November 19, 2025

David Rae, President and Chief Executive Officer DPM Metals Inc. 150 King Street West Suite 902, P.O. Box 30 Toronto, Ontario, Canada, M5H 1J9

Subject: DPM Metals Inc must permanently shut down its Loma Larga project and comply with the law

Dear David Rae:

In February 2022, a judge from the Labor Court of the canton of Cuenca ordered a provisional suspension of the Loma Larga Project as a result of a protective action filed by the Federation of Indigenous and Campesino Organizations in Azuay (FOA, Federacion de Organizaciones Indigenas y Campesinas del Azuay) and the Community Water Systems of Tarqui, Victoria del Portete, Girón, and Escaleras to suspend the mine due to a lack of prior, free, and informed consultation with indigenous communities, a lack of environmental consultation, and concerns about the impact on the environment and drinking water downstream from the Canadian mining project.

Four months later, in July 2022, the Labour Judicial Unit ordered the suspension of the mine. DPM Metals Inc. appealed, arguing, among other things, that there are no Indigenous communities in the area, and lost. The suspension was upheld in August 2023 by the Specialized Civil and Commercial Chamber of the Provincial Court of Justice of Azuay. In January 2024, the suspension was upheld again by the Constitutional Court of Ecuador, leaving the decision of the Provincial Court of Justice of Azuay in force. As of today (November 2025), the mine has been suspended for **more than three years** and the case is still in court. A final decision by the courts could lead to **the permanent suspension** of the project.

In 2019, 86.79% of the inhabitants of the canton of Girón voted in a **binding referendum** against the mine, forcing Canadian company INV Metals, the former owner of the mining project, to relocate the proposed gold plant. In 2021, in the city of Cuenca, 80.03% of the population voted in favor of banning mining in the water sources where the Loma Larga Project is located, in **another binding referendum**. Based on the principle of non-retroactivity, as of that date, the consultation in Cuenca extinguished the mining concession holder's rights to move forward with the exploitation phase of the Loma Larga deposit. As a result, the Ecuadorian State could not issue any administrative act or sign any agreement contrary to the popular mandate. Referendums are constitutionally endorsed by the Constitutional Court of Ecuador and are **not retroactive**.

Despite this clear legal and social rejection of the project, the Loma Larga project continues to operate in open defiance of the decision of the Superior Court and the Constitutional Court of Ecuador, as well as the two binding referendums held in 2019 and 2021.

The irregularities surrounding the awarding of the environmental license to the Loma Larga project in June 2025 led to growing and sustained social outrage. Such was the case with the free, prior, and informed consultation, which was widely denounced by the Indigenous community of San Pedro de Escaleras for having been carried out with people who are not part of their community. Furthermore, such a legal consultation process could not have taken place because no specific law regulating the procedure for the effective implementation and scope of "free, prior, and informed consent" has yet been passed in Ecuador, in accordance with Constitutional court rulings.

In response to constant public pressure, on Wednesday, August 6, Ecuador's Ministry of Energy and Mines <u>announced</u> that the suspension of the Loma Larga project would continue indefinitely until Dundee's <u>environmental management plan</u> for the project's exploitation phase was published and adequately disseminated to the population. Subsequently, the national government <u>announced</u> on September 25 that it would "initiate the process to suspend the environmental license for the Loma Larga project, operated by Dundee."

Public resistance to the project ultimately culminated in more than 100,000 residents of Cuenca and Azuay flooding the streets of Cuenca on September 16, 2025, in a historic protest dubbed the "Fifth River of Cuenca", demanding the cancellation of the mining concessions to DPM Metals Inc.

- On September 30, the company announced that it had "temporarily suspended its 23,000-meter drilling program, which was scheduled to begin in the second half of the year. The company will continue to engage with stakeholders to address their concerns and will work with the government to understand its expectations regarding the resumption of DPM's planned activities."
- On October 3, the Ecuadorian Ministry of the Environment (MAE) revoked the license for the project's exploitation phase: "A <u>result of sustained pressure from Cuenca and Girón</u>, especially from the fabulous Quinto Río Protest on September 16."
- A week after President Daniel Noboa said that the Loma Larga project "is no longer going ahead."

