

WHAT IS BEHIND THE ACTIONS OF THE JUNIOR [Mining Company] CORNERSTONE CAPITAL RESOURCES INC, IN ECUADOR?

STATEMENT OF COMMUNITIES, INDIGENOUS ORGANIZATIONS, PEASANTS AND SOCIAL COLLECTIVES THAT DEFEND HUMAN RIGHTS AND NATURE, IN ECUADOR

Ecuador, March 1, 2019

The Canadian mining exploration company Cornerstone Capital Resources Inc. is negatively affecting, with its presence and exploratory activities, several provinces of Ecuador: Carchi, Imbabura, Azuay and Loja.

In the province of Imbabura, in the Cotacachi canton, this company, together with the national mining company, performs initial exploration in the Río Magdalena 1 and 2 project, located in the García Moreno parish of the Intag-Manduriacos area, in close vicinity of the Protected Forest "Los Cedros" and in the southern limit of the Cotacachi-Cayapas Ecological Reserve. Their activities are putting the aforementioned Protective Forest and dozens of species in danger of extinction, at risk. It also undermines the integrity of the "Manduriacu Reserve".

According to national media, Cornerstone and Enami staff are reassuring people that no impact occurs at the mining prospecting stage because staff simply walk between existing trails and do not require permanent camps but only temporary ones. That being said, the population has presented claims which denounce the company of cutting down native trees in the "Los Cedros" protective forest.

The intervention of Cornerstone in these two projects would potentially affect the community Brilla Sol (150 inhabitants), the Magdalena Alto community (about 400 inhabitants), and even the entire parish of Cuellaje (where there are 10 communities with a total of 2,200 inhabitants) would be at risk. Other communities downstream of such concessions, including Chontal and Magdalena Bajo, fear that their water sources could be affected by the mining project.

On the other hand, Cornerstone, with the same national mining company, intervenes in the Playa Rica 1, 2 and 3 concessions, which involve 13,300 hectares of the Cuellaje and Peñaherrera parishes, located in the same area of Intag-Manduriacu.

These concessions would affect, in addition to the town center of Cuellaje, the majority of communities of that parish. They would also affect dozens of micro-basins that feed the Cristopamba River and thousands of hectares of community hydrological reserves created to conserve water and biodiversity. It should be noted that the surroundings of the San Antonio area of the parish Cuellaje, is the only town where the frog species known as "Prince Charles Frog" is found.

The inhabitants of Cuellaje fear their health will be affected. They also fear for the destruction of crops and with it the forests, as well as the loss of sources of employment like agriculture, tourism and more locally productive activities. It is also without saying that their

exploratory activities are causing much social unrest, as well as family and community confrontations which are resulting in attempts to act against the genuine local social organizations.

Cuellaje is the parish, whose thousands of inhabitants, in repeated occasions, have manifested in public assemblies their total rejection to the presence of mining companies.

In the province of Carchi, Cornerstone, together with the national company ENAMI, explores in the so-called Espejo project, on the Golondrinas mountain. In the province of Carchi, the Cornerstone company, together with the national mining company, explores the so-called Espejo project, which affects 92% of the Cerro Golondrinas Protected Forest, located in the Chical, Maldonado and Goalta parishes, characterized by its waterfalls and slopes and its high diversity of flora and fauna. This forest provides water to 13,000 families of the parishes mentioned, dedicated to agriculture.

Before these concessions [were granted], in a Chical parish assembly, held in July 2017, the people of the parish resolved to declare "no to mining". Also, one of the members of the parish government of Maldonado said that there is disagreement in that parish before the Cerro Golondrinas concession and more areas of the sector.

For their part, communities and social organizations in the north of the country participated in a large anti-mining march in April 2018, with the slogan "Out, Cornerstone, Out". In this context that the communities of the northwest of Carchi, the great Binational (Ecuadorian-Colombian) Awá family, the Pasto La Esperanza Commune and the Council of Communes of Montufar denounced in a public statement, the illegitimate and irregular incursion of mining companies in their territories, as well as Cornerstone and Public Officials disinformation campaign regarding the consequences of metallic mega-mining.

