



Voluntary Corporate Standards Fail Again

Environmental Organizations Withdraw Complaint Against Ascendant Copper

(For Immediate Release – January 16, 2006 – Ottawa and Intag) Ecuadorian and Canadian organizations today formally withdrew the complaint they filed less than a year ago with Canada’s Department of International Trade against a Vancouver-registered mining company, Ascendant Copper Corporation (ACX-T). They say they are frustrated by the Department’s refusal to take the complaint seriously and the weakness of the standards themselves.

“Apparently the Canadian government isn’t too concerned with resolving this issue,” said Carlos Zorrilla, spokesperson for *Defensa y Conservación Ecológica de Intag* (DECOIN), one of the complainants. “As a result, we’ve lost an opportunity to address the growing unrest surrounding this project and the alleged irregularities and illegalities mentioned in the complaint.”

Ascendant’s Junín project, still in the early exploration phase, will be a huge open-pit copper mine in the cloud forests of north-west Ecuador. Most of the communities and local elected officials in the area are opposed to the mine and are committed to protecting their livelihoods and the ecosystems upon which they depend.

DECOIN, along with Friends of the Earth Canada and MiningWatch Canada, argue that Ascendant is in breach of the Organisation for Economic Cooperation and Development’s (OECD) *Guidelines for Multinational Enterprises*. The OECD Guidelines are a set of corporate responsibility principles and standards that the Canadian government has endorsed and is obligated to promote.

Alleged breaches concern noncompliance with Ecuadorian law, inappropriate political activities, and inadequate disclosure, among others.

The complainants felt compelled to withdraw their complaint when the Department of International Trade failed to properly implement the Guidelines’ procedural measures. The Canadian government is required to assess each complaint it receives, and if it appears a company has breached the Guidelines, try to facilitate a resolution. No formal response, written or verbal, was received with regard to the Ascendant complaint in the 10 months since it was filed.

The complainants requested that a meeting proposed by the Department of International Trade in response to their complaint be treated as non-confidential. The Guidelines provide for meetings to be non-confidential when the parties to a dispute are amenable. In highly-charged environments such as that in the Junín area, transparency is essential in order to maintain trust. However, the Department unilaterally rejected the request for greater transparency, denying the complainants their procedural rights.

Jamie Kneen of MiningWatch Canada explained, “One of our goals with this complaint was to defuse tension so that issues surrounding this project could be settled democratically, but clearly neither the company nor the Canadian government are interested. We’ll have to pursue other avenues to ensure that community concerns are addressed.”

Added Karyn Keenan, Mining Campaigner for Friends of the Earth Canada, “Both civil society and the Parliamentary Standing Committee on Foreign Affairs and International Trade have urged the Canadian government to regulate Canadian mining companies operating overseas.” She said, “Instead, the government promotes voluntary measures like the unenforceable OECD Guidelines. It’s now clear that they don’t take even these minimal measures seriously.”

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See Letter to the Department of International Trade at:

http://www.miningwatch.ca/updir/de_Boer_letter.pdf

For more information and to download the complaint, go to:

www.miningwatch.ca/index.php?/OECD_Complaint_Ascen