September 23, 2004

GUATEMALA: TRUTH COMMISSION DOCUMENTS INCO-EXMIBAL ABUSES INCO mining company versus development needs of local communities.

As Rights Action has reported recently, INCO (International Nickel Company) of Canada is trying to renew mining operations in Guatemala (via its subsidiary EXMIBAL), that were harmful to the development needs of mainly Mayan-Q'eqchi' communities.

Some of these cases of repression were documented by the United Nations Truth Commission (see letter below).

As part of mining renewal efforts, INCO is inviting a Guatemalan town Mayor on a paid-for trip to Canada.

Following the lead of partner community development organizations in Guatemala, Rights Action is opposed to a renewal of this mining concession, at the very least until INCO is willing to open itself to a full inquiry into its 40 years of mining history in Guatemala and its negative impact on community development.

BELOW:

 Letter from Dan Vogt of AEDPI (AsociaciÛn Estorena Para el Desarrollo

Integral) to Scott Hand, CEO of INCO.

- Summary of who is Mayor Rigoberto Chub, invited by INCO to Canada.
- List of things to do.

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Mr. Scott Hand, Chairman and Chief Executive Officer INCO Limited 145 King St W., #1500 Toronto, ON, Canada, M5H-4B7

FROM: Daniel J. Vogt, President AEPDI (Asociacion Estorena Para el Desarrollo Integral)

El Estor, September 21, 2004

Dear Mr. Hand:

Having received your letter dated August 19 this year, as well as a copy of the letter you sent to the Guatemala Human Rights Commission / USA, I am compelled to respond and clarify our organization's position.

TRUTH COMMISSION DOCUMENTS INCO-EXMIBAL ABUSES
You state in the letter addressed to me: "You have asserted that we

have been an abuser of human rights in Guatemala and that the UN Commission said that we collaborated with the Guatemala military in repressive acts. To my knowledge, the United Nation's [sic] Truth Commission reports do not include any reference to the links you suggest....I can tell you personally that Inco has always conducted itself properly showing respect for the people."

In your letter to the Guatemala Human Rights Commission you make a similar assertion.

After perusing the Truth Commission's report, it is important to note the following references to Inco's Guatemalan subsidiary, Exmibal, wherein the company is linked to serious human rights violations and collusion with repressive military, paramilitary and police forces.

Case 1149, occurred on May 26, 1978 where a group of peasant farmers from the El Estor village of Chichipate were fired upon by men riding in an Exmibal truck and other vehicles; two villagers, Josè Chè Pop and Miguel Sub, were wounded in the incident, which the Commission classifies as an attack on the civilian population.

Case 9401, occurred in June 1978 in the village of Santa Maria Cahaboncito where military commissioners and Exmibal employees executed four persons, including Francisco Salan Ical, identified as an Exmibal worker. The Commission has classified this violation as an arbitrary execution.

Case 1145, occurred in 1981 when members of the Judicial Police traveling in an Exmibal vehicle abducted catechist and community leader, Pablo Bac Caal, from his home in Chichipate, El Estor, and was later found murdered. The Commission classifies this violation as an arbitrary execution.

Illustrative Case 100, occurred in January 1971 where Congressman Oscar Adolfo Mijangos LÛpez was murdered in cold blood after having been threatened with death for his opposition to the repressive political actions of Colonel Carlos Arana Osorio, de facto head of state who took office in June 1970. Mijangos LÛpez, along with Julio Camey Herrera, Alfonso Palz Bauer and Rodolfo Piedra Santa were vocal leaders in the movement to oppose granting the Exmibal mine concession. Camey Herrera was murdered in late 1970 and Palz Bauer was wounded in an attempt on his life in the same year.

Piedra Santa was forced into exile in 1971 due to his colleagues' deaths and threats on his own life. The Exmibal concession under discussion was granted in February 1971. The Commission concluded that these crimes were violations committed with the state's complicity as reprisals for opposition to Arana Osorio's policies, especially the granting of the Exmibal mining concession.

NEED FOR INDEPENDENT COMMISSION

As you can see, Mr. Hand, the links that other organizations and our own

have mentioned in the past are real. Given the enormity of the task of

documenting human rights violations occurring over more than thirty years,

it is obvious that the Commission's report is not all exhaustive. Also,

during my many years in El Estor I have heard denunciations about other

abuses linked to Exmibal that were beyond the scope of the Commission's

mandate. Therefore, additional research and investigation should be done so

that the tragic events of the past are not repeated in Guatemala.

