

[In response to an invitation from Business and Human Rights Resource Centre, Asia Pacific Resources sent this letter to the Centre with reference to a 2 July 2005 article by Peter McCaslin. The article may be found at <http://www.business-humanrights.org>]



**ASIA PACIFIC
RESOURCES LTD.**

August 2, 2005

Greg Regaignon & Chris Avery
Business & Human Rights Resource Centre

Gentlemen:

Thank you for the opportunity of commenting on the Peter McCaslin articles regarding Asia Pacific Resources' subsidiary, Asia Pacific Potash Corporation's proposal to build a mine in Thailand. The Company was not aware of Mr. McCaslin's articles until now. Certainly he has not spoken to senior officials, nor has he, to our knowledge, even attempted to contact the company.

Unfortunately, his four page article dated July 2, 2005 contains errors of fact. We have not yet had an opportunity to read the 75 page article dated June 27 2005

It is important to recognize that:

- A majority of the residents in the affected area support the Udon Mining project because of the benefits it will bring to the area – jobs, direct investment in infrastructure, new opportunities for launching micro businesses. It will reunite families in an area where, at present, at least one member normally must emigrate to find work and send funds home for family support.
- There has been no credible evidence presented of any death threats being issued or received, and in any event, Asia Pacific has repeatedly stated that neither the Company, nor any of the people working for it have engaged in such behavior.
- No companies have been promised construction contracts by Asia Pacific. Thus, the assertion: “companies promised construction contracts from APPC” have made or been associated with death threats is false.
- The article asserts that persons were “apprehended ... illegally placing benchmarks...”. The Company did not conduct the survey of the area applied for as a possible Mining lease, but understands that the survey was completed by Government officers in accordance with the law.

- The original payment of 3000 baht was more than adequate for temporary access to a very small area of the exploration drill sites. The Company has rehabilitated every site upon completion of the drilling, in addition to making the payment. Nevertheless, landowners who believe they may have a problem are invited to raise the question with us.
- The Company recognizes the right of individuals to express their concerns freely and openly and has engaged in forums for a number of years specifically organized to provide that opportunity.
- Asia Pacific has conducted detailed technical studies, verified by global experts, showing that the mine can be built and operated safely.
- Independent proof of the ability of potash mining and small communities and farms to co-exist with mutual benefit can be found in the Canadian Provinces of Saskatchewan and New Brunswick, where potash has been mined for decades, and where the mines enjoy strong local support.
- Before any mine is built, the entire project will be the subject of public hearings and Asia Pacific Potash Corporation will pay expenses for opponents of the mine to conduct research in support of their positions.
- If the mine is built, it will provide taxes royalties, jobs, and spin-off benefits totaling \$4 billion and substantially reduce Thailand's current \$8 billion international trade deficit.

Yours truly

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