We are concerned about DPM's latest <u>press release</u> on October 6, which claims that, "[i]n light of this development [the revocation of the environmental license], we are assessing all available options to preserve value and maintain optionality for our shareholders."

We are also concerned by DPM's <u>public relations campaigns</u>, which appear to be attempts to coopt communities, and to promote a narrative to investors that it has social license for the project.

These communications seem to indicate that DPM intends to continue its operations despite the fact that its environmental license has now been revoked and the project is suspended. If DPM Metals Inc. is unable or unwilling to comply with Ecuador's Constitution, national laws, and environmental regulations, then it should cease operating in the country.

DPM Metals' pattern of failing to comply with the law, combined with the <u>violent and irregular manner</u> in which the company obtained its environmental license, has only **served to fuel unrest and discontent in the region and the country**. This is all unfolding in the context of a national strike called by Ecuador's largest Indigenous organization, CONAIE, against the country's extractivist development model, in which one of the main national demands is the annulment of the environmental license for the Loma Larga project and compliance with the Cuenca referendum.

After reviewing the project's Environmental and Social Impact Assessment (ESIA), an independent study published in September 2022 by the Geo-Environmental Corporation TERRAE concluded that serious errors and omissions in the company's plan for Loma Larga could put communities in the province of Azuay at high risk. The study highlights the high level of arsenic contamination, given the interconnection between the páramo—where the mining project is planned to be built—and the groundwater that is part of the water sources supplying hundreds of thousands of inhabitants in the region. The TERRAE study, as well as two other independent technical and scientific studies of the project that preceded it and the most recent study by the Municipal Water and Sanitation Company of the city of Cuenca (ETAPA) from 2024, reach conclusions similar to those of TERRAE: the project is not viable.

In its Corporate Responsibility Policy, DPM states that it applies "a rigorous holistic approach to tailings management, in line with the Global Industry Standard on Tailings Management, that provides for the long-term safe disposal of waste". However, as TERRAE's study highlights, DPM didn't considered in its ESIA scenarios in which high levels of precipitation or a natural disaster, such as an earthquake, could destabilize the tailings deposit and, on the contrary, has described a possible tailings failure as "irrelevant."

Of particular serious concern is the systematic criminalization and violation of the rights of environmental defenders due to their peaceful defense of the water and the Kimsakocha páramo. Recently, the organizers of the historic march for water protection on September 16, including members of the Federation of Indigenous and Peasant Organizations of Azuay (FOA), the Community Water Systems of Tarqui, Victoria del Portete, and the Water Council (Cabildo por el Agua), have been criminalized and their bank accounts frozen in an attempt to "criminalize social protest and silence community resistance."

Therefore, the communities of Azuay are not asking for a temporary suspension but for the permanent annulment of the project.

In support of the communities affected by the Loma Larga mining project and civil society, the undersigned organizations echo their demands and call on DPM Metals Inc. to:

- 1. **Permanently** suspend the Loma Larga mining project and its mining activities in the Kimsakocha páramo
- 2. **Respect** the court decisions of 2022, 2023, and 2024 and the binding referendums of 2019 in Girón and 2021 in Cuenca. DPM must respect these court decisions and comply with the law.
- 3. **Refrain** from any attempt to file lawsuits in arbitration courts, since Article 422 of the Ecuadorian Constitution prohibits the transfer of sovereign jurisdiction to international arbitration bodies.

For more than 30 years, the communities affected by mining have overwhelmingly and firmly expressed that the Loma Larga project is not in line with their livelihoods and local economy. Despite this clear legal and social rejection of the project, the Loma Larga project continues to operate in open defiance of the decision of the Superior Court and the Constitutional Court of Ecuador, as well as the two binding referendums held in 2019 and 2021.