This is the reason that I can only once more urge Inco to commission an $\ensuremath{\mathsf{I}}$

independent study and support it financially so that the truth about Exmibal's activities be known and damages repaired. It is all the more

important in the context of the possible reopening of the Exmibal project in El Estor.

Sincerely yours,

Daniel J. Vogt

President AEPDI, Asociacion Estorense de Poblaciones y Derechos Indigenas

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MAYOR CHUB - An INCO ally

INCO (headquarters in Toronto, Canada) is hosting the Mayor of the town of

El Estor (northeastern Guatemala), Rigoberto Chub, on a tour of Ontario and

some of Inco's mining operations. Chub has earned the favor of the company

for what Inco CEO, Scott Hand, calls his "repeatedly expressed strong support for mining activity" in El Estor.

In August 1965, Inco acquired a 40-year mining license from the Guatemalan

government, then headed by military dictator Carlos Arana (known also as the

"Jackal") in an area of nearly 400 km2 in the township of El Estor.

During

the late sixties and seventies, Inco constructed an open pit nickel mine,

smelting plant and office and housing complexes, commencing production in 1978.

Now, in 2004 with the concession's expiration at hand, Inco is pressuring

Guatemalan authorities — with strong support from the Canadian government —

to renew the license.

As mayor of the township that has been most affected by Inco's mining history, bad development and abandonment, Chub offers unconditional support

for the concession's renewal with the "promise" of much needed jobs.

touts Chub's support as being representative of the local population, despite the documented overwhelming rejection of renewed mining by the local

Q'eqchi' Mayan villagers whose lands and livelihoods would be affected or

destroyed if mining were resumed.

WHO IS MAYOR CHUB?

Rigoberto Chub, prior to becoming mayor of El Estor, served for many years

as a Specialist in the Guatemalan Army. He is remembered locally for his

organization of mass forced recruitment of young indigenous men into the

military and his public praise for the Guatemalan armed forces. (A UN Truth

Commission (1999) concluded that this US- and western-backed Army was responsible for the death and disappearance of over 200,000 mainly Mayan

people, and for the carrying out of genocide in certain regions of the country).

After leaving the military six years ago, he became an activist for the

Guatemalan Republican Front (FRG) founded by former military dictator, Efrain Rios Montt. During the recent national FRG administration, Chub was

named as director of the School Food Aid Program that administered funds to

provide school breakfasts and lunches. The same program was shut down under

the current national government for alleged corruption in the

administration of funds.

Chub¥s campaign was marred by charges of vote buying, and his current administration has been harshly criticized by local groups for its lack of

transparency and its authoritarian and discriminatory practices with the population.

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PLEASE SEND LETTERS OF CONCERN TO:

Mr. Scott Hand, Chairman of the Board INCO Ltd. 145 King St W., #1500 Toronto, ON, Canada, M5H-4B7

'CC' YOUR LETTERS TO:

General information, inco@inco.com Steve Mitchell, director of public affairs, smitchell@inco.com Sandra Scott, director of investor relations, sescott@inco.com Catherine O'May, manager of shareholder services, comay@inco.com INCO Public Affairs, socialresponsibility@inco.com

YOUR LETTERS/ EMAILS MIGHT SET OUT:

1- you are urging INCO to commission an independent study, and support it

financially, so that the truth about INCO-Exmibal's historical mining activities be known and any damages be repaired. This study is crucial now,

in the context of the possible reopening of the INCO-Exmibal project in El

Estor.

2- You are urging INCO engage in real and substantive consultation directly

with local Mayan communities and non-government organizations.

PLEASE SEND TAX-CHARITABLE DONATIONS:

for the community development work of AEPDI, and similar community-based

development organizations: Make check payable to "Rights Action" and mail

to UNITED STATES: 1830 Connecticut Av, NW, Washington DC, 20009; CANADA: 509

St. Clair Ave W, box73527, Toronto ON, M6C-1C0.

- donate on-line in the USA: www.rightsaction.org - CFC # 9914

AVAILABLE: "Canadian mining company violating indigenous rights in Guatemala: the case of Inco in El Estor", October 2003, by Andy Astritis, for Rights Action.

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RIGHTS ACTION, with its main office in Guatemala, is tax-charitable NGO that supports community development work in Chiapas, Guatemala, Honduras, Peru, Nicaragua, and engages in north-south education and work related to global development and human rights issues.

CONTACT US:

to come to Central America on a fact-finding educational delegation
 to be a community development and human rights accompanier in
 Guatemala

info@rightsaction.org/ 416-654-2074/ www.rightsaction.org

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