Given these circumstances, the aforementioned communities and organizations demand that the mining concessions be rendered ineffective, since they have been granted without respecting the human rights of peasant, indigenous, montubio and urban peoples of the area; the reversion of concession areas in indigenous territories, water sources, aquifer zones, areas that are important for conservation, fragile ecosystems and in protective forests that preserve the last remnants of vegetation in the north-western part of the country. They demand the non-imposition of a mining model on populations who recognize themselves as farmers and who engage in alternative activities such as tourism. These demands are not restricted to the population of Carchi, but rather reflect the national clamor of opposition to mining projects that violate human and collective rights throughout the country.

Despite these expressions of the population against the presence of Cornerstone, this company and government officials are permanently in the territory, confusing, deceiving and dividing the population. Moreover, without the knowledge or the consent of the communities, they enter the properties of those who oppose their presence.

In the province of Azuay, in the areas of Santa Isabel, Girón, San Fernando, Pucara, and Cuenca, the company has faced the active resistance of the local population since 2006 and had to dispose of several of its concessions. Of the more than 50,000 hectares that it owned in 2009, it currently has 2,300 hectares and faces the resistance of the local population.

In the province of Loja, together with the company SolGold, Cornerstone is intervening in the Caña Brava concession in the Loja canton, Gualiel parish, in an area of 1,150 hectares, where it currently carries out advanced exploration activities. Likewise, in association with that same company, Cornerstone conducts initial exploration in the Tioloma project, in an area of 4,950 hectares. Similarly, it carries out advanced exploration in the Bramaderos concession in the Paltas canton [which extends] over an area of 4,948 hectares.

In this province, the Fierrouroco mountain range is an area of páramos where abundant water flows feed four watersheds in southern Ecuador. This is why it is considered a precious water source. If it were to be affected it would produce an environmental catastrophe which would have an impact on numerous other water sources which are depended on for human consumption and irrigation. It would also destroy the cultivation areas that give life to the communities, affecting the "Páramo Forest", the "Andean Brow", and the lagoons like the one in Siriguiña.

This territory of Gualiel, concessioned to Cornerstone is a settlement of ancestral communities of Palta origin, who carry out agricultural and livestock activities for their sustenance. The mining company appeared using deception and is currently causing division in the local population, co-opting certain leaders of the local water systems and trying to crack their historical social fabric. (To this, we must also add its political auspices and financing for electoral campaigns, which includes the distribution of cheap goods to confuse the population).

In January and February of this year, residents of Gualiel have denounced the presence of helicopters equipped with electronic exploration equipment flying over the concession area, without having the corresponding permits. In addition, this year, death threats have been sent to environmental leaders defending the environment in the parish of Gualiel.

Faced with this danger, the towns of Fierro Urco have begun to unite and congregate the communities of the affected parishes. And during the last three years there have been four meetings where towns of Fierrouroco have expressed their willingness to defend the sources of water, forests and farmland, and exhaust all instances to declare the area free of metallic mining.

According to a peasant from Gualiel, *"They are attacking the watersheds, the springs from where the Gualiel river is born, it is our great concern. [We] request that Cornerstone be removed from our territory because it is threatening the water, environment, flora and the fauna,"* (Loja, February 2019).

It is worrisome that official government representative are giving presentations on mining opportunities in Ecuador, without taking into account the grave and damaging impacts [it causes] to the natural and eco-systemic wealth of our country and the cultural diversity that is reproduced in it. The Constitution of the Republic recognizes and provides for the respect of the rights of nature, since the permanence and integrity of rivers and forests depends on the good living and food sovereignty of all Ecuadorians.

We are offended that Ecuadorian official entities and mining companies such as Cornerstone constantly talk about the supposed benefits of large-scale mining, hiding the environmental and social damage that the populations located in the areas of influence of the concessioned areas are already experiencing, as well as the possible serious impacts that a possible mining exploitation would cause.

These types of conferences that aim to bring mineral mining investment to Ecuador only exacerbates the climate of social unrest and conflict that the country has lived over years of military intervention. It is important to mention that despite the decisions being taken by successive governments, February 4, 2018 during the National Consultation 69% of the population expressed their will to protecting natural areas against the threat of mining.