It is time for DPM Metals to respect the decision of the Azuay Court, the Constitutional Court, and the two binding popular consultations. As Ecuadorian and international organizations, we join the call of Ecuadorians for a Kimsakocha without mining. Cuenca has already decided: Hands off Kimsakocha!

CC

Craig Kowalik Ambassador for Canada to Ecuador

Honorable Maninder Sidhu

Minister of International Trade, Export Promotion, Small Business and Economic Development

Simon-Pierre Savard-Tremblay

Porte-parole pour le Bloc Québécois en matière de Commerce international — Bloc Québécois spokesperson for International Trade

Don Davies

NDP Critic — International Trade

Elizabeth May

Parliamentary Leader of the Green Party of Canada

SIGNATORIES:

Argentina

- 1. Asamblea Argentina mejor sin TLC
- 2. Asamblea Jáchal No Se Toca
- 3. ATTAC Argentina
- 4. Confederación Latinoamericana y del Caribe de Trabajadores Estatales (CLATE)
- 5. Diálogo 2000 Jubileo Sur/Américas

Australia

6. Rainforest Information Centre

Belgium

7. CATAPA

Brazil

8. Environmental Defender Law Center

Bolivia

9. TerraJusta

Canada

- 10. Americas Policy Group (APG)
- 11. Association québécoise des organismes de coopération internationale (AQOCI)
- 12. Canadian Network on Corporate Accountability (CNCA)
- 13. Canadian Centre for Policy Alternatives (CCPA)
- 14. Centre international de solidarité ouvrière (CISO)
- 15. Comité pour les droits humains en Amérique latine (CDHAL)
- 16. Common Frontiers
- 17. CUAL UQÀM (Comité UQÀM Amérique Latine)
- 18. Friends of the Earth Canada
- 19. Grandmothers Advocacy Network
- 20. Greenpeace Canada
- 21. Humanitarian Health Hub
- 22. Kairos
- 23. Kanawayandan D'aaki
- 24. Mining Injustice Solidarity Network (MISN)
- 25. Mining Justice Alliance (Vancouver)
- 26. MiningWatch Canada

- 27. Nature and Biodiversity
- 28. Laboratorio Lagopède, Universidad de Québec en Chicoutimi (UQAC)
- 29. Latin American Canadian Solidarity Association (LACSA)
- 30. Le Journal des Alternatives
- 31. Pax Christi Toronto
- 32. People's Health Movement-Canada
- 33. Popular Democracy Movement
- 34. Rights Action
- 35. Terranfibia Researching Group
- 36. Victoria Central America Support Committee
- 37. Victoria Peace Coalition

Colombia

- 38. Alianza por los derechos de la Naturaleza ADN COLOMBIA
- 39. Colectivo ArtoArte
- 40. Comité para la defensa del agua y el páramo de Santurbán
- 41. Fundación Enlace Social
- 42. Mcc movimiento cívico de conciencia ciudadana

Chile

- 43. Chile Mejor sin TLC
- 44. Fundación Chile Sin Ecocidio
- 45. Observatorio de Conflictos Mineros de América Latina (OCMAL)
- 46. Observatorio Latinoamericano de Conflictos Ambientales (OLCA)
- 47. Plataforma América Latina y el Caribe Mejor Sin TLC

Ecuador

- 48. Alianza de Organizaciones por los Derechos Humanos del Ecuador
- 49. Cabildo por el Agua de Cuenca
- 50. Cabildo por las Mujeres del cantón Cuenca
- 51. CEDENMA
- 52. Centro de Documentación en Derechos Humanos "Segundo Montes Mozo SJ" (CSMM)
- 53. Colectivo Ecologista Jacuna Kai
- 54. Colectivo Somos Ciudadanos
- 55. Comunidad Panasgrupo del Ecuador
- 56. Fundación Savia Roja
- 57. Escuela Agroecológica de Mujeres Defensoras del Kimsacocha
- 58. Escuela de Mujeres Agroecológica de Leg Tabacay
- 59. Escuela de Agroecológica Virgen de la Merced
- 60. Escuela de Agroecológica y Biosalud de San Marcos

