarization in the project area; and*
- *intense opposition from local representatives and government officials to the potential forced relocation of four communities and the proposed mining activities generally.*

ACC is seeking to raise money on the Toronto Stock Exchange to move forward with the controversial Junín project. The organisations are calling on the Canadian government to ensure that a number of other breaches to the Guidelines are also investigated before the project moves forward, including whether the company has:

- *disclosed reliable exploration data regarding mineral reserves;*
- *engaged in improper political activities to seek an exemption to an environmental regulatory framework;*
- *violated Ecuador's Constitution and the national mining law for failing to obtain authorization from officials and local communities to conduct exploratory activities.*

The complaint also requests that the Canadian government assess whether Ascendant Copper has addressed allegations of human rights abuses that have been levelled by a prominent Ecuadorian human rights organization.

For more information or to interview Mr. Zorrilla, please contact:

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- Jamie Kneen, MiningWatch Canada: tel. (613) 569-3439, cell (613) 761-2273

For more information and to download the complaint, see:
www.miningwatch.ca/issues/Ecuador/OECDrls_en.html