It is not possible that the voracity of transnational mining power, made up of "responsible mining" and with the support of the governments of the day, continues to squash our constitutional precepts and destroy Ecuadorian territories, rivers and water springs, sickening our valuable ecosystems and affecting the great socio-cultural wealth that emerges from them.

The international community can not succumb to the false imaginary created by transnational mining economic power that now attempts to settle in Ecuador.

The women and men of the world must fully assume our right to the truth and to exercise, in a responsible and shared way, the defense of nature, water and the planet and not give way to the particular interests of companies seeking economic returns by deploying speeches of supposed "national benefits".

It is enough to visit the Amazonian territory of Tundayme to verify the irreversible loss of thousands of tropical forests inhabited by species with incalculable scientific value. This is also true for the contamination of fresh water sources that threaten the integrity of the Amazon basin. All of this has been caused by the Mirador mining project, which has yet to even commence production. To this we must add the violent displacement and eviction of dozens of peasant and Indigenous families and the imminent risk of displacement that the Indigenous Shuar communities of the Cordillera del Cóndor.

All of these reasons are sufficient to affirm that large-scale mining is impossible for our ecosystems. For this reason, us, the undersigned organizations OPPOSE the presence of Cornerstone in Ecuador.

Ecuadorian communities and organizations that sign:

- Confederation of Kichwa Peoples of Ecuador, ECUARUNARI
- Corporation of the Kichwa Peoples of Saraguro, CORPUKIS
- Defenders of Water and Life Collective of Loja
- Irrigation Councils of Gualaquí
- Water Committees of Gualaquí
- Committee for the Defense of Water in Gualaquí
- Sinagoe Commune (Comuna de Sinagoe)

- Caritas Social Ministry of Loja (Pastoral social Cáritas de Loja)
- Assembly of the Peoples of the South (Asamblea de los Pueblos del Sur)
- Assembly of the Cantonal Unit of Cotacachi (Asamblea de Unidad Cantonal de Cotacachi, AUCC)
- Coordinator of the Women of Intag (Coordinadora de Mujeres de Íntag.)
- Parish Council of Cuellaje (Junta Parroquial de Cuellaje)
- Yasunidos Piñas
- Ecological Action (Acción Ecológica)
- Defense and Conservation of Intag (Defensa y Conservación de Íntag, DECOIN)
- Mining, Environment and Social Observatory of the North of Ecuador (Observatorio Minero Ambiental y Social del Norte del Ecuador, OSMASNE)
- El Chical- Carchi Parish (Parroquia El Chical - Carchi)
- Residents of the Carchi Councils (Comunerxs de Las Juntas – Carchi)
- Centers of the Awa- Gualpi Alto, Gualpi Medio, Gualpi Bajo and Tronqueria River Nationalities (Centros de la Nacionalidad Awá – Gualpi Alto, Gualpi Medio, Gualpi Bajo, Río Tronquería)
- Caminantes Collective (Colectivo Caminantes)
- Network of Digital Media (Red de Medios Digitales)
- Community of the Condor Mountain Range (Comunidad Cordillera del Cóndor, CASCOMI)
- Ecumenical Commission of Human Rights (Comisión Ecuémica de Derechos Humanos, CEDHU)
- Man-Community of Choco Andino (Mancomunidad del Chocó Andino)
- Ecuadorian Coordinator of Organizations for the Defense of Nature and the Environment (Coordinadora *Ecuatoriana* de organizaciones para la Defensa de la Naturaleza y el Medio Ambiente, CEDENMA)
- Kanaka Group (Grupo Kanaka)
- Coordination Network of Social Organizations in Northern Esmeraldas (Red Coordinadora de Organizaciones Sociales del Norte de Esmeraldas, REDCONE)
- Yasunidos Guapondelig
- Association of Agro-ecological Peasants of Intag (Asociación de Campesinos Agroecológicos de Intag, ACAI)
- Earth is Life Collective (Colectivo Mundo es Vida)