



Proyecto de Derechos Económicos, Sociales y Culturales

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COMMUNITY “LA SIERRITA” WILL BLOCK ACCESS TO EXCELLON RESOURCES, INC. MINE IN DURANGO AFTER FAILED NEGOTIATIONS

After cutting off a round of negotiations with the community Ejido La Sierrita, Excellon de México, S.A. de C.V., a subsidiary of the Canadian mining company Excellon Resources, Inc. has shown that it lacks the willingness to continue dialogue with the community Ejido La Sierrita. The Ejido is renting land to the company for their mining operation but insists that the rental contract, entered into in 2004, is illegal. For these reasons, members of the General Assembly of the Ejido will stop operations on the mine by blocking access roads which are situated on their own lands.

Last month, the General Assembly of the Ejido and Excellon started a round of negotiations with the sub-secretary of the government of Durango and the municipal president of the municipality of Tlahualilo, where the mine and Ejido are located.

“We cannot accept the original rental contract as valid because it was entered into accompanied by threats and deceits and must be renegotiated,” said Martin Pacheco, president of the General Assembly of the Ejido La Sierrita. The community has asked the company for a just contract that provides for social projects for the community such as running water and plumbing which the community currently lacks. The community has also asked for a reforestation project to ameliorate the damage done to their land. Finally, they ask that the company respect a clause in the original contract promising that they will give hiring preference to members of La Sierrita.

In the fiscal year ending on July 31, 2007, Excellon Resources, Inc. had a net income of \$9 million USD. This year, the company has stated publicly that they intend to invest \$11 million USD in exploration operations in the same mining operation, La Platosa. Despite these signals of financial strength, the company has unilaterally stopped negotiations claiming that they lack resources for the projects proposed by the community. The last meeting planned between the community and the company was to take place on January 13, 2008. However, Excellon sent a letter to the community on January 11 explaining that they would not be present and the community could accept their proposal, but insisting that they were no longer willing to negotiate on the subject.

The community, frustrated with the company’s inability to dialogue, will file a legal complaint against the company for federal violations against the Mexican environmental code. Furthermore, the community will start protesting the mine, and blocking access to the mine operations, at 1pm today, January 14th 2008.