



MiningWatch Canada

Mines Alerte

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Judith St. George
Chair,
National Contact Point for the OECD Guidelines for Multinational Enterprises
Foreign Affairs and International Trade Canada
125 Sussex Drive
Ottawa, Ontario, Canada
K1A 0G2
Email: ncp.pcn@international.gc.ca

Dear Ms. St. George,

I am writing on behalf of the Notifiers, Local 309 of the National Mining Union of Mining, Metallurgic, and Similar Workers of the Mexican Republic (SNTMMSSRM by its initials in Spanish), SNTMMSSRM, the Economic, Social and Cultural Rights Project (ProDESC by its initials in Spanish), the Canadian Labour Congress, United Steelworkers and MiningWatch Canada, pursuant to the specific instance procedures of the OECD Guidelines for Multinational Enterprises.

The submission concerns Excellon Resources' La Platosa mine in Durango, Mexico. Excellon Resources Inc. ("Excellon") was incorporated under the Company Act (British Columbia) on March 4, 1987. Excellon's wholly-owned subsidiary, Minera Excellon de Mexico S.A. de C.V., operates a poly-metallic (silver, lead and zinc) mine on the Platosa properties, exploiting a series of high-grade silver mantles located five kilometers north of the village of Bermejillo, northeastern Durango State, Mexico, approximately 45 km outside of the major city of Torreon. Another subsidiary, Servicios Mineros San Pedro, S.A. de C.V., is also present at the La Platosa facility and is responsible for payment of workers. The Platosa property comprises 79 mining concessions covering a total area of approximately 58,054.2558 ha. In addition, the Company employs several outside contractors on a fee-for-service basis for conducting exploration and mining activities.

Based on the information provided in this request for review, and pursuant to the OECD Guidelines, the Notifiers maintain that Excellon Resources has violated and continues to violate the OECD Guidelines by: (i) failing to honour local land rental contracts and to negotiate in good faith with communal landowners of the Ejido "La Sierrita de Galeana"

in the municipality of Bermegillo, Durango with whom the rental contracts are held, thus putting in jeopardy local economic and social development, as well as the life and health of ejido members, their economic livelihood and value of their property, (ii) engaging in intimidation of Local 309 of the National Mining Union and violating the right to freedom of association and collective bargaining of workers at the La Platosa mine, (iii) failing to provide key information to shareholders regarding the nature of conflicts with both workers and landowners, and (iv) jeopardizing water supplies and disposing of untreated water on agricultural lands without adequate mitigation measures.

The provisions of the Guidelines considered to be most relevant are described in the submission but relate to Chapters III, IV, V, VI. Pertinent contractual agreements, relevant sources of human rights, and international conventions that Mexico has ratified are also described.

The issues in this request have been raised by one or more of the Notifiers, in writing and/or in person on a number of occasions with Excellon Resources' subsidiaries. Some of these issues were also raised in a request for review submitted to the Office of the Extractive Sector Corporate Social Responsibility Counsellor on April 7, 2011, which was closed in October 2011 when the company refused to participate in mediation.

The complainants request that the NCP conduct an investigation into Excellon's activities in and around the La Platosa Mine, including its exploration and expansion of the mining concessions, in order to make an initial assessment of whether the issues raised merit further examination and respond to the parties involved. Further, complainants request that the NCP offer its good offices to help the parties involved to resolve the issues, including consultation with the parties and between the NCPs, and make appropriate recommendations to Excellon, which would ensure respect for the human rights of the residents of the Ejido La Sierrita and Local 309 of the SNTMMSSRM.

The Notifiers are aware of and give their consent that all information provided to the NCP may be shared with the MNE or other parties.

For ease of communication, it has been agreed that Christopher Benoit at ProDESC, chris@prodesc.org.mx, will act as the lead for purposes of liaison and communication with the NCP. In his absence, Jennifer Moore of MiningWatch will act as lead, jen@miningwatch.ca. We would be grateful if all future correspondence from the NCP could be copied to all of the Notifiers.

We look forward to hearing from you.

Yours sincerely,

Jennifer Moore
Latin America Program Coordinator
MiningWatch Canada