

OPEN LETTER TO IAN AUSTIN, CEO, 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>.

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 IAN AUSTIN, PRESIDENT AND CEO OF SKYE RESOURCES

Ian Austin, President & CEO
Skye Resources
Suite 1203 - 700 West Pender Street
Vancouver, BC
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April 11, 2007

Dear Mr. Austin,

To begin, we want to thank you for responding to the CBC's request for an interview regarding Skye Resources in Guatemala. Your willingness to respond publicly to the situation in El Estor connotes your awareness of the need for a response to public concern over the operations of your company in Guatemala.

However, we remain concerned with a number of the statements made in the interview that you did with Carol Off on the March 19th edition of CBC Radio's As it Happens.

...WE'VE CONSTANTLY SOUGHT DIALOGUE OVER CONFRONTATION.../ You noted at the beginning of the interview that 'We tried to have dialogue with people, because we've constantly sought dialogue over confrontation,' and stated that due to the fact that the negotiation 'wasn't successful,' you went to the courts to have the District Attorney carry out the evictions in early January.

Mr. Austin, as we are sure that you are well aware, since Skye acquired INCO's mining concessions in 2004, there has been a total failure to facilitate consultations with the people who will be most affected by the reactivation of the mining project.

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 Skye's mining exploration activity in the territory of the Q'eqchi' Mayan communities affected by the mining project.'

To this day, Skye has still not facilitated consultations as requested by communities or respected the demands for a suspension of activities in the region; nor has the Guatemalan government. One can only assume that from your perspective, negotiations that are not 'successful' are those that do not allow 'business as usual.'

Negotiations undertaken in good faith cannot possibly include resorting to evictions when communities do not accept the company position. A company cannot violently and illegally evict communities two or three times and then claim to be seeking positive dialogue.

In accordance with the International Labour Organization's Tribal and Indigenous Peoples Convention 169, the Guatemalan government is required to ensure that proper consultations are carried out with Indigenous people before industrial activities begin in their territories.

Skye Resources is no exception to the rule of law: Indigenous communities must be properly consulted before mining or other industrial activity takes place on their lands.

It is also important to point out that though you denote January 2007 as the point at which evictions were carried out, that is not the case. Illegal and violent evictions of two of the five communities took place on November 12, 2006. All five communities were evicted on

January 8th and 9th, as has been documented by a wide variety of sources. Another set of evictions took place on January 17, 2007, following the evictions captured on video by Steven Schnoor.

WE WERE PLEASED THAT GENERALLY THE PROCESS WAS DONE PEACEFULLY. Your claims that the evictions were carried out peacefully are blatantly false. As has already been done in a variety of letters and articles, we would here like to point out again that the evictions were carried out by armed police units, as well over 200 heavily armed members of the army.

THE LEGAL TITLE IS VERY CLEAR. Equally as tendencious are your claims that the legal title that Skye Resources has is very clear. Even setting aside the fact that historically the entire region is indigenous Q'eqchi' territory, and ignoring the 40 year armed conflict in which hundreds of thousands of unarmed indigenous people were killed, disappeared and forcibly displaced, this statement is false.

In your Management Discussion and Analysis report filed on SEDAR and dated March 14th, 2007, it is stated that people occupied lands owned or leased by CGN. Under Guatemalan law, it is illegal to evict people from lands that one is leasing, explaining the use of the same eviction notice in all five evictions, as Skye/CGN is only the owner of one of the lots.

As evidenced by the illegality of the evictions in November and January, the legal title in communities is far from clear. As well, Skye Resources has not shown the legal title the company claims to possess to any of the five violently and illegally evicted indigenous communities, even in the negotiations, which you called productive conversations, that you purport to be involved in with several communities.

THERE ARE CERTAINLY A NUMBER OF STRUCTURES THAT WERE BURNED, WE WERE VERY DISAPPOINTED THAT THAT HAPPENED, IT WASN'T COMPANY PEOPLE WHO DID THAT.

It is a well-established fact that people paid by the company burned houses in Barrio Revoluci n in what can only be considered a show of force by the company towards the largest and most organized of the five communities.

There are dozens of eyewitnesses to the evictions of January 9th who can testify that it was the District Attorney himself who walked across the area where the burning was happening and ordered people working for the company to stop burning the houses.

In any case, how would a band of roving arsonists have made it past a line of over 430 police and over 200 members of the army and proceeded to light over a dozen homes on fire before being stopped? Not

possible, Mr. Austin./

ì...WEÍRE TRYING TO FIND WAYS TO RESOLVE THESE ISSUES IN A WAY THAT
ALLOWS THE COMMUNITY TO ADVANCE...î

In the interests of ìadvancingî the future of local indigenous
Qíeqchií
communities (to borrow your term), and taking into account the points
listed above, it is clear that Skye Resources must:

1. Institute a total moratorium on all exploration and construction activities until the company enables comprehensive, transparent consultations with communities, specifically with respect to unresolved issues and serious historical and ongoing problems relating to lands, and the Guatemalan government has agreed to certify and participate in these consultations;
2. Reveal ñ both to the evicted and affected indigenous communities and to the Canadian public and its shareholders ñ the title deeds to all of the land that the company claims to possess; and
3. Pay compensation for damages to land and homes and begin to negotiate in good faith with local indigenous communities.

Respectfully submitted,

Sandra Cuffe
Rights Action
Honduras

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