- 61. Escuela de Agroecologia de Bulán
- 62. Escuela de Agroecológica de Guayara 2
- 63. Escuela de Agroecológica de la UNOIC-S
- 64. Escuela de Agroecológica de Mujeres Sisa Wayra
- 65. Escuela de Agroecológica, Liderazgo y Salud Ancestral de Mujeres de la Ucorsayta
- 66. Escuela de Agroecológica de Tenta
- 67. Escuela de Agroecológica de Mujeres Asomupkisa
- 68. Escuela de Agroecológica y Medicina Ancestral Hermano Miguel
- 69. Escuela Agroecológica de la Libertad
- 70. Federación de Organizaciones Indígenas y Campesinas del Azuay (FOA)
- 71. Fundación Wakani
- 72. Junta Administradora de Agua Potable Victoria del Portete y Tarqui
- 73. Misioneras Franciscanas de San José
- 74. Movimientos de Mujeres Ecologistas del Sur
- 75. Proyecto Dulcepamba
- 76. Red Agroecológica del Cañar
- 77. Red Pluriversa Chela Calle
- 78. Yasunidos Guapondelig
- 79. Union de defensores del agua y la naturaleza

England

80. The Gaia Foundation

Germany

81. Rettet den Regenwald

Global

- 82. The Global Alliance for the Rights of Nature (GARN)
- **83.** Yes to Life, No to Mining Global Solidarity Network

Holand

84. Transnational Institute (TNI)

Honduras

85. Centro de Investigación y Promoción de los Derechos Humanos CIPRODEH

Mexico

- 86. Bios Iguana A.C.
- 87. GeoComunes AC
- 88. Otros Mundos Chiapas

- 89. Perspectivas Interdisciplinarias en Red, asociación civil
- 90. Red Mexicana de Afectadas/os por la Minería (REMA)

Panama

- 91. AdoptaBosque
- 92. Centro de Incidencia Ambiental (CIAM)
- 93. Colectivo Voces Ecológicas (COVEC)
- 94. Colibrí, Asociación Ecologista de Panamá
- 95. Espacio Encuentro de Mujeres -Colectiva Eco Resistencia Feminista
- 96. Guardianes del Rio Cobre

Peru

97. Derechos Humanos Sin Fronteras

Serbia

98. Earth Thrive

Spain

- 99. Atlas de Justicia Ambiental
- 100. Salva la Selva

Suisse

101. Rights of Mother Earth

United States

- 102. Defend Them All
- 103. Earth Law Center
- 104. Earthworks
- 105. Institute for Policy Studies Global Economy Program
- 106. Malach Consulting

University professors, lawyers, Indigenous leaders, and human rights activists:

- 1. Alberto Acosta, President of the National Constituent Assembly of Ecuador 2007-2008
- 2. Alberto Arroyo Picard, Professor and researcher, *Universidad Autónoma Metropolitana de México*
- 3. Alexandra Pedersen, Adjunct Assistant Professor, Master of Earth and Energy Resources Leadership (MEERL) program and Department of Geological Sciences and Geological Engineering, *Queen's University*
- 4. Ana Puyol, Biodiversity conservation specialist, Executive director Fundación Wakani

