

OPEN LETTER BY DAWN PALEY TO IAN AUSTIN, CEO OF SKYE RESOURCES MINING COMPANY

BACKGROUND TO THIS LETTER:

- 1- Read a Dawn Paley article about Skye Resources mining conflicts in Guatemala: "This is What Development Looks Like,"
<http://www.dominionpaper.ca/articles/899>.
- 2- Watch a 9-minute film of recent forced evictions:
<http://www.rightsaction.org/video/elestor>.
- 3- View a photo-essay:
http://mimundo-jamesrodriguez.blogspot.com/2007_01_01_archive.html.

SPEAKING TOURS, WESTERN USA & CANADA, April-May 2007:

Rights Action is organizing 2 educational speaking tours: "GOLD & GREED of NORTH AMERICAN MINING COMPANIES and INVESTORS versus the DEVELOPMENT, HUMAN RIGHTS & ENVIRONMENTAL NEEDS of CENTRAL AMERICAN PEOPLES". Interested in hosting education events in your community? Western CANADA: Dawn Paley, 604-715-4180, dawnpaley@gmail.com. Western USA: Sandra Cuffe, caminando27@yahoo.es.

EDUCATIONAL DELEGATION TO GUATEMALA (& HONDURAS ?), JULY 22-28, 2007:

Interested in joining an educational trip to learn more about the harms caused by unjust and harmful mining operations, about community resistance to mining and about community development, human rights and environmental struggles: info@rightsaction.org, 860-352-2152

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Please re-distribute this info all around. If you want on-off this e-list:

info@rightsaction.org.

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OPEN LETTER TO SKYE RESOURCES

March 2, 2007

Ian Austin, President & CEO
Skye Resources
Suite 1203 - 700 West Pender Street
Vancouver, BC, V6C 1G8

Dear Mr. Austin,

Thank you for your letter dated February 14, 2007. I am indeed concerned about the people - particularly those from the Q'eqchi' majority - living in Izabal and Alta Verapaz Guatemala. The presence

of Skye Resources through your fully owned subsidiary CGN is one of my main causes for concern.

Guatemala is a signatory to the International Labour Organization's Convention 169, which requires that Indigenous people be consulted before activity is carried out on their territory. As yet, though you claim in your recent letter to me to have sought dialogue over confrontation, my understanding is that no proper consultations have been carried out with the Indigenous communities affected by the mining project since Skye's 2004 take over of the concessions formerly held by INCO.

An open letter to this effect was sent to you on August 12, 2005, signed by representatives of 20 Indigenous communities. One of the demands in the letter was for the immediate suspension of the illegally granted license and of all of CGN's mining exploration activity in the territory of the Q'eqchi' Mayan communities affected by the mining project. To this day, Skye/CGN has still not carried out consultations as requested by communities or respected the demands for a suspension of activities in the region.

In your letter to me, dated February 14, 2007, you also noted that people were encouraged to move onto previously unoccupied land to which we hold legal title. Having done extensive interviews with community members, it is clear that people moved onto the lands on their own volition, namely because they don't have other land to live and work on. It is very clear that no one is putting these communities up to occupying the lands.

These people have nowhere else to go, and that is why this situation will continue to create conflict until Skye Resources/CGN begins to act in a transparent, respectful and accountable manner.

It is also not clear that Skye/CGN has legal title over all of the lands that people are being evicted from, especially in the case of Barrio La Paz.

This particular case has been documented and witnessed by Waldemar Barrera Trinidad from the Human Rights Ombudsman of Izabal (PDH), should you require more information.

Finally, Mr. Austin, it is extremely worrying that you state in your February 14th letter that "My understanding is that the process was carried out in a professional manner by police who do not carry firearms. I also understand that in these situations, which are quite common in Guatemala, the police do have armed contingents in reserve, including specially trained army units, which were never required in this incident."

As an eyewitness to the evictions of January 9th, 2007, I can assure you that heavily armed members of both the police and the army were

deployed in the evictions that took place in Barrio Revoluci3n. Though no shots were fired, armed members of the police and army were active participants, adding to the fear and intimidation felt by the people of the area during the evictions.

In addition to eyewitness reports, there are multiple sources of photographic evidence documenting the participation of armed police and the army in the evictions of January 9th, 2007.

I must respectfully re-affirm that you do not have access to accurate information about what is happening on the ground in Izabal and Alta Verapaz. This is an alarming fact, which unfortunately reflects a major problem that is symptomatic of multinational mining operations.

The responsibility for the burning of the homes is undoubtedly in the hands of Skye Resources. The two company lawyers that were present on the scene on January 9th should be dismissed immediately for their role in ordering company employees to burn homes.

The damages that were done to people's belongings can be paid back to the people by Skye Resources/CGN, however the damage done to the company's reputation and standing among local people is not something that can be repaired by throwing money at them.

The only honourable way forward is for Skye/CGN to initiate an immediate suspension of all activities until a full, impartial investigation is conducted.

The independent investigation would need to be threefold, probing the status of legal titles of the land claimed to be owned by CGN/Skye Resources, the allegations that proper consultation was not carried out in communities, and the legality of the evictions of November 12 2006 and January 8, 9 and 17 of 2007.

An investigation of this kind could only improve the information that you and your shareholders have access to, and it is my belief that a moratorium on activities and a full investigation is the only way to move toward securing peace in Izabal and Alta Verapaz.

Sincerely,

Dawn Paley
Vancouver, BC
dawnpaley@gmail.com

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