

April 13, 2005

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Via First Class Mail

95921.0001

Christopher Werner
Ascendant Holdings, Ltd.
P.O. Box 216
Kohler, Wisconsin 53044

Re: Ascendant Exploration's activities in Intag, Ecuador

Dear Mr. Werner:

We are writing on behalf of our client, Defensa y Conservacion Ecologica de Intag ("DECOIN") to call your attention to the highly improper activities of Ascendant Copper Corporation and/or the pro-mining Ascendant supporters in the area (collectively "the Ascendant Camp") in the Junin region of Ecuador. We request Ascendant's assistance in ensuring that the process of determining the future path of that region proceed in an ethically sound and legal manner.

By way of introduction, we are attorneys with the law firm of Heller Ehrman LLP. Heller Ehrman has over 730 attorneys in 12 offices throughout the United States and abroad. The firm devoted over 70,000 attorney hours in 2004 to cases that touch on many areas of public interest law, including international civil rights and related litigation. The firm has committed to advise and to represent DECOIN regarding its efforts to participate meaningfully and lawfully in the political, business, and regulatory processes related to the potential mining projects in Junin.

As you are probably aware, community opposition to the Ascendant Copper presence in the Junin region is significant and vociferous. A sizable portion of nearly every community within the mining concession opposes Ascendant Copper's proposed mining project. Given the strong level of feelings on this issue, it is not surprising that numerous individuals continue to speak out, and that many have organized to oppose the project.

While there should be room for healthy debate on the issues raised by Ascendant's vision of its future in the Junin community, the Ascendant Camp has chosen not to follow the norms that would allow lawful debate to continue. Rather, in answer to its opposition's attempts to air viewpoints and to exercise free speech, by all accounts the Ascendant Camp has responded with threats, violence, the initiation of frivolous lawsuits, the publication of

fraudulent and defamatory materials, and the trumpeting of unsupported and/or misleading assertions, including the purported benefits Ascendant has brought and will bring to the local community and predictions about the amount of ore that could be expected to be mined from this project. In the event that you are unaware of the actions taken by your subsidiary and its cohorts, I will provide just a few of the highlights.

Many of the community leaders who oppose Ascendant's presence – including certain of my client's members – have received threats of such magnitude that in some cases the individuals fear for their lives. The serious intent behind these threats has been reinforced through the use of violence in certain instances when local residents have attempted to air their views. In just one of the more recent examples, on the evening of April 11, 2005, a group of community leaders and anti-mining activists was forcibly confined in a municipal building for several hours by a pro-mining crowd. The pro-mining crowd, which broke through a door to the building at one point, was prevented from enacting further violence by the presence of members of the national police.

The Ascendant Camp has also resorted to abuse of the legal process for intimidation. Late last year, the local newspaper ran a story about a community meeting regarding the proposed mining project. The author reported on the tenor of the meeting and on what was said there. Because community opposition is strongly felt, some of the comments made at the meeting were predictably strongly contrary to Ascendant's interest. The newspaper reporter described the sentiments of the crowd. This was the type of reporting that local beat reporters for the Sheboygan Press and the New York Times practice every day in your community and mine with respect to community meetings of note. The Ascendant Camp responded by filing a libel lawsuit against the reporter. It also filed similar suits against a lawyer for local residents and another individual. This attempt to achieve a business or political objective by silencing the opposition through frivolous lawsuits is not only cowardly and morally bankrupt – it is also illegal, as numerous international tribunals have held in many different contexts.

This is not to say that the Ascendant Camp has completely avoided confronting its opposition on the merits. But when doing so, the Ascendant Camp repeatedly has made claims that run the gamut of impropriety. Some of the statements are simply absurd and defamatory falsehoods. For instance, one small example among many blatantly false statements on the fraudecoin.org website is the assertion that my client's members each “has brand new cars and property in Quito and Otavalo cities.” This assertion is laughable, given that this is, by and large, a group of working-class Ecuadorians, only one of whom owns a car (an old one at that). Less humorous are the false claims about the substance of the dispute, and the general intent behind these attacks. Other statements of the Ascendant Camp are more sophisticated yet still dubious (*e.g.*, Ascendant's tendency – on its website and elsewhere – to take credit for infrastructure improvements that either predate Ascendant or

are being made by the government, on the basis that Ascendant “supports” the improvements).

Finally, some of the public statements the Ascendant Camp has made have been outright serious and defamatory attacks against my client and others. For instance, in the April 6, 2005 edition of El Diario del Norte, the Ascendant Camp called for a governmental investigation of DECOIN based on the assertion that DECOIN made false statements affecting the reputation of Ecuador, and that DECOIN has engaged in a serious misuse of funds. Such public mudslinging, without facts to support the allegations, is not only dirty politics, but libelous publication as well.

While Ascendant may believe that the methods of the Ascendant Camp can fly under the radar in Ecuador, you must agree that those methods do not meet the standards to which you and I would hold companies operating in your hometown or mine. The practices the Ascendant Camp is currently perpetrating and supporting in Junin, either tacitly or actively, do not satisfy the business or ethical norms under which the multinational clients of this firm operate, whether in the United States, South America, Canada, or elsewhere. And, to be sure, the behavior is not worthy of association with an international company that hopes to list on the Toronto Stock Exchange. Moreover, to the extent Ascendant itself has participated in or directed the activities taken by the Ascendant Camp, the company’s conduct has not only violated the ethical standards to which multinational corporations are held, and in which investors and regulators are often interested, it has violated international law.

We recommend that you reconsider your company’s association with, and/or direction of, the tactics currently employed by the Ascendant Camp, or that you direct the appropriate person in your Ecuadorian subsidiary to do so. There is no reason that the discussion about the future of the Junin region, and Ascendant’s involvement in that area, should not proceed in a manner that is both legal and ethically sound.

We are continuing to monitor the situation very closely, we will assist with the defamation cases currently in progress as needed, and we are prepared to pursue other legal avenues necessary to ensure that our client’s rights are protected and that Ascendant is acting lawfully in Ecuador, the United States, and in Canada.

Please feel free to contact me if you believe that we misunderstand the situation in any significant way, or if you have any other questions or concerns.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Jonathan R. Dowell', written over a horizontal line.

Jonathan R. Dowell

cc:

Paul Grist, Ascendant Exploration, Quito, Ecuador

Gary E. Davis, Ascendant Copper Corporation, Lakewood, CO

Hilary Hardcastle, Esq., Heller Ehrman LLP, San Francisco CA

DECOIN, Junin, Ecuador