- 5. Andrea Sempertegui, Assistant Professor, Whitman College
- 6. Ann De Shalit, Gender & Social Justice, Trent University
- 7. Anne-Emanuelle Birn, Professor of Global Development Studies, University of Toronto
- 8. Catalina González, Communications professor, Universidad de Cuenca
- 9. Dr. Catherine Coumans, Research Coordinator and Asia-Pacific Program Coordinator, *MiningWatch Canada*
- 10. Dr. Catherine Nolin, Professor of Geography, University of Northern British Columbia
- 11. Cathy Vaillancourt, Professeure titulaire, Institut national de la recherche scientifique (INRS)
- 12. Dr. Chris Beyers, Associate Professor at the Department of Global Justice and Development, Director of the Human Rights and Global Justice, *Trent University*
- 13. Dave Saint-Amour, PhD, Professeur, département de psychologie, *Université du Québec à Montréal (UQAM)*
- 14. Daviken Studnicki-Gizbert, Professor of History, McGill University
- 15. Donna Ashamock- Kitchenuhmaykoosib Inninuwug, Treaty 9 territory, Eeyou/Inninew (Cree) community organizer
- 16. Dr. Donald Cole, Emeritus Professor, Dalla Lana School of Public Health, *University of Toronto*
- 17. Etienne Roy Grégoire, professeur de sciences politiques, *Université du Québec à Chicoutimi (UQAC)*
- 18. Jen Moore Associate Fellow, Institute for Policy Studies
- 19. Jerry Spiegel, Co-Director, Global Health Research Program, Professor, School of Population & Public Health, Faculty of Medicine, *University of British Columbia (UBC)*
- 20. Joan Martínez Alier. ICTA-Universitat Autònoma de Barcelona- 08193. *Balzan prize* 2020, *Holberg prize* 2023
- 21. Judy Wilson/tsiqw xwéxwne (Red Hummingbird), Unceded territory of Secwépemcul'ecw
- 22. Julian Aherne, Associate Professor, School of the Environment, Trent University
- 23. Isabelle Lacharme (Ph.D),
- 24. Karine Vanthuyne, professeure titulaire, *Université d'Ottawa*
- 25. Dr. Kirsten Francescone, Professor of Global Justice and Development, Trent University
- 26. Laura Macdonald, Professor, Department of Political Science and the Institute of Political Economy, *Carleton University*
- 27. Leila Celis, Professeure, département de sociologie, *Université du Québec à Montréal* (UQAM)
- 28. Lisa Kowalchuk, Associate Professor, Department of Sociology and Anthropology, University of Guelph
- 29. Liisa L. North, CERLAC, York University
- 30. Lori Hanson (PhD), Professor Emeritus, University of Saskatchewan
- 31. Maude Barlow, Canadian author and activist
- 32. Marc Fraser, Professeur enseignant, École de technologie supérieure (ETS)

- 33. Michel Tousignant, Professeur émérite, Université du Québec à Montréal (UQAM)
- 34. Nataly Torres, Economista, FLACSO Ecuador
- 35. Nikisha Khare, MD, CCFP, MPH, family physician
- 36. Rodrigue Turgeon, Avocat et coresponsable du programme national, *MiningWatch Canada*
- 37. Ronald Labonte, Emeritus Professor
- 38. Salvador Herencia-Carrasco, Researcher at the Observatory on Violence, Criminalization, and Democracy, *University of Ottawa*
- 39. Sheila Sampath, Head of Nature and Biodiversity, Greenpeace Canada
- 40. Dr. Steven Emerman, Owner, Malach Consulting, Specializing in Groundwater and Mining
- 41. Suzanne Dufresne, Coordinator, Grandmothers Advocacy Network
- 42. Tania Principe, Executive Director, Kairos
- 43. Teresa A. Velasquez, Associate professor of anthropology, California State University
- 44. Thomas Chiasson-LeBel, Professeur Adjoint, Économie et innovation sociale, *Université* de l'Ontario français (UOF)
- 45. Dr. Thomas Druetz, Professeur agrégé- École de santé publique, Université de Montréal
- 46. Dr. Tracy Glynn, Assistant Professor, Sustainability and Environmental Studies, *St. Thomas University*
- 47. Dr. Vladimir Diaz Cuellar, Global Justice and Development Studies, *Trent University*
- 48. Yaku Perez, Lawyer for the Federation of Indigenous and Campesino Organizations in Azuay (FOA)