



MiningWatch Canada

Mines Alerte

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March 10, 2010

George Prouse
Anti-Corruption Unit
Royal Canadian Mounted Police
7575-8th Street N.E.
Calgary, AB
P2E 8A2

Via e-mail: george.prouse@rcmp-grc.gc.ca

Dear Mr. Prouse,

The undersigned request that the RCMP investigate Blackfire Exploration Ltd. and Blackfire Exploration Mexico S de RL de CV regarding the possible bribing of a foreign public official contrary to subsection 3(1) of the *Corruption of Foreign Public Officials Act* (the “Act”).

Corporate Information

Blackfire Exploration Ltd. (“Blackfire Canada”) is a small privately owned Canadian exploration and mining company incorporated under the laws of Alberta and headquartered in Calgary, Alberta. The company is controlled by four individuals, Mr. Brent Willis, Mr. Brad Willis, Mr. Emiliano Avila Canales, and Mr. Artemio Avila Cervera who are also directors and officers of the corporation. Blackfire Canada maintains its head office at 4150, 825-8th Avenue SW, Calgary, Alberta, Canada T2P 2T3.

According to its website www.blackfireexploration.com, Blackfire Canada conducts operations in Mexico through a 100%-owned Mexican subsidiary called Blackfire Exploration Mexico S de RL de CV (“Blackfire Mexico”). Mr. Emiliano Avila Canales, a director and controlling shareholder of Blackfire Canada, is also the President and General Manager of Blackfire Mexico. Mr. Artemio Avila Cervera, a director of Blackfire Canada, is also Blackfire Mexico’s General Manager of Social Responsibility.

Given that these individuals are corporate directors and officers in both Mexico and Canada, there is a strong link between the alleged wrongful conduct as set out below and both Canada and Canadian jurisdiction.

Allegations of Bribery and Corruption in Mexico

According to a document signed by Mr. Artemio Avila Cervera, Blackfire Mexico has made payments totalling at least 204,022.69 Mexican Pesos (equivalent to approximately CDN\$20,000 at prevailing exchange rates) to Mr. Julio César Velázquez Calderón, the Mayor of the municipality of Chicomuselo in the state of Chiapas, Mexico for unofficial services for the benefit of Blackfire Mexico. The company has also provided the mayor with other benefits including airline tickets for himself, his family and his associates. These payments and other benefits were apparently made in response to the Mayor's demands for "favours".

From the information available to us, these payments and provision of other benefits to Mr. Velázquez as a foreign public official appear to be in breach of subsection 3(1) of the Act. These payments do not appear to meet any of the "saving provisions" under subsection 3(3) of the Act or qualify as "facilitation payments" under subsection 3(4) of the Act.

Further, the available information suggests that corporate officials who control, operate and direct Blackfire Canada were aware of, and may have directed, Blackfire Mexico to engage in the act of bribing a foreign public official for the benefit of both Blackfire Mexico and Blackfire Canada.

The primary evidence in this matter is a statement signed by the General Manager of Social Responsibility for Blackfire Mexico, Mr. Artemio Avila Cervera, who is also a corporate director of Blackfire Canada. This statement was filed with the Chiapas State Congress on June 15, 2009 and includes a spreadsheet detailing a series of "reward" payments of between 4,022.69 and 75,000 pesos made to Mr. Velázquez Calderón. The documentation also includes bank statements corresponding to some of the payments detailed in the spreadsheet.

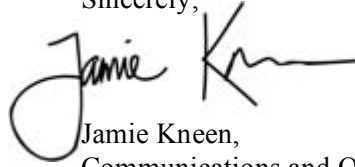
Witnesses in Chicomuselo are available to testify regarding the relationship between Mr. Velázquez Calderón and Blackfire Mexico. The regional organization REMA-Chiapas, through its spokesperson Gustavo Castro, has indicated it is willing to help make whatever arrangements are required to identify witnesses and secure the necessary testimony.

By way of the present submission, the undersigned organizations request that the RCMP investigate Blackfire Canada as well as its directors and officers and initiate whatever prosecution may be deemed appropriate. We will provide whatever assistance we can in such an investigation, including but not limited to identifying material and expert witnesses and providing documentation.

To aid in your investigation, we have attached the following documents.

- Corporate Search of Blackfire Exploration Ltd.
- Blackfire Exploration, "To: President of the Honourable Congress of the State of Chiapas". June 15, 2009. [English translation and scanned original]
- Spreadsheet showing payments by Blackfire Exploration
- Bank deposit receipts: March 10, 2008; June 2, 2008; July 1, 2008; October 9, 2008; and November 4, 2008
- Isai López, "For Extortion of a Canadian Mining Company - Petition regarding the dismissal of the mayor of Chicomuselo". El Heraldo de Chiapas, June 24, 2009. [English translation and scanned original]

Sincerely,

A handwritten signature in black ink, appearing to read "Jamie Kneen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Jamie Kneen,
Communications and Outreach Coordinator
MiningWatch Canada

Co-sponsored by:

- Common Frontiers
- Council of Canadians
- United Steelworkers
- Comité pour les droits humains en Amérique latine
- Sierra Club Canada
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- Atlantic Regional Solidarity Network
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